2017

SESSION LAWS

OF THE

STATE OF WASHINGTON

2017 REGULAR SESSION
SIXTY-FIFTH LEGISLATURE
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WASHINGTON SESSION LAWS
GENERAL INFORMATION

1. EDITIONS AVALIABLE.

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

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

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

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

   (a) In amendatory sections

      (i) underlined matter is new matter.

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

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

3. PARTIAL VETOES.

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

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

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

5. EFFECTIVE DATE OF LAWS.

   (a) The state Constitution provides that unless otherwise qualified, the laws of any session take effect ninety days after adjournment sine die. The Secretary of State has determined the effective date for the Laws of the 2017 regular session is July 23, 2017.

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

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

6. INDEX AND TABLES.

   A cumulative index and tables of all 2017 laws may be found at the back of the final volume.

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

CHAPTER 1

[Initiative 735]

INFLUENCE OF CORPORATIONS AND MONEY--RECOMMENDATIONS

AN ACT Relating to the influence of corporations and money in our political system; and creating new section.

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

NEW SECTION. **Sec. 1.** INTENT

This act declares that the people of Washington State support amending The Constitution of the United States to eliminate the undue influence of concentrated money and political power on elections and governmental policy. The amendment would overturn decisions by the Supreme Court of the United States extending constitutional rights to corporations and other artificial legal entities as well as those decisions equating the spending of money with free speech. It also provides for the regulation and disclosure of political contributions and spending.

NEW SECTION. **Sec. 2.** FINDINGS

1. Free and fair elections, as well as honest representation, are essential to self-determination and self-governance as described in The Declaration of Independence and established in The Constitution of the United States.

2. The American people have lost faith in the political process because their voices are not heard and their interests are not represented. Thus, an ever smaller percentage of Americans is motivated to vote.

3. The U.S. Constitution makes no mention of corporations or other artificial entities; there are no provisions extending rights to such entities. However, through a series of decisions equating a "corporation" with a "person," the U.S. Supreme Court extended to corporations the constitutional rights and protections intended for people only.

4. Unlike human beings, corporations can exist in perpetuity and in many countries at the same time. As a result many large corporations, both foreign and domestic, invest in campaigns to invalidate or bypass regulatory law intended to protect the public. Thus, corporate participation in the political process often conflicts with the public interest.

5. Money is property; it is not speech. Nowhere in the U.S. Constitution is money equated with speech. Because advertising is limited and costly, equating the spending of money with free speech gives those with the most money the most speech.

6. Whenever special interests, including very wealthy individuals, are able to spend unlimited amounts of money on political speech, candidates and officeholders can be corrupted and intimidated, and the free speech of most citizens is drowned out and denied. Monopolizing public speech neither promotes nor protects free speech.

7. Anonymous contributions and spending for political gain promote dishonesty and corruption, preventing voters from assessing the motives of the speaker. The public must be able to hold funders of political speech accountable when their messages prove false or misleading. Full and prompt disclosure of funding sources is essential to an informed electorate, fair elections, and effective governance.

8. Article V of the U.S. Constitution empowers the people and the states to use the amendment process to correct egregious decisions by the U.S. Supreme Court that subvert our representative government.

NEW SECTION. **Sec. 3.** POLICY & PROMOTION

The voters of the State of Washington urge immediate action by the current and future Washington State congressional delegations to propose a joint resolution for an amendment to The Constitution of the United States clarifying that:

1. The rights listed and acknowledged in The Constitution of the United States are the rights of individual human beings only.

2. The judiciary shall not construe the spending of money to be free speech under the First Amendment of The Constitution of the United States. Federal, state, and local governments shall be fully empowered to regulate political contributions and expenditures to ensure that no person or artificial legal entity gains undue influence over government and the political process.

3. All political contributions and expenditures shall be disclosed promptly and in a manner accessible to voters prior to elections.

4. This act does not limit the people's rights to freedom of speech, freedom of the press, free exercise of religion, or freedom of association.

NEW SECTION. **Sec. 4.** RECOMMENDATION TO CONGRESS

In accordance with the U.S. Constitution, the voters of the State of Washington urge the Washington state congressional delegation, and the U.S. Congress generally, to include an amendment ratification method which will best ensure that the people are heard and represented during the ratification process.

NEW SECTION. **Sec. 5.** RECOMMENDATION TO STATE LEGISLATURE

The voters of the State of Washington urge our current and future Washington state legislatures to ratify such an amendment when passed by Congress and delivered to the states for ratification.

NEW SECTION. **Sec. 6.** DIRECTION TO SECRETARY OF STATE

The Washington Secretary of State is authorized and directed to immediately deliver copies of this initiative, when enacted, to the following persons: the governor of the State of Washington, all current members of the Washington State legislature, all current members of the United States Congress, and the president of the United States.

NEW SECTION. **Sec. 7.** CONSTRUCTION.

The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

NEW SECTION. **Sec. 8.** SEVERABILITY.

If any provision of this act or its application to any person, entity, or circumstance is held invalid, the remainder of the act or the application of the provision to other persons, artificial legal entities, or circumstances is not affected.

NEW SECTION. **Sec. 9.** MISCELLANEOUS.

This act is known and may be cited as the "Government of, by, and for the People Act."

CHAPTER 2

[Initiative 1433]

LABOR STANDARDS--MINIMUM WAGE INCREASE--PAID SICK LEAVE

AN ACT Relating to fair labor standards; amending RCW 49.46.005, 49.46.020, 49.46.090, 49.46.100, and 49.46.120; adding new sections to chapter 49.46 RCW; prescribing penalties; and providing an effective date.

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

NEW SECTION. **Sec. 1.** It is the intent of the people to establish fair labor standards and protect the rights of workers by increasing the hourly minimum wage to $11.00 (2017), $11.50 (2018), $12.00 (2019) and $13.50 (2020), and requiring employers to provide employees with paid sick leave to care for the health of themselves and their families.

Sec. 2. RCW 49.46.005 and 1961 ex.s. c 18 s 1 are each amended to read as follows:

(1) Whereas the establishment of a minimum wage for employees is a subject of vital and imminent concern to the people of this state and requires appropriate action by the legislature to establish minimum standards of employment within the state of Washington, therefore the legislature declares that in its considered judgment the health, safety and the general welfare of the citizens of this state require the enactment of this measure, and exercising its police power, the legislature endeavors by this chapter to establish a minimum wage for employees of this state to encourage employment opportunities within the state. The provisions of this chapter are enacted in the exercise of the police power of the state for the purpose of protecting the immediate and future health, safety and welfare of the people of this state.

(2) Since the enactment of Washington's original minimum wage act, the legislature and the people have repeatedly amended this chapter to establish and enforce modern fair labor standards, including periodically updating the minimum wage and establishing the forty-hour workweek and the right to overtime pay.

(3) The people hereby amend this chapter to conform to modern fair labor standards by establishing a fair minimum wage and the right to paid sick leave to protect public health and allow workers to care for the health of themselves and their families.

PART I
ESTABLISHING FAIR LABOR STANDARDS BY INCREASING THE MINIMUM HOURLY WAGE TO $11.00 (2017), $11.50 (2018), $12.00 (2019) AND $13.50 (2020)

Sec. 3. RCW 49.46.020 and 1999 c 1 s 1 are each amended to read as follows:

(1) ((~~Until January 1, 1999, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than four dollars and ninety cents per hour.~~

~~(2) Beginning January 1, 1999, and until January 1, 2000, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than five dollars and seventy cents per hour.~~

~~(3) Beginning January 1, 2000, and until January 1, 2001, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than six dollars and fifty cents per hour.~~

~~(4)~~))) (a) Beginning January 1, 2017, and until January 1, 2018, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than eleven dollars per hour.

(b) Beginning January 1, 2018, and until January 1, 2019, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than eleven dollars and fifty cents per hour.

(c) Beginning January 1, 2019, and until January 1, 2020, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than twelve dollars per hour.

(d) Beginning January 1, 2020, and until January 1, 2021, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than thirteen dollars and fifty cents per hour.

(2)(a) Beginning on January 1, ((~~2001~~)) 2021, and each following January 1st as set forth under (b) of this subsection, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than the amount established under (b) of this subsection.

(b) On September 30, ((~~2000~~)) 2020, and on each following September 30th, the department of labor and industries shall calculate an adjusted minimum wage rate to maintain employee purchasing power by increasing the current year's minimum wage rate by the rate of inflation. The adjusted minimum wage rate shall be calculated to the nearest cent using the consumer price index for urban wage earners and clerical workers, CPI-W, or a successor index, for the twelve months prior to each September 1st as calculated by the United States department of labor. Each adjusted minimum wage rate calculated under this subsection (((~~4~~))) (2)(b) takes effect on the following January 1st.

(((~~5~~))) (3) An employer must pay to its employees: (a) All tips and gratuities; and (b) all service charges as defined under RCW 49.46.160 except those that, pursuant to RCW 49.46.160, are itemized as not being payable to the employee or employees servicing the customer. Tips and service charges paid to an employee are in addition to, and may not count towards, the employee's hourly minimum wage.

(4) Beginning January 1, 2018, every employer must provide to each of its employees paid sick leave as provided in Part II of this act.

(5) The director shall by regulation establish the minimum wage for employees under the age of eighteen years.

PART II
ESTABLISHING FAIR LABOR STANDARDS BY REQUIRING EMPLOYERS TO PROVIDE PAID SICK LEAVE TO EMPLOYEES

NEW SECTION. **Sec. 4.** The demands of the workplace and of families need to be balanced to promote public health, family stability, and economic security. It is in the public interest to provide reasonable paid sick leave for employees to care for the health of themselves and their families. Such paid sick leave shall be provided at the greater of the newly increased minimum wage or the employee's regular and normal wage.

NEW SECTION. **Sec. 5.** (1) Beginning January 1, 2018, every employer shall provide each of its employees paid sick leave as follows:

(a) An employee shall accrue at least one hour of paid sick leave for every forty hours worked as an employee. An employer may provide paid sick leave in advance of accrual provided that such front-loading meets or exceeds the requirements of this section for accrual, use, and carryover of paid sick leave.

(b) An employee is authorized to use paid sick leave for the following reasons:

(i) An absence resulting from an employee's mental or physical illness, injury, or health condition; to accommodate the employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or an employee's need for preventive medical care;

(ii) To allow the employee to provide care for a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or care for a family member who needs preventive medical care; and

(iii) When the employee's place of business has been closed by order of a public official for any health-related reason, or when an employee's child's school or place of care has been closed for such a reason.

(c) An employee is authorized to use paid sick leave for absences that qualify for leave under the domestic violence leave act, chapter 49.76 RCW.

(d) An employee is entitled to use accrued paid sick leave beginning on the ninetieth calendar day after the commencement of his or her employment.

(e) Employers are not prevented from providing more generous paid sick leave policies or permitting use of paid sick leave for additional purposes.

(f) An employer may require employees to give reasonable notice of an absence from work, so long as such notice does not interfere with an employee's lawful use of paid sick leave.

(g) For absences exceeding three days, an employer may require verification that an employee's use of paid sick leave is for an authorized purpose. If an employer requires verification, verification must be provided to the employer within a reasonable time period during or after the leave. An employer's requirements for verification may not result in an unreasonable burden or expense on the employee and may not exceed privacy or verification requirements otherwise established by law.

(h) An employer may not require, as a condition of an employee taking paid sick leave, that the employee search for or find a replacement worker to cover the hours during which the employee is on paid sick leave.

(i) For each hour of paid sick leave used, an employee shall be paid the greater of the minimum hourly wage rate established in this chapter or his or her normal hourly compensation. The employer is responsible for providing regular notification to employees about the amount of paid sick leave available to the employee.

(j) Unused paid sick leave carries over to the following year, except that an employer is not required to allow an employee to carry over paid sick leave in excess of forty hours.

(k) This section does not require an employer to provide financial or other reimbursement for accrued and unused paid sick leave to any employee upon the

employee's termination, resignation, retirement, or other separation from employment. When there is a separation from employment and the employee is rehired within twelve months of separation by the same employer, whether at the same or a different business location of the employer, previously accrued unused paid sick leave shall be reinstated and the previous period of employment shall be counted for purposes of determining the employee's eligibility to use paid sick leave under subsection (1)(d) of this section.

(2) For purposes of this section, "family member" means any of the following:

(a) A child, including a biological, adopted, or foster child, stepchild, or a child to whom the employee stands in loco parentis, is a legal guardian, or is a de facto parent, regardless of age or dependency status;

(b) A biological, adoptive, de facto, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child;

(c) A spouse;

(d) A registered domestic partner;

(e) A grandparent;

(f) A grandchild; or

(g) A sibling.

(3) An employer may not adopt or enforce any policy that counts the use of paid sick leave time as an absence that may lead to or result in discipline against the employee.

(4) An employer may not discriminate or retaliate against an employee for his or her exercise of any rights under this chapter including the use of paid sick leave.

PART III
MISCELLANEOUS

NEW SECTION. **Sec. 6.** (1) Beginning January 1, 2017, all existing rights and remedies available under state or local law for enforcement of the minimum wage shall be applicable to enforce all of the rights established under this act.

(2) The state shall pay individual providers, as defined in RCW 74.39A.240, in accordance with the minimum wage, overtime, and paid sick leave requirements of this chapter.

Sec. 7. RCW 49.46.090 and 2010 c 8 s 12043 are each amended to read as follows:

(1) Any employer who pays any employee less than ((~~wages~~)) the amounts to which such employee is entitled under or by virtue of this chapter, shall be liable to such employee affected for the full amount ((~~of such wage rate~~)) due to such employee under this chapter, less any amount actually paid to such employee by the employer, and for costs and such reasonable attorney's fees as may be allowed by the court. Any agreement between such employee and the employer ((~~to work for~~)) allowing the employee to receive less than ((~~such wage rate~~)) what is due under this chapter shall be no defense to such action.

(2) At the written request of any employee paid less than the ((~~wages~~)) amounts to which he or she is entitled under or by virtue of this chapter, the director may take an assignment under this chapter or as provided in RCW

49.48.040 of such ((~~wage~~)) claim in trust for the assigning employee and may bring any legal action necessary to collect such claim, and the employer shall be required to pay the costs and such reasonable attorney's fees as may be allowed by the court.

Sec. 8. RCW 49.46.100 and 2010 c 8 s 12044 are each amended to read as follows:

(1) Any employer who hinders or delays the director or his or her authorized representatives in the performance of his or her duties in the enforcement of this chapter, or refuses to admit the director or his or her authorized representatives to any place of employment, or fails to make, keep, and preserve any records as required under the provisions of this chapter, or falsifies any such record, or refuses to make any record accessible to the director or his or her authorized representatives upon demand, or refuses to furnish a sworn statement of such record or any other information required for the proper enforcement of this chapter to the director or his or her authorized representatives upon demand, or pays or agrees to pay ((~~wages at a rate less than the rate applicable~~)) an employee less than the employee is entitled to under this chapter, or otherwise violates any provision of this chapter or of any regulation issued under this chapter shall be deemed in violation of this chapter and shall, upon conviction therefor, be guilty of a gross misdemeanor.

(2) Any employer who discharges or in any other manner discriminates against any employee because such employee has made any complaint to his or her employer, to the director, or his or her authorized representatives that he or she has not been paid wages in accordance with the provisions of this chapter, or that the employer has violated any provision of this chapter, or because such employee has caused to be instituted or is about to cause to be instituted any proceeding under or related to this chapter, or because such employee has testified or is about to testify in any such proceeding shall be deemed in violation of this chapter and shall, upon conviction therefor, be guilty of a gross misdemeanor.

Sec. 9. RCW 49.46.120 and 1961 ex.s. c 18 s 4 are each amended to read as follows:

This chapter establishes ((~~a~~)) minimum standards for wages, paid sick leave, and working conditions of all employees in this state, unless exempted herefrom, and is in addition to and supplementary to any other federal, state, or local law or ordinance, or any rule or regulation issued thereunder. Any standards relating to wages, hours, paid sick leave, or other working conditions established by any applicable federal, state, or local law or ordinance, or any rule or regulation issued thereunder, which are more favorable to employees than the minimum standards applicable under this chapter, or any rule or regulation issued hereunder, shall not be affected by this chapter and such other laws, or rules or regulations, shall be in full force and effect and may be enforced as provided by law.

NEW SECTION. **Sec. 10.** The state department of labor and industries must adopt and implement rules to carry out and enforce this act, including but not limited to procedures for notification to employees and reporting regarding sick leave, and protecting employees from retaliation for the lawful use of sick leave and exercising other rights under this chapter. The department's rules for

enforcement of rights under this act shall be at least equal to enforcement of the minimum wage.

NEW SECTION. **Sec. 11.** The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act. Nothing in the act precludes local jurisdictions from enacting additional local fair labor standards that are more favorable to employees, including but not limited to more generous minimum wage or paid sick leave requirements.

NEW SECTION. **Sec. 12.** This act shall be codified in chapter 49.46 RCW and is subject to RCW 49.46.040 (Investigation, etc.) and RCW 49.46.070 (Recordkeeping).

NEW SECTION. **Sec. 13.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 14.** This act takes effect on January 1, 2017.

CHAPTER 3

[Initiative 1491]

FIREARMS--EXTREME RISK PROTECTION ORDERS

AN ACT Relating to extreme risk protection orders; adding a new chapter to Title 7 RCW; and prescribing penalties.

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

NEW SECTION. **Sec. 1.** INTENT. (1) This act is designed to temporarily prevent individuals who are at high risk of harming themselves or others from accessing firearms by allowing family, household members, and police to obtain a court order when there is demonstrated evidence that the person poses a significant danger, including danger as a result of a dangerous mental health crisis or violent behavior.

(2) Every year, over one hundred thousand people are victims of gunshot wounds and more than thirty thousand of those victims lose their lives. Over the last five years for which data is available, one hundred sixty-four thousand eight hundred twenty-one people in America were killed with firearms—an average of ninety-one deaths each day.

(3) Studies show that individuals who engage in certain dangerous behaviors are significantly more likely to commit violence toward themselves or others in the near future. These behaviors, which can include other acts or threats of violence, self-harm, or the abuse of drugs or alcohol, are warning signs that the person may soon commit an act of violence.

(4) Individuals who pose a danger to themselves or others often exhibit signs that alert family, household members, or law enforcement to the threat. Many mass shooters displayed warning signs prior to their killings, but federal and state laws provided no clear legal process to suspend the shooters' access to guns, even temporarily.

(5) In enacting this initiative, it is the purpose and intent of the people to reduce gun deaths and injuries, while respecting constitutional rights, by providing a court procedure for family, household members, and law enforcement to obtain an order temporarily restricting a person's access to

firearms. Court orders are intended to be limited to situations in which the person poses a significant danger of harming themselves or others by possessing a firearm and include standards and safeguards to protect the rights of respondents and due process of law.

NEW SECTION. **Sec. 2.** SHORT TITLE. This act may be known and cited as the extreme risk protection order act.

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

(1) "Extreme risk protection order" means an ex parte temporary order or a final order granted under this chapter.

(2) "Family or household member" means, with respect to a respondent, any: (a) Person related by blood, marriage, or adoption to the respondent; (b) Dating partners of the respondent; (c) Person who has a child in common with the respondent, regardless of whether such person has been married to the respondent or has lived together with the respondent at any time; (d) Person who resides or has resided with the respondent within the past year; (e) Domestic partner of the respondent; (f) Person who has a biological or legal parent-child relationship with the respondent, including stepparents and stepchildren and grandparents and grandchildren; and (g) Person who is acting or has acted as the respondent's legal guardian.

(3) "Petitioner" means the person who petitions for an order under this chapter.

(4) "Respondent" means the person who is identified as the respondent in a petition filed under this chapter.

NEW SECTION. **Sec. 4.** PETITION FOR AN EXTREME RISK PROTECTION ORDER. There shall exist an action known as a petition for an extreme risk protection order.

(1) A petition for an extreme risk protection order may be filed by (a) a family or household member of the respondent or (b) a law enforcement officer or agency.

(2) An action under this chapter must be filed in the county where the petitioner resides or the county where the respondent resides.

(3) A petition must:

(a) Allege that the respondent poses a significant danger of causing personal injury to self or others by having in his or her custody or control, purchasing, possessing, or receiving a firearm, and be accompanied by an affidavit made under oath stating the specific statements, actions, or facts that give rise to a reasonable fear of future dangerous acts by the respondent;

(b) Identify the number, types, and locations of any firearms the petitioner believes to be in the respondent's current ownership, possession, custody, or control;

(c) Identify whether there is a known existing protection order governing the respondent, under chapter 7.90, 7.92, 10.14, 9A.46, 10.99, 26.50, or 26.52 RCW or under any other applicable statute; and

(d) Identify whether there is a pending lawsuit, complaint, petition, or other action between the parties to the petition under the laws of Washington.

(4) The court administrator shall verify the terms of any existing order governing the parties. The court may not delay granting relief because of the

existence of a pending action between the parties or the necessity of verifying the terms of an existing order. A petition for an extreme risk protection order may be granted whether or not there is a pending action between the parties.

(5) If the petitioner is a law enforcement officer or agency, the petitioner shall make a good faith effort to provide notice to a family or household member of the respondent and to any known third party who may be at risk of violence. The notice must state that the petitioner intends to petition the court for an extreme risk protection order or has already done so, and include referrals to appropriate resources, including mental health, domestic violence, and counseling resources. The petitioner must attest in the petition to having provided such notice, or attest to the steps that will be taken to provide such notice.

(6) If the petition states that disclosure of the petitioner's address would risk harm to the petitioner or any member of the petitioner's family or household, the petitioner's address may be omitted from all documents filed with the court. If the petitioner has not disclosed an address under this subsection, the petitioner must designate an alternative address at which the respondent may serve notice of any motions. If the petitioner is a law enforcement officer or agency, the address of record must be that of the law enforcement agency.

(7) Within ninety days of receipt of the master copy from the administrative office of the courts, all court clerk's offices shall make available the standardized forms, instructions, and informational brochures required by section 16 of this act. Any assistance or information provided by clerks under this section does not constitute the practice of law and clerks are not responsible for incorrect information contained in a petition.

(8) No fees for filing or service of process may be charged by a court or any public agency to petitioners seeking relief under this chapter. Petitioners shall be provided the necessary number of certified copies, forms, and instructional brochures free of charge.

(9) A person is not required to post a bond to obtain relief in any proceeding under this section.

(10) The superior courts of the state of Washington have jurisdiction over proceedings under this chapter. Additionally, district and municipal courts have limited jurisdiction over issuance and enforcement of ex parte extreme risk protection orders issued under section 6 of this act. The district or municipal court shall set the full hearing provided for in section 5 of this act in superior court and transfer the case. If the notice and order are not served on the respondent in time for the full hearing, the issuing court has concurrent jurisdiction with the superior court to extend the ex parte extreme risk protection order.

NEW SECTION. **Sec. 5.** EXTREME RISK PROTECTION ORDER HEARINGS AND ISSUANCE. (1) Upon receipt of the petition, the court shall order a hearing to be held not later than fourteen days from the date of the order and issue a notice of hearing to the respondent for the same.

(a) The court may schedule a hearing by telephone pursuant to local court rule, to reasonably accommodate a disability, or in exceptional circumstances to protect a petitioner from potential harm. The court shall require assurances of the petitioner's identity before conducting a telephonic hearing.

(b) The court clerk shall cause a copy of the notice of hearing and petition to be forwarded on or before the next judicial day to the appropriate law enforcement agency for service upon the respondent.

(c) Personal service of the notice of hearing and petition shall be made upon the respondent by a law enforcement officer not less than five court days prior to the hearing. Service issued under this section takes precedence over the service of other documents, unless the other documents are of a similar emergency nature. If timely personal service cannot be made, the court shall set a new hearing date and shall either require additional attempts at obtaining personal service or permit service by publication or mail as provided in section 8 of this act. The court shall not require more than two attempts at obtaining personal service and shall permit service by publication or mail after two attempts at obtaining personal service unless the petitioner requests additional time to attempt personal service. If the court issues an order permitting service by publication or mail, the court shall set the hearing date not later than twenty-four days from the date the order issues.

(d) The court may, as provided in section 6 of this act, issue an ex parte extreme risk protection order pending the hearing ordered under this subsection (1). Such ex parte order must be served concurrently with the notice of hearing and petition.

(2) Upon hearing the matter, if the court finds by a preponderance of the evidence that the respondent poses a significant danger of causing personal injury to self or others by having in his or her custody or control, purchasing, possessing, or receiving a firearm, the court shall issue an extreme risk protection order for a period of one year.

(3) In determining whether grounds for an extreme risk protection order exist, the court may consider any relevant evidence including, but not limited to, any of the following:

(a) A recent act or threat of violence by the respondent against self or others, whether or not such violence or threat of violence involves a firearm;

(b) A pattern of acts or threats of violence by the respondent within the past twelve months including, but not limited to, acts or threats of violence by the respondent against self or others;

(c) Any dangerous mental health issues of the respondent;

(d) A violation by the respondent of a protection order or a no-contact order issued under chapter 7.90, 7.92, 10.14, 9A.46, 10.99, 26.50, or 26.52 RCW;

(e) A previous or existing extreme risk protection order issued against the respondent;

(f) A violation of a previous or existing extreme risk protection order issued against the respondent;

(g) A conviction of the respondent for a crime that constitutes domestic violence as defined in RCW 10.99.020;

(h) The respondent's ownership, access to, or intent to possess firearms;

(i) The unlawful or reckless use, display, or brandishing of a firearm by the respondent;

(j) The history of use, attempted use, or threatened use of physical force by the respondent against another person, or the respondent's history of stalking another person;

(k) Any prior arrest of the respondent for a felony offense or violent crime;

(l) Corroborated evidence of the abuse of controlled substances or alcohol by the respondent; and

(m) Evidence of recent acquisition of firearms by the respondent.

(4) The court may:

(a) Examine under oath the petitioner, the respondent, and any witnesses they may produce, or, in lieu of examination, consider sworn affidavits of the petitioner, the respondent, and any witnesses they may produce; and

(b) Ensure that a reasonable search has been conducted for criminal history records related to the respondent.

(5) In a hearing under this chapter, the rules of evidence apply to the same extent as in a domestic violence protection order proceeding under chapter 26.50 RCW.

(6) During the hearing, the court shall consider whether a mental health evaluation or chemical dependency evaluation is appropriate, and may order such evaluation if appropriate.

(7) An extreme risk protection order must include:

(a) A statement of the grounds supporting the issuance of the order;

(b) The date and time the order was issued;

(c) The date and time the order expires;

(d) Whether a mental health evaluation or chemical dependency evaluation of the respondent is required;

(e) The address of the court in which any responsive pleading should be filed;

(f) A description of the requirements for relinquishment of firearms under section 10 of this act; and

(g) The following statement: "To the subject of this protection order: This order will last until the date and time noted above. If you have not done so already, you must surrender to the (insert name of local law enforcement agency) all firearms in your custody, control, or possession and any concealed pistol license issued to you under RCW 9.41.070 immediately. You may not have in your custody or control, purchase, possess, receive, or attempt to purchase or receive, a firearm while this order is in effect. You have the right to request one hearing to terminate this order every twelve-month period that this order is in effect, starting from the date of this order and continuing through any renewals. You may seek the advice of an attorney as to any matter connected with this order."

(8) When the court issues an extreme risk protection order, the court shall inform the respondent that he or she is entitled to request termination of the order in the manner prescribed by section 9 of this act. The court shall provide the respondent with a form to request a termination hearing.

(9) If the court declines to issue an extreme risk protection order, the court shall state the particular reasons for the court's denial.

NEW SECTION. **Sec. 6.** EX PARTE EXTREME RISK PROTECTION ORDERS. (1) A petitioner may request that an ex parte extreme risk protection order be issued before a hearing for an extreme risk protection order, without notice to the respondent, by including in the petition detailed allegations based on personal knowledge that the respondent poses a significant danger of causing personal injury to self or others in the near future by having in his or her custody or control, purchasing, possessing, or receiving a firearm.

(2) In considering whether to issue an ex parte extreme risk protection order under this section, the court shall consider all relevant evidence, including the evidence described in section 5(3) of this act.

(3) If a court finds there is reasonable cause to believe that the respondent poses a significant danger of causing personal injury to self or others in the near future by having in his or her custody or control, purchasing, possessing, or receiving a firearm, the court shall issue an ex parte extreme risk protection order.

(4) The court shall hold an ex parte extreme risk protection order hearing in person or by telephone on the day the petition is filed or on the judicial day immediately following the day the petition is filed.

(5) In accordance with section 5(1) of this act, the court shall schedule a hearing within fourteen days of the issuance of an ex parte extreme risk protection order to determine if a one-year extreme risk protection order should be issued under this chapter.

(6) An ex parte extreme risk protection order shall include:

(a) A statement of the grounds asserted for the order;

(b) The date and time the order was issued;

(c) The date and time the order expires;

(d) The address of the court in which any responsive pleading should be filed;

(e) The date and time of the scheduled hearing;

(f) A description of the requirements for surrender of firearms under section 10 of this act; and

(g) The following statement: "To the subject of this protection order: This order is valid until the date and time noted above. You are required to surrender all firearms in your custody, control, or possession. You may not have in your custody or control, purchase, possess, receive, or attempt to purchase or receive, a firearm while this order is in effect. You must surrender to the (insert name of local law enforcement agency) all firearms in your custody, control, or possession and any concealed pistol license issued to you under RCW 9.41.070 immediately. A hearing will be held on the date and at the time noted above to determine if an extreme risk protection order should be issued. Failure to appear at that hearing may result in a court making an order against you that is valid for one year. You may seek the advice of an attorney as to any matter connected with this order."

(7) Any ex parte extreme risk protection order issued expires upon the hearing on the extreme risk protection order.

(8) An ex parte extreme risk protection order shall be served by a law enforcement officer in the same manner as provided for in section 5 of this act for service of the notice of hearing and petition, and shall be served concurrently with the notice of hearing and petition.

(9) If the court declines to issue an ex parte extreme risk protection order, the court shall state the particular reasons for the court's denial.

NEW SECTION. **Sec. 7.** SERVICE OF EXTREME RISK PROTECTION ORDERS. (1) An extreme risk protection order issued under section 5 of this act must be personally served upon the respondent, except as otherwise provided in this chapter.

(2) The law enforcement agency with jurisdiction in the area in which the respondent resides shall serve the respondent personally, unless the petitioner elects to have the respondent served by a private party.

(3) If service by a law enforcement agency is to be used, the clerk of the court shall cause a copy of the order issued under this chapter to be forwarded on or before the next judicial day to the law enforcement agency specified in the order for service upon the respondent. Service of an order issued under this chapter takes precedence over the service of other documents, unless the other documents are of a similar emergency nature.

(4) If the law enforcement agency cannot complete service upon the respondent within ten days, the law enforcement agency shall notify the petitioner. The petitioner shall provide information sufficient to permit such notification.

(5) If an order entered by the court recites that the respondent appeared in person before the court, the necessity for further service is waived and proof of service of that order is not necessary.

(6) If the court previously entered an order allowing service of the notice of hearing and petition, or an ex parte extreme risk protection order, by publication or mail under section 8 of this act, or if the court finds there are now grounds to allow such alternate service, the court may permit service by publication or mail of the extreme risk protection order issued under this chapter as provided in section 8 of this act. The court order must state whether the court permitted service by publication or service by mail.

(7) Returns of service under this chapter must be made in accordance with the applicable court rules.

NEW SECTION. **Sec. 8.** SERVICE BY PUBLICATION OR MAIL. (1) The court may order service by publication or service by mail under the circumstances permitted for such service in RCW 7.90.052, 7.90.053, 26.50.123, or 26.50.085, except any summons must be essentially in the following form:

In the . . . . . court of the state of Washington for the county of . . . . . .

. . . . . ., Petitioner

vs. No. . . . . .

. . . . . ., Respondent

The state of Washington to . . . . . (respondent):

You are hereby summoned to appear on the . . . . day of . . . . . ., (year) . . . ., at . . . . a.m./p.m., and respond to the petition. If you fail to respond, an extreme risk protection order may be issued against you pursuant to the provisions of the extreme risk protection order act, chapter 7.--- RCW (the new chapter created in section 18 of this act), for one year from the date you are required to appear. (An ex parte extreme risk protection order has

been issued against you, restraining you from having in your custody or control, purchasing, possessing, or receiving any firearms. You must surrender to the (insert name of local law enforcement agency) all firearms in your custody, control, or possession and any concealed pistol license issued to you under RCW 9.41.070 within forty-eight hours. A copy of the notice of hearing, petition, and ex parte extreme risk protection order has been filed with the clerk of this court.) (A copy of the notice of hearing and petition has been filed with the clerk of this court.)

. . . . . .

Petitioner

(2) If the court orders service by publication or mail for notice of an extreme risk protection order hearing, it shall also reissue the ex parte extreme risk protection order, if issued, to expire on the date of the extreme risk protection order hearing.

(3) Following completion of service by publication or by mail for notice of an extreme risk protection order hearing, if the respondent fails to appear at the hearing, the court may issue an extreme risk protection order as provided in section 5 of this act.

NEW SECTION. **Sec. 9.** TERMINATION AND RENEWAL OF ORDERS. (1) The respondent may submit one written request for a hearing to terminate an extreme risk protection order issued under this chapter every twelve-month period that the order is in effect, starting from the date of the order and continuing through any renewals.

(a) Upon receipt of the request for a hearing to terminate an extreme risk protection order, the court shall set a date for a hearing. Notice of the request must be served on the petitioner in accordance with RCW 4.28.080. The hearing shall occur no sooner than fourteen days and no later than thirty days from the date of service of the request upon the petitioner.

(b) The respondent shall have the burden of proving by a preponderance of the evidence that the respondent does not pose a significant danger of causing personal injury to self or others by having in his or her custody or control, purchasing, possessing, or receiving a firearm. The court may consider any relevant evidence, including evidence of the considerations listed in section 5(3) of this act.

(c) If the court finds after the hearing that the respondent has met his or her burden, the court shall terminate the order.

(2) The court must notify the petitioner of the impending expiration of an extreme risk protection order. Notice must be received by the petitioner one hundred five calendar days before the date the order expires.

(3) A family or household member of a respondent or a law enforcement officer or agency may by motion request a renewal of an extreme risk protection order at any time within one hundred five calendar days before the expiration of the order.

(a) Upon receipt of the motion to renew, the court shall order that a hearing be held not later than fourteen days from the date the order issues.

(i) The court may schedule a hearing by telephone in the manner prescribed by section 5(1)(a) of this act.

(ii) The respondent shall be personally served in the same manner prescribed by section 5(1) (b) and (c) of this act.

(b) In determining whether to renew an extreme risk protection order issued under this section, the court shall consider all relevant evidence presented by the petitioner and follow the same procedure as provided in section 5 of this act.

(c) If the court finds by a preponderance of the evidence that the requirements for issuance of an extreme risk protection order as provided in section 5 of this act continue to be met, the court shall renew the order. However, if, after notice, the motion for renewal is uncontested and the petitioner seeks no modification of the order, the order may be renewed on the basis of the petitioner's motion or affidavit stating that there has been no material change in relevant circumstances since entry of the order and stating the reason for the requested renewal.

(d) The renewal of an extreme risk protection order has a duration of one year, subject to termination as provided in subsection (1) of this section or further renewal by order of the court.

NEW SECTION. **Sec. 10.** SURRENDER OF FIREARMS. (1) Upon issuance of any extreme risk protection order under this chapter, including an ex parte extreme risk protection order, the court shall order the respondent to surrender to the local law enforcement agency all firearms in the respondent's custody, control, or possession and any concealed pistol license issued under RCW 9.41.070.

(2) The law enforcement officer serving any extreme risk protection order under this chapter, including an ex parte extreme risk protection order, shall request that the respondent immediately surrender all firearms in his or her custody, control, or possession and any concealed pistol license issued under RCW 9.41.070, and conduct any search permitted by law for such firearms. The law enforcement officer shall take possession of all firearms belonging to the respondent that are surrendered, in plain sight, or discovered pursuant to a lawful search. Alternatively, if personal service by a law enforcement officer is not possible, or not required because the respondent was present at the extreme risk protection order hearing, the respondent shall surrender the firearms in a safe manner to the control of the local law enforcement agency within forty-eight hours of being served with the order by alternate service or within forty-eight hours of the hearing at which the respondent was present.

(3) At the time of surrender, a law enforcement officer taking possession of a firearm or concealed pistol license shall issue a receipt identifying all firearms that have been surrendered and provide a copy of the receipt to the respondent. Within seventy-two hours after service of the order, the officer serving the order shall file the original receipt with the court and shall ensure that his or her law enforcement agency retains a copy of the receipt.

(4) Upon the sworn statement or testimony of the petitioner or of any law enforcement officer alleging that the respondent has failed to comply with the surrender of firearms as required by an order issued under this chapter, the court shall determine whether probable cause exists to believe that the respondent has failed to surrender all firearms in his or her possession, custody, or control. If probable cause exists, the court shall issue a warrant describing the firearms and

authorizing a search of the locations where the firearms are reasonably believed to be and the seizure of any firearms discovered pursuant to such search.

(5) If a person other than the respondent claims title to any firearms surrendered pursuant to this section, and he or she is determined by the law enforcement agency to be the lawful owner of the firearm, the firearm shall be returned to him or her, provided that:

(a) The firearm is removed from the respondent's custody, control, or possession and the lawful owner agrees to store the firearm in a manner such that the respondent does not have access to or control of the firearm; and

(b) The firearm is not otherwise unlawfully possessed by the owner.

(6) Upon the issuance of a one-year extreme risk protection order, the court shall order a new hearing date and require the respondent to appear not later than three judicial days from the issuance of the order. The court shall require a showing that the person subject to the order has surrendered any firearms in his or her custody, control, or possession. The court may dismiss the hearing upon a satisfactory showing that the respondent is in compliance with the order.

(7) All law enforcement agencies must develop policies and procedures by June 1, 2017, regarding the acceptance, storage, and return of firearms required to be surrendered under this chapter.

NEW SECTION. **Sec. 11.** RETURN AND DISPOSAL OF FIREARMS. (1) If an extreme risk protection order is terminated or expires without renewal, a law enforcement agency holding any firearm that has been surrendered pursuant to this chapter shall return any surrendered firearm requested by a respondent only after confirming, through a background check, that the respondent is currently eligible to own or possess firearms under federal and state law and after confirming with the court that the extreme risk protection order has terminated or has expired without renewal.

(2) A law enforcement agency must, if requested, provide prior notice of the return of a firearm to a respondent to family or household members of the respondent in the manner provided in RCW 9.41.340 and 9.41.345.

(3) Any firearm surrendered by a respondent pursuant to section 10 of this act that remains unclaimed by the lawful owner shall be disposed of in accordance with the law enforcement agency's policies and procedures for the disposal of firearms in police custody.

NEW SECTION. **Sec. 12.** REPORTING OF ORDERS. (1) The clerk of the court shall enter any extreme risk protection order or ex parte extreme risk protection order issued under this chapter into a statewide judicial information system on the same day such order is issued.

(2) The clerk of the court shall forward a copy of an order issued under this chapter the same day such order is issued to the appropriate law enforcement agency specified in the order. Upon receipt of the copy of the order, the law enforcement agency shall enter the order into the national instant criminal background check system, any other federal or state computer-based systems used by law enforcement or others to identify prohibited purchasers of firearms, and any computer-based criminal intelligence information system available in this state used by law enforcement agencies to list outstanding warrants. The order must remain in each system for the period stated in the order, and the law enforcement agency shall only expunge orders from the systems that have

expired or terminated. Entry into the computer-based criminal intelligence information system constitutes notice to all law enforcement agencies of the existence of the order. The order is fully enforceable in any county in the state.

(3) The issuing court shall, within three judicial days after issuance of an extreme risk protection order or ex parte extreme risk protection order, forward a copy of the respondent's driver's license or identicard, or comparable information, along with the date of order issuance, to the department of licensing. Upon receipt of the information, the department of licensing shall determine if the respondent has a concealed pistol license. If the respondent does have a concealed pistol license, the department of licensing shall immediately notify the license issuing authority which, upon receipt of such notification, shall immediately revoke the license.

(4) If an extreme risk protection order is terminated before its expiration date, the clerk of the court shall forward the same day a copy of the termination order to the department of licensing and the appropriate law enforcement agency specified in the termination order. Upon receipt of the order, the law enforcement agency shall promptly remove the order from any computer-based system in which it was entered pursuant to subsection (2) of this section.

NEW SECTION. **Sec. 13.** PENALTIES. (1) Any person who files a petition under this chapter knowing the information in such petition to be materially false, or with intent to harass the respondent, is guilty of a gross misdemeanor.

(2) Any person who has in his or her custody or control, purchases, possesses, or receives a firearm with knowledge that he or she is prohibited from doing so by an order issued under this chapter is guilty of a gross misdemeanor, and further is prohibited from having in his or her custody or control, purchasing, possessing, or receiving, or attempting to purchase or receive, a firearm for a period of five years from the date the existing order expires. However, such person is guilty of a class C felony if the person has two or more previous convictions for violating an order issued under this chapter.

NEW SECTION. **Sec. 14.** LAW ENFORCEMENT RETAINS OTHER AUTHORITY. This chapter does not affect the ability of a law enforcement officer to remove a firearm or concealed pistol license from any person or conduct any search and seizure for firearms pursuant to other lawful authority.

NEW SECTION. **Sec. 15.** LIABILITY. Except as provided in section 13 of this act, this chapter does not impose criminal or civil liability on any person or entity for acts or omissions related to obtaining an extreme risk protection order or ex parte extreme risk protection including, but not limited to, reporting, declining to report, investigating, declining to investigate, filing, or declining to file a petition under this chapter.

NEW SECTION. **Sec. 16.** INSTRUCTIONAL AND INFORMATIONAL MATERIAL. (1) The administrative office of the courts shall develop and prepare instructions and informational brochures, standard petitions and extreme risk protection order forms, and a court staff handbook on the extreme risk protection order process. The standard petition and order forms must be used after June 1, 2017, for all petitions filed and orders issued under this chapter. The instructions, brochures, forms, and handbook shall be prepared in consultation with interested persons, including representatives of gun violence prevention

groups, judges, and law enforcement personnel. Materials must be based on best practices and available electronically online to the public.

(a) The instructions must be designed to assist petitioners in completing the petition, and must include a sample of a standard petition and order for protection forms.

(b) The instructions and standard petition must include a means for the petitioner to identify, with only lay knowledge, the firearms the respondent may own, possesses, receive, or have in his or her custody or control. The instructions must provide pictures of types of firearms that the petitioner may choose from to identify the relevant firearms, or an equivalent means to allow petitioners to identify firearms without requiring specific or technical knowledge regarding the firearms.

(c) The informational brochure must describe the use of and the process for obtaining, modifying, and terminating an extreme risk protection order under this chapter, and provide relevant forms.

(d) The extreme risk protection order form must include, in a conspicuous location, notice of criminal penalties resulting from violation of the order, and the following statement: "You have the sole responsibility to avoid or refrain from violating this order's provisions. Only the court can change the order and only upon written application."

(e) The court staff handbook must allow for the addition of a community resource list by the court clerk.

(2) All court clerks may create a community resource list of crisis intervention, mental health, substance abuse, interpreter, counseling, and other relevant resources serving the county in which the court is located. The court may make the community resource list available as part of or in addition to the informational brochures described in subsection (1) of this section.

(3) The administrative office of the courts shall distribute a master copy of the petition and order forms, instructions, and informational brochures to all court clerks and shall distribute a master copy of the petition and order forms to all superior, district, and municipal courts. Distribution of all documents shall, at a minimum, be in an electronic format or formats accessible to all courts and court clerks in the state.

(4) For purposes of this section, "court clerks" means court administrators in courts of limited jurisdiction and elected court clerks.

(5) The administrative office of the courts shall determine the significant non-English speaking or limited English speaking populations in the state. The administrator shall then arrange for translation of the instructions and informational brochures required by this section, which shall contain a sample of the standard petition and order for protection forms, into the languages spoken by those significant non-English speaking populations and shall distribute a master copy of the translated instructions and informational brochures to all court clerks by December 1, 2017.

(6) The administrative office of the courts shall update the instructions, brochures, standard petition and extreme risk protection order forms, and court staff handbook as necessary, including when changes in the law make an update necessary.

NEW SECTION. **Sec. 17.** SEVERABILITY. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the

act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 18.** Sections 1 through 16 of this act constitute a new chapter in Title 7 RCW.

CHAPTER 4

[Initiative 1501]

IDENTITY THEFT--FRAUD--PUBLIC RECORDS--SENIORS AND VULNERABLE INDIVIDUALS

AN ACT Relating to the protection of seniors and vulnerable individuals from financial crimes and victimization; amending RCW 9.35.005, 9.35.001, and 9.35.020; adding a new section to chapter 42.56 RCW and chapter 43.17 RCW; creating new sections; and prescribing penalties.

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

NEW SECTION. **Sec. 1.** This act may be known and cited as the seniors and vulnerable individuals' safety and financial crimes prevention act.

NEW SECTION. **Sec. 2.** It is the intent of this initiative to protect the safety and security of seniors and vulnerable individuals by (1) increasing criminal penalties for identity theft targeting seniors and vulnerable individuals; (2) increasing penalties for consumer fraud targeting seniors and vulnerable individuals; and (3) prohibiting the release of certain public records that could facilitate identity theft and other financial crimes against seniors and vulnerable individuals.

Sec. 3. RCW 9.35.005 and 2001 c 217 s 1 are each amended to read as follows:

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

(1) "Financial information" means any of the following information identifiable to the individual that concerns the amount and conditions of an individual's assets, liabilities, or credit:

(a) Account numbers and balances;

(b) Transactional information concerning an account; and

(c) Codes, passwords, social security numbers, tax identification numbers, driver's license or permit numbers, state identicard numbers issued by the department of licensing, and other information held for the purpose of account access or transaction initiation.

(2) "Financial information repository" means a person engaged in the business of providing services to customers who have a credit, deposit, trust, stock, or other financial account or relationship with the person.

(3) "Means of identification" means information or an item that is not describing finances or credit but is personal to or identifiable with an individual or other person, including: A current or former name of the person, telephone number, an electronic address, or identifier of the individual or a member of his or her family, including the ancestor of the person; information relating to a change in name, address, telephone number, or electronic address or identifier of the individual or his or her family; a social security, driver's license, or tax identification number of the individual or a member of his or her family; and

other information that could be used to identify the person, including unique biometric data.

(4) "Person" means a person as defined in RCW 9A.04.110.

(5) "Senior" means a person over the age of sixty-five.

(6) "Victim" means a person whose means of identification or financial information has been used or transferred with the intent to commit, or to aid or abet, any unlawful activity.

(7) "Vulnerable individual" means a person:

(i) Sixty years of age or older who has the functional, mental, or physical inability to care for himself or herself;

(ii) Found incapacitated under chapter 11.88 RCW;

(iii) Who has a developmental disability as defined under RCW 71A.10.020;

(iv) Admitted to any facility;

(v) Receiving services from home health, hospice, or home care agencies licensed or required to be licensed under chapter 70.127 RCW;

(vi) Receiving services from an individual provider as defined in RCW 74.39A.240; or

(vii) Who self-directs his or her own care and receives services from a personal aide under chapter 74.39 RCW.

PART I
INCREASING CRIMINAL PENALTIES FOR IDENTITY THEFT TARGETING SENIORS OR VULNERABLE INDIVIDUALS

Sec. 4. RCW 9.35.001 and 2008 c 207 s 3 are each amended to read as follows:

(1) The legislature finds that means of identification and financial information are personal and sensitive information such that if unlawfully obtained, possessed, used, or transferred by others may result in significant harm to a person's privacy, financial security, and other interests. The legislature finds that unscrupulous persons find ever more clever ways, including identity theft, to improperly obtain, possess, use, and transfer another person's means of identification or financial information. The legislature intends to penalize for each unlawful act of improperly obtaining, possessing, using, or transferring means of identification or financial information of an individual person. The unit of prosecution for identity theft by use of a means of identification or financial information is each individual unlawful use of any one person's means of identification or financial information. Unlawfully obtaining, possessing, or transferring each means of identification or financial information of any individual person, with the requisite intent, is a separate unit of prosecution for each victim and for each act of obtaining, possessing, or transferring of the individual person's means of identification or financial information.

(2) The people find that additional measures are needed to protect seniors and vulnerable individuals from identity theft because such individuals often have less ability to protect themselves and such individuals can be targeted using information available through public sources, including publicly available information that identifies such individuals or their in-home caregivers.

Sec. 5. RCW 9.35.020 and 2008 c 207 s 4 are each amended to read as follows:

(1) No person may knowingly obtain, possess, use, or transfer a means of identification or financial information of another person, living or dead, with the intent to commit, or to aid or abet, any crime.

(2) Violation of this section when the accused or an accomplice violates subsection (1) of this section and obtains credit, money, goods, services, or anything else of value in excess of one thousand five hundred dollars in value, or when the accused knowingly targets a senior or vulnerable individual in carrying out a violation of subsection (1) of this section, shall constitute identity theft in the first degree. Identity theft in the first degree is a class B felony punishable according to chapter 9A.20 RCW.

(3) A person is guilty of identity theft in the second degree when he or she violates subsection (1) of this section under circumstances not amounting to identity theft in the first degree. Identity theft in the second degree is a class C felony punishable according to chapter 9A.20 RCW.

(4) Each crime prosecuted under this section shall be punished separately under chapter 9.94A RCW, unless it is the same criminal conduct as any other crime, under RCW 9.94A.589.

(5) Whenever any series of transactions involving a single person's means of identification or financial information which constitute identity theft would, when considered separately, constitute identity theft in the second degree because of value, and the series of transactions are a part of a common scheme or plan, then the transactions may be aggregated in one count and the sum of the value of all of the transactions shall be the value considered in determining the degree of identity theft involved.

(6) Every person who, in the commission of identity theft, shall commit any other crime may be punished therefor as well as for the identity theft, and may be prosecuted for each crime separately.

(7) A person who violates this section is liable for civil damages of one thousand dollars or actual damages, whichever is greater, including costs to repair the victim's credit record, and reasonable attorneys' fees as determined by the court.

(8) In a proceeding under this section, the crime will be considered to have been committed in any locality where the person whose means of identification or financial information was appropriated resides, or in which any part of the offense took place, regardless of whether the defendant was ever actually in that locality.

(9) The provisions of this section do not apply to any person who obtains another person's driver's license or other form of identification for the sole purpose of misrepresenting his or her age.

(10) In a proceeding under this section in which a person's means of identification or financial information was used without that person's authorization, and when there has been a conviction, the sentencing court may issue such orders as are necessary to correct a public record that contains false information resulting from a violation of this section.

PART II
INCREASING PENALTIES FOR CONSUMER FRAUD AGAINST SENIORS AND VULNERABLE INDIVIDUALS

NEW SECTION. **Sec. 6.** A new section is added to read as follows:

(1) It is the intent of this section to increase civil penalties for consumer fraud targeting a senior or a vulnerable individual.

(2) Any consumer fraud that targets a senior or a vulnerable individual, as defined in RCW 9.35.005, is subject to civil penalties of three times the amount of actual damages.

(3) This section creates no new cause of action. This section increases penalties where a plaintiff proceeds under any existing cause of action under statute or common law and successfully proves that he or she was victim to consumer fraud that targeted him or her as a senior or vulnerable individual.

PART III
PROHIBITING THE RELEASE OF CERTAIN PUBLIC RECORDS THAT COULD BE USED TO VICTIMIZE SENIORS AND VULNERABLE INDIVIDUALS

NEW SECTION. **Sec. 7.** It is the intent of part three of this act to protect seniors and vulnerable individuals from identity theft and other financial crimes by preventing the release of public records that could be used to victimize them. Sensitive personal information about in-home caregivers for vulnerable populations is protected because its release could facilitate identity crimes against seniors, vulnerable individuals, and other vulnerable populations that these caregivers serve.

NEW SECTION. **Sec. 8.** A new section is added to chapter 42.56 RCW to read as follows:

(1) Sensitive personal information of vulnerable individuals and sensitive personal information of in-home caregivers for vulnerable populations is exempt from inspection and copying under this chapter.

(2) The following definitions apply to this section:

(a) "In-home caregivers for vulnerable populations" means: (i) individual providers as defined in RCW 74.39A.240, (ii) home care aides as defined in RCW 18.88B.010, and (iii) family child care providers as defined in RCW 41.56.030.

(b) "Sensitive personal information" means names, addresses, GPS coordinates, telephone numbers, email addresses, social security numbers, driver's license numbers, or other personally identifying information.

(c) "Vulnerable individual" has the meaning set forth in RCW 9.35.005.

NEW SECTION. **Sec. 9.** Within one hundred eighty days after the effective date of this section, the department of social and health services shall report to the governor and attorney general about any additional records that should be made exempt from public disclosure to provide greater protection to seniors and vulnerable individuals against fraud, identity theft, and other forms of victimization.

NEW SECTION. **Sec. 10.** A new section is added to chapter 43.17 RCW to read as follows:

(1) To protect vulnerable individuals and their children from identity crimes and other forms of victimization, neither the state nor any of its agencies shall release sensitive personal information of vulnerable individuals or sensitive personal information of in-home caregivers for vulnerable populations, as those terms are defined in section 8 of this act.

NEW SECTION. **Sec. 11.** Nothing in this act shall prevent the release of public information in the following circumstances:

(a) the information is released to a governmental body, including the state's area agencies on aging, and the recipient agrees to protect the confidentiality of the information;

(b) the information concerns individuals who have been accused of or disciplined for abuse, neglect, exploitation, abandonment, or other acts involving the victimization of individuals or other professional misconduct;

(c) the information is being released as part of a judicial or quasi-judicial proceeding and subject to a court's order protecting the confidentiality of the information and allowing it to be used solely in that proceeding;

(d) the information is being provided to a representative certified or recognized under RCW 41.56.080, or as necessary for the provision of fringe benefits to public employees, and the recipient agrees to protect the confidentiality of the information;

(e) the disclosure is required by federal law;

(f) the disclosure is required by a contract between the state and a third party, and the recipient agrees to protect the confidentiality of the information;

(g) the information is released to a person or entity under contract with the state to manage, administer, or provide services to vulnerable residents, or under contract with the state to engage in research or analysis about state services for vulnerable residents, and the recipient agrees to protect the confidentiality of the information; or

(h) information about specific public employee(s) is released to a bona fide news organization that requests such information to conduct an investigation into, or report upon, the actions of such specific public employee(s).

(2) Nothing in this act shall prevent an agency from providing contact information for the purposes of RCW 74.39A.056(3) and RCW 74.39A.250. Nothing in this act shall prevent an agency from confirming the licensing or certification status of a caregiver on an individual basis to allow consumers to ensure the licensing or certification status of an individual caregiver.

NEW SECTION. **Sec. 12.** This act shall be liberally construed to promote the public policy of protecting seniors and vulnerable individuals from identity theft, consumer fraud, and other forms of victimization.

NEW SECTION. **Sec. 13.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

CHAPTER 5

[Substitute Senate Bill 5079]

DENTAL HEALTH SERVICES IN TRIBAL SETTINGS--DENTAL HEALTH AIDE THERAPISTS

AN ACT Relating to dental health services in tribal settings; amending RCW 18.29.180, 18.32.030, and 18.260.110; adding a new section to chapter 18.350 RCW; adding a new section to chapter 74.09 RCW; and adding a new chapter to Title 70 RCW.

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

NEW SECTION. **Sec. 1.** (1) The legislature finds that American Indians and Alaska Natives have very limited access to health care services and are disproportionately affected by oral health disparities. These disparities are directly attributed to the lack of dental health professionals in Indian communities. This has caused a serious access issue and backlog of dental treatment among American Indians and Alaska Natives. The legislature also finds that tribal leaders face a significant challenge in recruiting dental health professionals to work in Indian communities that results in further challenges in ensuring oral health care for tribal members.

(2) The legislature finds further that there is a strong history of government-to-government efforts with tribes in Washington to improve oral health among tribal members and to reduce the disproportionate number of American Indians and Alaska Natives affected by oral disease. One of the goals in the 2010-2013 American Indian health care delivery plan developed jointly by the department of health and the American Indian health commission is to improve the oral health of tribal members and the ability of tribes to provide comprehensive dental services in their communities. A critical objective to achieving that goal is "to explore options for the use of trained/certified expanded function personnel in order to increase oral health care services in tribal communities."

(3) The legislature finds further that sovereign tribal governments are in the best position to determine which strategies can effectively extend the ability of dental health professionals to provide care for children and others at risk of oral disease and increase access to oral health care for tribal members. The legislature does not intend to prescribe the general practice of dental health aide therapists in the state.

NEW SECTION. **Sec. 2.** (1) Dental health aide therapist services are authorized by this chapter under the following conditions:

(a) The person providing services is certified as a dental health aide therapist by:

(i) A federal community health aide program certification board; or

(ii) A federally recognized Indian tribe that has adopted certification standards that meet or exceed the requirements of a federal community health aide program certification board;

(b) All services are performed:

(i) In a practice setting within the exterior boundaries of a tribal reservation and operated by an Indian health program;

(ii) In accordance with the standards adopted by the certifying body in (a) of this subsection, including scope of practice, training, supervision, and continuing education;

(iii) Pursuant to any applicable written standing orders by a supervising dentist; and

(iv) On persons who are members of a federally recognized tribe or otherwise eligible for services under Indian health service criteria, pursuant to the Indian health care improvement act, 25 U.S.C. Sec. 1601 et seq.

(2) The performance of dental health aide therapist services is authorized for a person when working within the scope, supervision, and direction of a dental health aide therapy training program that is certified by an entity described in subsection (1) of this section.

(3) All services performed within the scope of subsection (1) or (2) of this section, including the employment or supervision of such services, are exempt from licensing requirements under chapters 18.29, 18.32, 18.260, and 18.350 RCW.

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

(1) "Dental health aide therapist" means a person who has met the training and education requirements, and satisfies other conditions, to be certified as a dental health aide therapist by a federal community health aide program certification board or by a federally recognized Indian tribe that has adopted certification standards that meet or exceed the requirements of a federal community health aide program certification board.

(2) "Federal community health aide program" means a program operated by the Indian health service under the applicable provisions of the Indian health care improvement act, 25 U.S.C. Sec. 1616l.

(3) "Indian health program" has the same meaning as the definition provided in the Indian health care improvement act, 25 U.S.C. Sec. 1603, as that definition existed on the effective date of this section.

Sec. 4. RCW 18.29.180 and 2004 c 262 s 4 are each amended to read as follows:

The following practices, acts, and operations are excepted from the operation of this chapter:

(1) The practice of dental hygiene in the discharge of official duties by dental hygienists in the United States armed services, coast guard, public health services, veterans' bureau, or bureau of Indian affairs;

(2) Dental hygiene programs approved by the secretary and the practice of dental hygiene by students in dental hygiene programs approved by the secretary, when acting under the direction and supervision of persons licensed under chapter 18.29 or 18.32 RCW acting as instructors;

(3) The practice of dental hygiene by students in accredited dental hygiene educational programs when acting under the direction and supervision of instructors licensed under chapter 18.29 or 18.32 RCW; and

(4) The performance of dental health aide therapist services to the extent authorized under chapter 70.--- RCW (the new chapter created in section 9 of this act).

Sec. 5. RCW 18.32.030 and 2012 c 23 s 7 are each amended to read as follows:

The following practices, acts, and operations are excepted from the operation of the provisions of this chapter:

(1) The rendering of dental relief in emergency cases in the practice of his or her profession by a physician or surgeon, licensed as such and registered under the laws of this state, unless the physician or surgeon undertakes to or does reproduce lost parts of the human teeth in the mouth or to restore or to replace in the human mouth lost or missing teeth;

(2) The practice of dentistry in the discharge of official duties by dentists in the United States federal services on federal reservations, including but not limited to the armed services, coast guard, public health service, veterans' bureau, or bureau of Indian affairs;

(3) Dental schools or colleges approved under RCW 18.32.040, and the practice of dentistry by students in accredited dental schools or colleges approved by the commission, when acting under the direction and supervision of Washington state-licensed dental school faculty;

(4) The practice of dentistry by licensed dentists of other states or countries while appearing as clinicians at meetings of the Washington state dental association, or component parts thereof, or at meetings sanctioned by them, or other groups approved by the commission;

(5) The use of roentgen and other rays for making radiographs or similar records of dental or oral tissues, under the supervision of a licensed dentist or physician;

(6) The making, repairing, altering, or supplying of artificial restorations, substitutions, appliances, or materials for the correction of disease, loss, deformity, malposition, dislocation, fracture, injury to the jaws, teeth, lips, gums, cheeks, palate, or associated tissues or parts; providing the same are made, repaired, altered, or supplied pursuant to the written instructions and order of a licensed dentist which may be accompanied by casts, models, or impressions furnished by the dentist, and the prescriptions shall be retained and filed for a period of not less than three years and shall be available to and subject to the examination of the secretary or the secretary's authorized representatives;

(7) The removal of deposits and stains from the surfaces of the teeth, the application of topical preventative or prophylactic agents, and the polishing and smoothing of restorations, when performed or prescribed by a dental hygienist licensed under the laws of this state;

(8) A qualified and licensed physician and surgeon or osteopathic physician and surgeon extracting teeth or performing oral surgery pursuant to the scope of practice under chapter 18.71 or 18.57 RCW;

(9) The performing of dental operations or services by registered dental assistants and licensed expanded function dental auxiliaries holding a credential issued under chapter 18.260 RCW when performed under the supervision of a licensed dentist, or by other persons not licensed under this chapter if the person is licensed pursuant to chapter 18.29, 18.57, 18.71, or 18.79 RCW as it applies to registered nurses and advanced registered nurse practitioners, each while acting within the scope of the person's permitted practice under the person's license: PROVIDED HOWEVER, That such persons shall in no event perform the following dental operations or services unless permitted to be performed by the person under this chapter or chapters 18.29, 18.57, 18.71, 18.79 as it applies to registered nurses and advanced registered nurse practitioners, and 18.260 RCW:

(a) Any removal of or addition to the hard or soft tissue of the oral cavity;

(b) Any diagnosis of or prescription for treatment of disease, pain, deformity, deficiency, injury, or physical condition of the human teeth or jaws, or adjacent structure;

(c) Any administration of general or injected local anaesthetic of any nature in connection with a dental operation, including intravenous sedation;

(d) Any oral prophylaxis;

(e) The taking of any impressions of the teeth or jaw or the relationships of the teeth or jaws, for the purpose of fabricating any intra-oral restoration, appliance, or prosthesis; ((~~and~~))

(10) The performing of dental services described in RCW 18.350.040 by dental anesthesia assistants certified under chapter 18.350 RCW when working under the supervision and direction of an oral and maxillofacial surgeon or dental anesthesiologist; and

(11) The performance of dental health aide therapist services to the extent authorized under chapter 70.--- RCW (the new chapter created in section 9 of this act).

Sec. 6. RCW 18.260.110 and 2012 c 229 s 502 are each amended to read as follows:

Nothing in this chapter may be construed to prohibit or restrict:

(1) The practice of a dental assistant in the discharge of official duties by dental assistants in the United States federal services on federal reservations, including but not limited to the armed services, coast guard, public health service, veterans' bureau, or bureau of Indian affairs;

(2) Expanded function dental auxiliary education and training programs approved by the commission and the practice as an expanded function dental auxiliary by students in expanded function dental auxiliary education and training programs approved by the commission, when acting under the direction and supervision of persons licensed under chapter 18.29 or 18.32 RCW;

(3) Dental assistant education and training programs, and the practice of dental assisting by students in dental assistant education and training programs approved by the commission or offered at a school approved or licensed by the workforce training and education coordinating board, student achievement council, state board for community and technical colleges, or Washington state skill centers certified by the office of the superintendent of public instruction, when acting under the direction and supervision of persons registered or licensed under this chapter or chapter 18.29 or 18.32 RCW; ((~~or~~))

(4) The practice of a volunteer dental assistant providing services under the supervision of a licensed dentist in a charitable dental clinic, as approved by the commission in rule; or

(5) The performance of dental health aide therapist services to the extent authorized under chapter 70.--- RCW (the new chapter created in section 9 of this act).

NEW SECTION. **Sec. 7.** A new section is added to chapter 18.350 RCW to read as follows:

Nothing in this chapter may be construed to prohibit or restrict dental health aide therapist services to the extent authorized under chapter 70.--- RCW (the new chapter created in section 9 of this act).

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

(1) It is the intent of the legislature to provide that dental health aide therapist services are eligible for medicaid funding in order to promote increased dental care access for persons served in settings operated by Indian tribes, tribal organizations, and urban Indian organizations.

(2) The health care authority is directed to coordinate with the centers for medicare and medicaid services to provide that dental health aide therapist services authorized in chapter 70.--- RCW (the new chapter created in section 9 of this act) are eligible for federal funding of up to one hundred percent.

NEW SECTION. **Sec. 9.** Sections 1 through 3 of this act constitute a new chapter in Title 70 RCW.

Passed by the Senate February 1, 2017.
Passed by the House February 9, 2017.
Approved by the Governor February 22, 2017.
Filed in Office of Secretary of State February 22, 2017.

CHAPTER 6

[Engrossed Senate Bill 5023]
SCHOOL DISTRICT EXCESS LEVIES

AN ACT Relating to modifying provisions relating to school district excess levies; amending RCW 84.52.0531; amending 2013 c 242 s 10, 2012 1st sp.s. c 10 s 10, 2010 c 237 ss 9, 8, and 10, and 2016 c 202 s 56 (uncodified); reenacting and amending RCW 84.52.0531; creating a new section; providing effective dates; and providing expiration dates.

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

NEW SECTION. **Sec. 1.** The legislature recognizes that school districts may provide locally funded enrichment to the state's program of basic education. The legislature further recognizes that the system of state and local funding for school districts is in transition during 2017, with the state moving toward full funding of its statutory program of basic education, and with current statutory policies on school district levies scheduled to expire at the end of calendar year 2017. To promote school districts' ability to plan for the future during this transitional period, the legislature intends to extend current statutory policies on local enrichment through calendar year 2018.

Sec. 2. RCW 84.52.0531 and 2013 c 242 s 8 are each amended to read as follows:

The maximum dollar amount which may be levied by or for any school district for maintenance and operation support under the provisions of RCW 84.52.053 shall be determined as follows:

(1) For excess levies for collection in calendar year 1997, the maximum dollar amount shall be calculated pursuant to the laws and rules in effect in November 1996.

(2) For excess levies for collection in calendar year 1998 and thereafter, the maximum dollar amount shall be the sum of (a) plus or minus (b), (c), and (d) of this subsection minus (e) of this subsection:

(a) The district's levy base as defined in subsections (3) and (4) of this section multiplied by the district's maximum levy percentage as defined in subsection (7) of this section;

(b) For districts in a high/nonhigh relationship, the high school district's maximum levy amount shall be reduced and the nonhigh school district's maximum levy amount shall be increased by an amount equal to the estimated amount of the nonhigh payment due to the high school district under RCW 28A.545.030(3) and 28A.545.050 for the school year commencing the year of the levy;

(c) Except for nonhigh districts under (d) of this subsection, for districts in an interdistrict cooperative agreement, the nonresident school district's maximum levy amount shall be reduced and the resident school district's maximum levy amount shall be increased by an amount equal to the per pupil basic education allocation included in the nonresident district's levy base under subsection (3) of this section multiplied by:

(i) The number of full-time equivalent students served from the resident district in the prior school year; multiplied by:

(ii) The serving district's maximum levy percentage determined under subsection (7) of this section; increased by:

(iii) The percent increase per full-time equivalent student as stated in the state basic education appropriation section of the biennial budget between the prior school year and the current school year divided by fifty-five percent;

(d) The levy bases of nonhigh districts participating in an innovation academy cooperative established under RCW 28A.340.080 shall be adjusted by the office of the superintendent of public instruction to reflect each district's proportional share of student enrollment in the cooperative;

(e) The district's maximum levy amount shall be reduced by the maximum amount of state matching funds for which the district is eligible under RCW 28A.500.010.

(3) For excess levies for collection in calendar year 2005 and thereafter, a district's levy base shall be the sum of allocations in (a) through (c) of this subsection received by the district for the prior school year and the amounts determined under subsection (4) of this section, including allocations for compensation increases, plus the sum of such allocations multiplied by the percent increase per full time equivalent student as stated in the state basic education appropriation section of the biennial budget between the prior school year and the current school year and divided by fifty-five percent. A district's levy base shall not include local school district property tax levies or other local revenues, or state and federal allocations not identified in (a) through (c) of this subsection.

(a) The district's basic education allocation as determined pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;

(b) State and federal categorical allocations for the following programs:

(i) Pupil transportation;

(ii) Special education;

(iii) Education of highly capable students;

(iv) Compensatory education, including but not limited to learning assistance, migrant education, Indian education, refugee programs, and bilingual education;

(v) Food services; and

(vi) Statewide block grant programs; and

(c) Any other federal allocations for elementary and secondary school programs, including direct grants, other than federal impact aid funds and allocations in lieu of taxes.

(4) For levy collections in calendar years 2005 through ((~~2017~~)) 2018, in addition to the allocations included under subsection (3)(a) through (c) of this section, a district's levy base shall also include the following:

(a)(i) For levy collections in calendar year 2010, the difference between the allocation the district would have received in the current school year had RCW 84.52.068 not been amended by chapter 19, Laws of 2003 1st sp. sess. and the allocation the district received in the current school year pursuant to RCW 28A.505.220;

(ii) For levy collections in calendar years 2011 through ((~~2017~~)) 2018, the allocation rate the district would have received in the prior school year using the Initiative 728 rate multiplied by the full-time equivalent student enrollment used to calculate the Initiative 728 allocation for the prior school year; and

(b) The difference between the allocations the district would have received the prior school year using the Initiative 732 base and the allocations the district actually received the prior school year pursuant to RCW 28A.400.205.

(5) For levy collections in calendar years 2011 through ((~~2017~~)) 2018, in addition to the allocations included under subsections (3)(a) through (c) and (4)(a) and (b) of this section, a district's levy base shall also include the difference between an allocation of fifty-three and two-tenths certificated instructional staff units per thousand full-time equivalent students in grades kindergarten through four enrolled in the prior school year and the allocation of certificated instructional staff units per thousand full-time equivalent students in grades kindergarten through four that the district actually received in the prior school year, except that the levy base for a school district whose allocation in the 2009-10 school year was less than fifty-three and two-tenths certificated instructional staff units per thousand full-time equivalent students in grades kindergarten through four shall include the difference between the allocation the district actually received in the 2009-10 school year and the allocation the district actually received in the prior school year.

(6) For levy collections beginning in calendar year 2014 and thereafter, in addition to the allocations included under subsections (3)(a) through (c), (4)(a) and (b), and (5) of this section, a district's levy base shall also include the funds allocated by the superintendent of public instruction under RCW 28A.715.040 to a school that is the subject of a state-tribal education compact and that formerly contracted with the school district to provide educational services through an interlocal agreement and received funding from the district.

(7)(a) A district's maximum levy percentage shall be twenty-four percent in 2010 and twenty-eight percent in 2011 through ((~~2017~~)) 2018 and twenty-four percent every year thereafter;

(b) For qualifying districts, in addition to the percentage in (a) of this subsection the grandfathered percentage determined as follows:

(i) For 1997, the difference between the district's 1993 maximum levy percentage and twenty percent; and

(ii) For 2011 through ((~~2017~~)) 2018, the percentage calculated as follows:

(A) Multiply the grandfathered percentage for the prior year times the district's levy base determined under subsection (3) of this section;

(B) Reduce the result of (b)(ii)(A) of this subsection by any levy reduction funds as defined in subsection (8) of this section that are to be allocated to the district for the current school year;

(C) Divide the result of (b)(ii)(B) of this subsection by the district's levy base; and

(D) Take the greater of zero or the percentage calculated in (b)(ii)(C) of this subsection.

(8) "Levy reduction funds" shall mean increases in state funds from the prior school year for programs included under subsections (3) and (4) of this section: (a) That are not attributable to enrollment changes, compensation increases, or inflationary adjustments; and (b) that are or were specifically identified as levy reduction funds in the appropriations act. If levy reduction funds are dependent on formula factors which would not be finalized until after the start of the current school year, the superintendent of public instruction shall estimate the total amount of levy reduction funds by using prior school year data in place of current school year data. Levy reduction funds shall not include moneys received by school districts from cities or counties.

(9) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Prior school year" means the most recent school year completed prior to the year in which the levies are to be collected.

(b) "Current school year" means the year immediately following the prior school year.

(c) "Initiative 728 rate" means the allocation rate at which the student achievement program would have been funded under chapter 3, Laws of 2001, if all annual adjustments to the initial 2001 allocation rate had been made in previous years and in each subsequent year as provided for under chapter 3, Laws of 2001.

(d) "Initiative 732 base" means the prior year's state allocation for annual salary cost-of-living increases for district employees in the state-funded salary base as it would have been calculated under chapter 4, Laws of 2001, if each annual cost-of-living increase allocation had been provided in previous years and in each subsequent year.

(10) Funds collected from transportation vehicle fund tax levies shall not be subject to the levy limitations in this section.

(11) The superintendent of public instruction shall develop rules and inform school districts of the pertinent data necessary to carry out the provisions of this section.

(12) For calendar year 2009, the office of the superintendent of public instruction shall recalculate school district levy authority to reflect levy rates certified by school districts for calendar year 2009.

(13) For levies collected in calendar year 2018 and thereafter, levy collections must be deposited into a local revenue subfund of the general fund to enable a detailed accounting of the amount and object of expenditures from the levy collections. The office of the superintendent of public instruction must collaborate with the office of the state auditor to develop guidance for districts to carry out this requirement.

(14) To ensure that levies for maintenance and operation support under RCW 84.52.053 are not used for basic education programs, beginning with ballot propositions submitted to the voters in calendar year 2018, districts must provide a report to the office of the superintendent of public instruction detailing the programs and activities to be funded through a maintenance and operation levy. Enrichment beyond the state-provided funding in the omnibus appropriations act for the basic education program components under RCW 28A.150.260 is a permitted use of maintenance and operation levies. The report required by this subsection must be submitted to, and approved by, the office of the superintendent of public instruction prior to the election for the proposition.

Sec. 3. RCW 84.52.0531 and 2010 c 237 s 2 and 2010 c 99 s 11 are each reenacted and amended to read as follows:

The maximum dollar amount which may be levied by or for any school district for maintenance and operation support under the provisions of RCW 84.52.053 shall be determined as follows:

(1) For excess levies for collection in calendar year 1997, the maximum dollar amount shall be calculated pursuant to the laws and rules in effect in November 1996.

(2) For excess levies for collection in calendar year 1998 and thereafter, the maximum dollar amount shall be the sum of (a) plus or minus (b), (c), and (d) of this subsection minus (e) of this subsection:

(a) The district's levy base as defined in subsection (3) of this section multiplied by the district's maximum levy percentage as defined in subsection (4) of this section;

(b) For districts in a high/nonhigh relationship, the high school district's maximum levy amount shall be reduced and the nonhigh school district's maximum levy amount shall be increased by an amount equal to the estimated amount of the nonhigh payment due to the high school district under RCW 28A.545.030(3) and 28A.545.050 for the school year commencing the year of the levy;

(c) Except for nonhigh districts under (d) of this subsection, for districts in an interdistrict cooperative agreement, the nonresident school district's maximum levy amount shall be reduced and the resident school district's maximum levy amount shall be increased by an amount equal to the per pupil basic education allocation included in the nonresident district's levy base under subsection (3) of this section multiplied by:

(i) The number of full-time equivalent students served from the resident district in the prior school year; multiplied by:

(ii) The serving district's maximum levy percentage determined under subsection (4) of this section; increased by:

(iii) The percent increase per full-time equivalent student as stated in the state basic education appropriation section of the biennial budget between the prior school year and the current school year divided by fifty-five percent;

(d) The levy bases of nonhigh districts participating in an innovation academy cooperative established under RCW 28A.340.080 shall be adjusted by the office of the superintendent of public instruction to reflect each district's proportional share of student enrollment in the cooperative;

(e) The district's maximum levy amount shall be reduced by the maximum amount of state matching funds for which the district is eligible under RCW 28A.500.010.

(3) For excess levies for collection in calendar year 1998 and thereafter, a district's levy base shall be the sum of allocations in (a) through (c) of this subsection received by the district for the prior school year, including allocations for compensation increases, plus the sum of such allocations multiplied by the percent increase per full time equivalent student as stated in the state basic education appropriation section of the biennial budget between the prior school year and the current school year and divided by fifty-five percent. A district's levy base shall not include local school district property tax levies or other local revenues, or state and federal allocations not identified in (a) through (c) of this subsection.

(a) The district's basic education allocation as determined pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;

(b) State and federal categorical allocations for the following programs:

(i) Pupil transportation;

(ii) Special education;

(iii) Education of highly capable students;

(iv) Compensatory education, including but not limited to learning assistance, migrant education, Indian education, refugee programs, and bilingual education;

(v) Food services; and

(vi) Statewide block grant programs; and

(c) Any other federal allocations for elementary and secondary school programs, including direct grants, other than federal impact aid funds and allocations in lieu of taxes.

(4)(a) A district's maximum levy percentage shall be twenty-four percent in 2010 and twenty-eight percent in 2011 through ((~~2017~~)) 2018 and twenty-four percent every year thereafter;

(b) For qualifying districts, in addition to the percentage in (a) of this subsection the grandfathered percentage determined as follows:

(i) For 1997, the difference between the district's 1993 maximum levy percentage and twenty percent; ((~~and~~))

(ii) For 2011 through ((~~2017~~)) 2018, the percentage calculated as follows:

(A) Multiply the grandfathered percentage for the prior year times the district's levy base determined under subsection (3) of this section;

(B) Reduce the result of (b)(ii)(A) of this subsection by any levy reduction funds as defined in subsection (5) of this section that are to be allocated to the district for the current school year;

(C) Divide the result of (b)(ii)(B) of this subsection by the district's levy base; and

(D) Take the greater of zero or the percentage calculated in (b)(ii)(C) of this subsection;

(iii) For ((~~2018~~)) 2019 and thereafter, the percentage shall be calculated as follows:

(A) Multiply the grandfathered percentage for the prior year times the district's levy base determined under subsection (3) of this section;

(B) Reduce the result of (b)(iii)(A) of this subsection by any levy reduction funds as defined in subsection (5) of this section that are to be allocated to the district for the current school year;

(C) Divide the result of (b)(iii)(B) of this subsection by the district's levy base; and

(D) Take the greater of zero or the percentage calculated in (b)(iii)(C) of this subsection.

(5) "Levy reduction funds" shall mean increases in state funds from the prior school year for programs included under subsection (3) of this section: (a) That are not attributable to enrollment changes, compensation increases, or inflationary adjustments; and (b) that are or were specifically identified as levy reduction funds in the appropriations act. If levy reduction funds are dependent on formula factors which would not be finalized until after the start of the current school year, the superintendent of public instruction shall estimate the total amount of levy reduction funds by using prior school year data in place of current school year data. Levy reduction funds shall not include moneys received by school districts from cities or counties.

(6) For the purposes of this section, "prior school year" means the most recent school year completed prior to the year in which the levies are to be collected.

(7) For the purposes of this section, "current school year" means the year immediately following the prior school year.

(8) Funds collected from transportation vehicle fund tax levies shall not be subject to the levy limitations in this section.

(9) The superintendent of public instruction shall develop rules and regulations and inform school districts of the pertinent data necessary to carry out the provisions of this section.

(10) For levies collected in calendar year 2018 and thereafter, levy collections must be deposited into a local revenue subfund of the general fund to enable a detailed accounting of the amount and object of expenditures from the levy collections. The office of the superintendent of public instruction must collaborate with the office of the state auditor to develop guidance for districts to carry out this requirement.

(11) To ensure that levies for maintenance and operation support under RCW 84.52.053 are not used for basic education programs, beginning with ballot propositions submitted to the voters in calendar year 2018, districts must provide a report to the office of the superintendent of public instruction detailing the programs and activities to be funded through a maintenance and operation levy. Enrichment beyond the state-provided funding in the omnibus appropriations act for the basic education program components under RCW 28A.150.260 is a permitted use of maintenance and operation levies. The report required by this subsection must be submitted to, and approved by, the office of the superintendent of public instruction prior to the election for the proposition.

Sec. 4. 2013 c 242 s 10 (uncodified) is amended to read as follows:
Section 8 of this act expires January 1, ((~~2018~~)) 2019.

Sec. 5. 2012 1st sp.s. c 10 s 10 (uncodified) is amended to read as follows:
Section 8 of this act expires January 1, ((~~2018~~)) 2019.

Sec. 6. 2010 c 237 s 9 (uncodified) is amended to read as follows:

Sections 1, 5, and 6 of this act expire January 1, ((~~2018~~)) 2019.

Sec. 7. 2010 c 237 s 8 (uncodified) is amended to read as follows:
This act expires January 1, ((~~2018~~)) 2019.

Sec. 8. 2010 c 237 s 10 (uncodified) is amended to read as follows:
Section 2 of this act takes effect January 1, ((~~2018~~)) 2019.

Sec. 9. 2016 c 202 s 56 (uncodified) is amended to read as follows:
Section 957 of this act expires January 1, ((~~2018~~)) 2019.

NEW SECTION. **Sec. 10.** Section 2 of this act takes effect January 1, 2018.

NEW SECTION. **Sec. 11.** Section 2 of this act expires January 1, 2019.

NEW SECTION. **Sec. 12.** Section 3 of this act takes effect January 1, 2019.

Passed by the Senate March 8, 2017.
Passed by the House March 9, 2017.
Approved by the Governor March 15, 2017.
Filed in Office of Secretary of State March 15, 2017.

CHAPTER 7

[Substitute House Bill 2106]

LEGISLATORS--ETHICS--ELECTION YEAR RESTRICTIONS

AN ACT Relating to election year restrictions on state legislators; amending RCW 42.52.180 and 42.52.185; creating a new section; and declaring an emergency.

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

NEW SECTION. **Sec. 1.** The legislature finds that the prohibition on the use of public resources for campaign purposes serves an important purpose, but that the period prohibiting state legislators from communicating with constituents at public expense is unnecessary once the election, and the campaign itself, has ended. Furthermore, the delay in constituent outreach after the election only hinders a legislator's ability to quickly and effectively respond to requests and keep the public informed about current state issues, and the various deadlines relating to mailed, emailed, and web site communications are confusing and need to be harmonized. For these reasons, the legislature intends to change mailed, emailed, and web site communication deadlines to the same time periods, in order to allow legislators to actively engage with the public on official legislative business in a timely and effective manner.

Sec. 2. RCW 42.52.180 and 2011 c 60 s 30 are each amended to read as follows:

(1) No state officer or state employee may use or authorize the use of facilities of an agency, directly or indirectly, for the purpose of assisting a campaign for election of a person to an office or for the promotion of or opposition to a ballot proposition. Knowing acquiescence by a person with authority to direct, control, or influence the actions of the state officer or state employee using public resources in violation of this section constitutes a violation of this section. Facilities of an agency include, but are not limited to, use of stationery, postage, machines, and equipment, use of state employees of

the agency during working hours, vehicles, office space, publications of the agency, and clientele lists of persons served by the agency.

(2) This section shall not apply to the following activities:

(a) Action taken at an open public meeting by members of an elected legislative body to express a collective decision, or to actually vote upon a motion, proposal, resolution, order, or ordinance, or to support or oppose a ballot proposition as long as (i) required notice of the meeting includes the title and number of the ballot proposition, and (ii) members of the legislative body or members of the public are afforded an approximately equal opportunity for the expression of an opposing view;

(b) A statement by an elected official in support of or in opposition to any ballot proposition at an open press conference or in response to a specific inquiry. For the purposes of this subsection, it is not a violation of this section for an elected official to respond to an inquiry regarding a ballot proposition, to make incidental remarks concerning a ballot proposition in an official communication, or otherwise comment on a ballot proposition without an actual, measurable expenditure of public funds. The ethics boards shall adopt by rule a definition of measurable expenditure;

(c) The maintenance of official legislative web sites throughout the year, regardless of pending elections. The web sites may contain any discretionary material which was also specifically prepared for the legislator in the course of his or her duties as a legislator, including newsletters and press releases. The official legislative web sites of legislators seeking reelection or election to any office shall not be altered ((~~between June 30th and November 15th~~)), other than during a special legislative session, beginning on the first day of the declaration of candidacy filing period specified in RCW 29A.24.050 through the date of certification of the general election of the election year. The web site shall not be used for campaign purposes;

(d) Activities that are part of the normal and regular conduct of the office or agency; and

(e) De minimis use of public facilities by statewide elected officials and legislators incidental to the preparation or delivery of permissible communications, including written and verbal communications initiated by them of their views on ballot propositions that foreseeably may affect a matter that falls within their constitutional or statutory responsibilities.

(3) As to state officers and employees, this section operates to the exclusion of RCW 42.17A.555.

Sec. 3. RCW 42.52.185 and 2011 c 60 s 31 are each amended to read as follows:

(1) During the ((~~twelve month~~)) period beginning on December 1st of the year before a general election for a state legislator's election to office and continuing through ((~~November 30th immediately after~~)) the date of certification of the general election, the legislator may not mail, either by regular mail or ((~~electronic mail~~))email, to a constituent at public expense a letter, newsletter, brochure, or other piece of literature, except for routine legislative correspondence, such as scheduling, and as follows:

(a) The legislator may mail two mailings of newsletters to constituents. All newsletters within each mailing of newsletters must be identical as to their content but not as to the constituent name or address. ((~~One such mailing may be~~

~~mailed no later than thirty days after the start of a regular legislative session, except that a legislator appointed during a regular legislative session to fill a vacant seat may have up to thirty days from the date of appointment to send out the first mailing. The other~~))Both mailings((~~may~~))must be mailed ((~~no later than sixty days after the end of a regular legislative session~~))before the first day of the declaration of candidacy filing period specified in RCW 29A.24.050.

(b) The legislator may mail an individual letter to (i) an individual constituent who has contacted the legislator regarding the subject matter of the letter during the legislator's current term of office; (ii) an individual constituent who holds a governmental office with jurisdiction over the subject matter of the letter; or (iii) an individual constituent who has received an award or honor of extraordinary distinction of a type that is sufficiently infrequent to be noteworthy to a reasonable person, including, but not limited to: (A) An international or national award such as the Nobel prize or the Pulitzer prize; (B) a state award such as Washington scholar; (C) an Eagle Scout award; and (D) a Medal of Honor.

(c) In those cases where constituents have specifically indicated that they would like to be contacted to receive regular or periodic updates on legislative matters or been added to a distribution list and provided regular opportunities to unsubscribe from that mailing list, legislators may provide such updates by ((~~electronic mail~~))email throughout the legislative session and up until ((~~thirty days from the conclusion of a legislative session~~))the first day of the declaration of candidacy filing period specified in RCW 29A.24.050. Legislators may also provide these updates by email during any special legislative session.

(2) ((~~For purposes of subsection (1) of this section, "legislator" means a legislator who is a "candidate," as defined by RCW 42.17A.005, for any public office.~~

~~(3)~~)) A violation of this section constitutes use of the facilities of a public office for the purpose of assisting a campaign under RCW 42.52.180.

(((~~4~~)))(3) The house of representatives and senate shall specifically limit expenditures per member for the total cost of mailings. Those costs include, but are not limited to, production costs, printing costs, and postage costs. The limits imposed under this subsection apply only to the total expenditures on mailings per member and not to any categorical cost within the total.

(((~~5~~)))(4) For purposes of this section((~~,~~)):

(a) "Legislator" means a legislator who is a "candidate," as defined in RCW 42.17A.005, for any public office; and

(b) Persons residing outside the legislative district represented by the legislator are not considered to be constituents, but students, military personnel, or others temporarily employed outside of the district who normally reside in the district are considered to be constituents.

NEW SECTION. **Sec. 4.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House March 15, 2017.
Passed by the Senate March 1, 2017.
Approved by the Governor March 31, 2017.
Filed in Office of Secretary of State March 31, 2017.

CHAPTER 8

[Substitute House Bill 1176]

MEAD--ALCOHOLIC BEVERAGE

AN ACT Relating to the alcoholic beverage mead; and amending RCW 66.24.215 and 66.28.360.

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

Sec. 1. RCW 66.24.215 and 2015 c 76 s 2 are each amended to read as follows:

(1) To provide for permanent funding of the wine commission after July 1, 1989, agricultural commodity assessments must be levied by the board on wine producers and growers as follows:

(a) Beginning on July 1, 1989, the assessment on wine producers is two cents per gallon on sales of packaged Washington wines.

(b) Beginning on July 1, 1989, the assessment on growers of Washington vinifera wine grapes is levied as provided in RCW 15.88.130.

(c) After July 1, 1993, assessment rates under (a) of this subsection (((~~(1)(a) of this section~~))) may be changed pursuant to a referendum conducted by the Washington wine commission and approved by a majority vote of wine producers. The weight of each producer's vote must be equal to the percentage of that producer's share of Washington vinifera wine production in the prior year.

(d) After July 1, 1993, assessment amounts under (b) of this subsection (((~~(1)(b) of this section~~))) may be changed pursuant to a referendum conducted by the Washington wine commission and approved by a majority vote of grape growers. The weight of each grower's vote must be equal to the percentage of that grower's share of Washington vinifera grape sales in the prior year.

(e) After July 1, 2015, the assessment amounts under this section may not be levied on the production of cider as defined in RCW 66.24.210.

(f) After January 1, 2018, the assessment amounts under this section may not be levied on the production of mead. For purposes of this section, "mead" means a wine or malt beverage of which honey represents the largest percentage of the starting fermentable sugars by weight of the finished product and that:

(i) Is derived from a mixture of honey and water, which may contain hops, fruit, spices, grain, and other agricultural products or flavors; and

(ii) Is sold or offered for sale as mead.

(2) Assessments collected under this section must be disbursed quarterly to the Washington wine commission for use in carrying out the purposes of chapter 15.88 RCW.

(3) Prior to July 1, 1996, a referendum must be conducted to determine whether to continue the Washington wine commission as representing both wine producers and grape growers. The voting may not be weighted. The wine producers must vote whether to continue the commission's coverage of wineries and wine production. The grape producers must vote whether to continue the commission's coverage of issues pertaining to grape growing. If a majority of both wine and grape producers favor the continuation of the commission, the assessments must continue as provided in subsection (((~~(2)~~))) (1)(b) and (d) of this

section. If only one group of producers favors the continuation, the assessments may only be levied on the group which favored the continuation.

Sec. 2. RCW 66.28.360 and 2014 c 54 s 1 are each amended to read as follows:

(1) Licensees holding either a license that permits or a license with an endorsement that permits the sale of beer to a purchaser in a container supplied by the licensee or a sanitary container brought to the premises by the purchaser and filled at the tap at the time of sale may similarly sell cider and mead to a purchaser in such a container, subject to subsection (2) of this section. Nothing in this section relieves a licensee from complying with federal law.

(2) Any mead sold pursuant to this section must have an alcohol content equal to or less than fourteen percent alcohol by volume.

(3) For purposes of this section, "cider" has the same meaning as in RCW 66.24.210(6) and "mead" has the same meaning as in RCW 66.24.215.

Passed by the House March 6, 2017.
Passed by the Senate March 31, 2017.
Approved by the Governor April 14, 2017.
Filed in Office of Secretary of State April 14, 2017.

CHAPTER 9

[Substitute House Bill 1199]
YOUTH COURTS--TRANSIT INFRACTIONS

AN ACT Relating to allowing youth courts to have jurisdiction over transit infractions; and amending RCW 3.72.005, 3.72.010, 3.72.020, 3.72.030, and 3.72.040.

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

Sec. 1. RCW 3.72.005 and 2002 c 237 s 1 are each amended to read as follows:

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

(1) "Court" when used without further qualification means the district court under chapter 3.30 RCW, the municipal department under chapter 3.46 RCW, or the municipal court under chapter 3.50 or 35.20 RCW.

(2) "Traffic infraction" means those acts defined as traffic infractions by RCW 46.63.020.

(3) "Transit infraction" means an infraction issued by a transit authority as defined in RCW 9.91.025(2)(c), including those infractions authorized under RCW 35.58.580, 36.57A.230, and 81.112.220.

(4) "Youth court" means an alternative method of hearing and disposing of traffic infractions for juveniles age sixteen or seventeen.

Sec. 2. RCW 3.72.010 and 2005 c 73 s 1 are each amended to read as follows:

(1) A court created under chapter 3.30, 3.46, 3.50, or 35.20 RCW may create a youth court. The youth court shall have jurisdiction over traffic and transit infractions alleged to have been committed by juveniles age sixteen or seventeen. The court may refer a juvenile to the youth court upon request of any party or upon its own motion. However, a juvenile shall not be required under

this section to have his or her traffic or transit infraction referred to or disposed of by a youth court.

(2) To be referred to a youth court pursuant to this chapter, a juvenile:

(a) May not have had a prior traffic or transit infraction referred to a youth court;

(b) May not be under the jurisdiction of any court for a violation of any provision of Title 46 RCW or for unlawful transit conduct under RCW 9.91.025;

(c) May not have any convictions for a violation of any provision of Title 46 RCW or for unlawful transit conduct under RCW 9.91.025; and

(d) Must acknowledge that there is a high likelihood that he or she would be found to have committed the traffic or transit infraction.

(3)(a) Nothing in this chapter shall interfere with the ability of juvenile courts to refer matters to youth courts that have been established to provide a diversion for matters involving juvenile offenders who are eligible for diversion pursuant to RCW 13.40.070 (6) and (((~~(7)~~))) (8) and who agree, along with a parent, guardian, or legal custodian, to comply with the provisions of RCW 13.40.600.

(b) Nothing in this chapter shall interfere with the ability of student courts to work with students who violate school rules and policies pursuant to RCW 28A.300.420.

Sec. 3. RCW 3.72.020 and 2002 c 237 s 3 are each amended to read as follows:

(1) A youth court agreement shall be a contract between a juvenile accused of a traffic or transit infraction and a court whereby the juvenile agrees to fulfill certain conditions imposed by a youth court in lieu of a determination that a traffic or transit infraction occurred. Such agreements may be entered into only after the law enforcement authority has determined that probable cause exists to believe that a traffic or transit infraction has been committed and that the juvenile committed it. A youth court agreement shall be reduced to writing and signed by the court and the youth accepting the terms of the agreement. Such agreements shall be entered into as expeditiously as possible.

(2) Conditions imposed on a juvenile by a youth court shall be limited to one or more of the following:

(a) Community service not to exceed one hundred fifty hours, not to be performed during school hours if the juvenile is attending school;

(b) Attendance at defensive driving school or driver improvement education classes or, in the discretion of the court, a like means of fulfilling this condition. The state shall not be liable for costs resulting from the youth court or the conditions imposed upon the juvenile by the youth court;

(c) A monetary penalty, not to exceed one hundred dollars. All monetary penalties assessed and collected under this section shall be deposited and distributed in the same manner as costs, fines, forfeitures, and penalties are assessed and collected under RCW 2.68.040, 3.46.120, 3.50.100, 3.62.020, 3.62.040, 35.20.220, and 46.63.110(((~~(6)~~))) (7), regardless of the juvenile's successful or unsuccessful completion of the youth court agreement;

(d) Requirements to remain during specified hours at home, school, or work, and restrictions on leaving or entering specified geographical areas;

(e) Participating in law-related education classes;

(f) Providing periodic reports to the youth court or the court;

(g) Participating in mentoring programs;

(h) Serving as a participant in future youth court proceedings;

(i) Writing apology letters; or

(j) Writing essays.

(3) Youth courts may require that the youth pay any costs associated with conditions imposed upon the youth by the youth court.

(a) A youth court disposition shall be completed within one hundred eighty days from the date of referral.

(b) The court, as specified in RCW 3.72.010, shall monitor the successful or unsuccessful completion of the disposition.

(4) A youth court agreement may extend beyond the eighteenth birthday of the youth.

(5) Any juvenile who is, or may be, referred to a youth court shall be afforded due process in all contacts with the youth court regardless of whether the juvenile is accepted by the youth court or whether the youth court program is successfully completed. Such due process shall include, but not be limited to, the following:

(a) A written agreement shall be executed stating all conditions in clearly understandable language and the action that will be taken by the court upon successful or unsuccessful completion of the agreement;

(b) Violation of the terms of the agreement shall be the only grounds for termination.

(6) The youth court shall, subject to available funds, be responsible for providing interpreters when juveniles need interpreters to effectively communicate during youth court hearings or negotiations.

(7) The court shall be responsible for advising a juvenile of his or her rights as provided in this chapter.

(8) When a juvenile enters into a youth court agreement, the court may receive only the following information for dispositional purposes:

(a) The fact that a traffic or transit infraction was alleged to have been committed;

(b) The fact that a youth court agreement was entered into;

(c) The juvenile's obligations under such agreement;

(d) Whether the juvenile performed his or her obligations under such agreement; and

(e) The facts of the alleged traffic or transit infraction.

(9) A court may refuse to enter into a youth court agreement with a juvenile. When a court refuses to enter a youth court agreement with a juvenile, it shall set the matter for hearing in accordance with all applicable court rules and statutory provisions governing the hearing and disposition of traffic and transit infractions.

(10) If a monetary penalty required by a youth court agreement cannot reasonably be paid due to a lack of financial resources of the youth, the court may convert any or all of the monetary penalty into community service. The modification of the youth court agreement shall be in writing and signed by the juvenile and the court. The number of hours of community service in lieu of a monetary penalty shall be converted at the rate of the prevailing state minimum wage per hour.

Sec. 4. RCW 3.72.030 and 2005 c 73 s 2 are each amended to read as follows:

Youth courts provide a disposition method for cases involving juveniles alleged to have committed traffic or transit infractions. Youth courts may also provide diversion in cases involving juvenile offenders who are eligible for diversion pursuant to RCW 13.40.070 (6) and (((~~(7)~~))) (8) and who agree, along with a parent, guardian, or legal custodian, to comply with the provisions of RCW 13.40.600. Student court programs may also be available in schools to work with students who violate school rules and policies pursuant to RCW 28A.300.420. Youth court participants, under the supervision of the court or an adult coordinator, may serve in various capacities within the youth court, acting in the role of jurors, lawyers, bailiffs, clerks, and judges. Youth courts and student courts have no jurisdiction except as provided for in this chapter, chapter 13.40 RCW, and RCW 28A.300.420. Youth courts and student courts are not courts established under Article IV of the state Constitution.

Sec. 5. RCW 3.72.040 and 2002 c 237 s 5 are each amended to read as follows:

The administrative office of the courts shall encourage the courts to work with cities, counties, and schools to implement, expand, or use youth court programs for juveniles who commit traffic or transit infractions. Program operations of youth court programs may be funded by government and private grants. Youth court programs are limited to those that:

(1) Are developed using the guidelines for creating and operating youth court programs developed by nationally recognized experts in youth court projects;

(2) Target youth ages sixteen and seventeen who are alleged to have committed a traffic or transit infraction; and

(3) Emphasize the following principles:

(a) Youth must be held accountable for their problem behavior;

(b) Youth must be educated about the impact their actions have on themselves and others including their victims, their families, and their community;

(c) Youth must develop skills to resolve problems with their peers more effectively; and

(d) Youth should be provided a meaningful forum to practice and enhance newly developed skills.

Passed by the House February 9, 2017.
Passed by the Senate March 31, 2017.
Approved by the Governor April 14, 2017.
Filed in Office of Secretary of State April 14, 2017.

CHAPTER 10

[House Bill 1329]

MOBILE AND MANUFACTURED HOME INSTALLATION--INFRACTION PENALTIES

AN ACT Relating to monetary penalties imposed for infractions relating to mobile and manufactured home installation; amending RCW 43.22A.190; and prescribing penalties.

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

Sec. 1. RCW 43.22A.190 and 2007 c 432 s 5 are each amended to read as follows:

(1) A person found to have committed an infraction under this chapter ((~~shall~~)) may be assessed a monetary penalty of two hundred fifty dollars for the first infraction and not more than one thousand dollars for a second or subsequent infraction. The department shall set by rule a schedule of monetary penalties for infractions imposed under this chapter.

(2) The administrative law judge may waive, reduce, or suspend the monetary penalty imposed for the infraction.

(3) Monetary penalties collected under this chapter shall be deposited into the manufactured home installation training account created in RCW 43.22A.100 for the purposes specified in this chapter.

Passed by the House February 15, 2017.
Passed by the Senate March 30, 2017.
Approved by the Governor April 14, 2017.
Filed in Office of Secretary of State April 14, 2017.

CHAPTER 11

[House Bill 1400]

AVIATION SPECIAL LICENSE PLATE

AN ACT Relating to creating Washington state aviation special license plates; reenacting and amending RCW 46.18.200, 46.17.220, and 46.68.420; adding a new section to chapter 46.04 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** The legislature finds that the aviation industry and community airports are an integral part of Washington's economy. Washington state is home to public use airports serving an average of eighteen thousand five hundred pilots and over nine thousand aircraft annually. They support two hundred forty-eight thousand five hundred jobs and more than fifty billion dollars in economic activity. Aviators play a vital role in our state's response to emergencies and natural disasters. Therefore, the legislature intends with this act to create the Washington state aviation license plate to honor and support the aviation community.

Sec. 2. RCW 46.18.200 and 2016 c 36 s 1, 2016 c 30 s 1, 2016 c 16 s 1, and 2016 c 15 s 1 are each reenacted and amended to read as follows:

(1) Special license plate series reviewed and approved by the department:

(a) May be issued in lieu of standard issue or personalized license plates for vehicles required to display one and two license plates unless otherwise specified;

(b) Must be issued under terms and conditions established by the department;

(c) Must not be issued for vehicles registered under chapter 46.87 RCW; and

(d) Must display a symbol or artwork approved by the department.

(2) The department approves and shall issue the following special license plates:

LICENSE PLATE	DESCRIPTION, SYMBOL, OR ARTWORK
4-H	Displays the "4-H" logo.
Armed forces collection	Recognizes the contribution of veterans, active duty military personnel, reservists, and members of the national guard, and includes six separate designs, each containing a symbol representing a different branch of the armed forces to include army, navy, air force, marine corps, coast guard, and national guard.
Breast cancer awareness	Displays a pink ribbon symbolizing breast cancer awareness.
Endangered wildlife	Displays a symbol or artwork symbolizing endangered wildlife in Washington state.
Gonzaga University alumni association	Recognizes the Gonzaga University alumni association.
Helping kids speak	Recognizes an organization that supports programs that provide no-cost speech pathology programs to children.
Keep kids safe	Recognizes efforts to prevent child abuse and neglect.
Law enforcement memorial	Honors law enforcement officers in Washington killed in the line of duty.
Music matters	Displays the "Music Matters" logo.
Professional firefighters and paramedics	Recognizes professional firefighters and paramedics who are members of the Washington state council of firefighters.
Seattle Seahawks	Displays the "Seattle Seahawks" logo.
Seattle Sounders FC	Displays the "Seattle Sounders FC" logo.
Seattle University	Recognizes Seattle University.
Share the road	Recognizes an organization that promotes bicycle safety and awareness education.
Ski & ride Washington	Recognizes the Washington snowsports industry.
State flower	Recognizes the Washington state flower.
Volunteer firefighters	Recognizes volunteer firefighters.
Washington farmers and ranchers	Recognizes farmers and ranchers in Washington state.

LICENSE PLATE	DESCRIPTION, SYMBOL, OR ARTWORK
Washington lighthouses	Recognizes an organization that supports selected Washington state lighthouses and provides environmental education programs.
Washington state aviation	Displays a Stearman biplane in the foreground with an image of Mount Rainier in the background.
Washington state parks	Recognizes Washington state parks as premier destinations of uncommon quality that preserve significant natural, cultural, historical, and recreational resources.
Washington state wrestling	Promotes and supports college wrestling in the state of Washington.
Washington tennis	Builds awareness and year-round opportunities for tennis in Washington state. Displays a symbol or artwork recognizing tennis in Washington state.
Washington's national park fund	Builds awareness of Washington's national parks and supports priority park programs and projects in Washington's national parks, such as enhancing visitor experience, promoting volunteerism, engaging communities, and providing educational opportunities related to Washington's national parks.
Washington's fish collection	Recognizes Washington's fish.
Washington's wildlife collection	Recognizes Washington's wildlife.
We love our pets	Recognizes an organization that assists local member agencies of the federation of animal welfare and control agencies to promote and perform spay/neuter surgery on Washington state pets to reduce pet overpopulation.
Wild on Washington	Symbolizes wildlife viewing in Washington state.

(3) Applicants for initial and renewal professional firefighters and paramedics special license plates must show proof of eligibility by providing a certificate of current membership from the Washington state council of firefighters.

(4) Applicants for initial volunteer firefighters special license plates must (a) have been a volunteer firefighter for at least ten years or be a volunteer firefighter for one or more years and (b) have documentation of service from the district of the appropriate fire service. If the volunteer firefighter leaves

firefighting service before ten years of service have been completed, the volunteer firefighter shall surrender the license plates to the department on the registration renewal date. If the volunteer firefighter stays in service for at least ten years and then leaves, the license plate may be retained by the former volunteer firefighter and as long as the license plate is retained for use the person will continue to pay the future registration renewals. A qualifying volunteer firefighter may have no more than one set of license plates per vehicle, and a maximum of two sets per applicant, for their personal vehicles. If the volunteer firefighter is convicted of a violation of RCW 46.61.502 or a felony, the license plates must be surrendered upon conviction.

Sec. 3. RCW 46.17.220 and 2016 c 36 s 2, 2016 c 31 s 2, 2016 c 30 s 3, 2016 c 16 s 2, and 2016 c 15 s 2 are each reenacted and amended to read as follows:

(1) In addition to all fees and taxes required to be paid upon application for a vehicle registration in chapter 46.16A RCW, the holder of a special license plate shall pay the appropriate special license plate fee as listed in this section.

PLATE TYPE	INITIAL FEE	RENEWAL FEE	DISTRIBUTED UNDER
(a) 4-H	$ 40.00	$ 30.00	RCW 46.68.420
(b) Amateur radio license	$ 5.00	N/A	RCW 46.68.070
(c) Armed forces	$ 40.00	$ 30.00	RCW 46.68.425
(d) Baseball stadium	$ 40.00	$ 30.00	Subsection (2) of this section
(e) Breast cancer awareness	$ 40.00	$ 30.00	RCW 46.68.425
(f) Collector vehicle	$ 35.00	N/A	RCW 46.68.030
(g) Collegiate	$ 40.00	$ 30.00	RCW 46.68.430
(h) Endangered wildlife	$ 40.00	$ 30.00	RCW 46.68.425
(i) Gonzaga University alumni association	$ 40.00	$ 30.00	RCW 46.68.420
(j) Helping kids speak	$ 40.00	$ 30.00	RCW 46.68.420
(k) Horseless carriage	$ 35.00	N/A	RCW 46.68.030
(l) Keep kids safe	$ 45.00	$ 30.00	RCW 46.68.425
(m) Law enforcement memorial	$ 40.00	$ 30.00	RCW 46.68.420
(n) Military affiliate radio system	$ 5.00	N/A	RCW 46.68.070
(o) Music matters	$ 40.00	$ 30.00	RCW 46.68.420
(p) Purple Heart	$ 40.00	$ 30.00	RCW 46.68.425
(q) Professional firefighters and paramedics	$ 40.00	$ 30.00	RCW 46.68.420
(r) Ride share	$ 25.00	N/A	RCW 46.68.030
(s) Seattle Seahawks	$ 40.00	$ 30.00	RCW 46.68.420
(t) Seattle Sounders FC	$ 40.00	$ 30.00	RCW 46.68.420
(u) Seattle University	$ 40.00	$ 30.00	RCW 46.68.420
(v) Share the road	$ 40.00	$ 30.00	RCW 46.68.420
(w) Ski & ride Washington	$ 40.00	$ 30.00	RCW 46.68.420

PLATE TYPE	INITIAL FEE	RENEWAL FEE	DISTRIBUTED UNDER
(x) Square dancer	$ 40.00	N/A	RCW 46.68.070
(y) State flower	$ 40.00	$ 30.00	RCW 46.68.420
(z) Volunteer firefighters	$ 40.00	$ 30.00	RCW 46.68.420
(aa) Washington farmers and ranchers	$ 40.00	$ 30.00	RCW 46.68.420
(bb) Washington lighthouses	$ 40.00	$ 30.00	RCW 46.68.420
(cc) Washington state aviation	$ 40.00	$ 30.00	RCW 46.68.420
(dd) Washington state parks	$ 40.00	$ 30.00	RCW 46.68.425
(((~~dd~~))) (ee) Washington state wrestling	$ 40.00	$ 30.00	RCW 46.68.420
(((~~ee~~))) (ff) Washington tennis	$ 40.00	$ 30.00	RCW 46.68.420
(((~~ff~~))) (gg) Washington's fish collection	$ 40.00	$ 30.00	RCW 46.68.425
(((~~gg~~))) (hh) Washington's national parks	$ 40.00	$ 30.00	RCW 46.68.420
(((~~hh~~))) (ii) Washington's wildlife collection	$ 40.00	$ 30.00	RCW 46.68.425
(((~~ii~~))) (jj) We love our pets	$ 40.00	$ 30.00	RCW 46.68.420
(((~~jj~~))) (kk) Wild on Washington	$ 40.00	$ 30.00	RCW 46.68.425

(2) After deducting administration and collection expenses for the sale of baseball stadium license plates, the remaining proceeds must be distributed to a county for the purpose of paying the principal and interest payments on bonds issued by the county to construct a baseball stadium, as defined in RCW 82.14.0485, including reasonably necessary preconstruction costs, while the taxes are being collected under RCW 82.14.360. After this date, the state treasurer shall credit the funds to the state general fund.

Sec. 4. RCW 46.68.420 and 2016 c 36 s 3, 2016 c 16 s 3, and 2016 c 15 s 3 are each reenacted and amended to read as follows:

(1) The department shall:

(a) Collect special license plate fees established under RCW 46.17.220;

(b) Deduct an amount not to exceed twelve dollars for initial issue and two dollars for renewal issue for administration and collection expenses incurred by it; and

(c) Remit the remaining proceeds to the custody of the state treasurer with a proper identifying detailed report.

(2) The state treasurer shall credit the proceeds to the motor vehicle account until the department determines that the state has been reimbursed for the cost of implementing the special license plate. Upon determination by the department that the state has been reimbursed, the state treasurer shall credit the remaining special license plate fee amounts for each special license plate to the following appropriate account as created in this section in the custody of the state treasurer:

ACCOUNT	CONDITIONS FOR USE OF FUNDS
4-H programs	Support Washington 4-H programs
Gonzaga University alumni association	Scholarship funds to needy and qualified students attending or planning to attend Gonzaga University
Helping kids speak	Provide free diagnostic and therapeutic services to families of children who suffer from a delay in language or speech development
Law enforcement memorial	Provide support and assistance to survivors and families of law enforcement officers in Washington killed in the line of duty and to organize, finance, fund, construct, utilize, and maintain a memorial on the state capitol grounds to honor those fallen officers
Lighthouse environmental programs	Support selected Washington state lighthouses that are accessible to the public and staffed by volunteers; provide environmental education programs; provide grants for other Washington lighthouses to assist in funding infrastructure preservation and restoration; encourage and support interpretive programs by lighthouse docents
Music matters awareness	Promote music education in schools throughout Washington
Seattle Seahawks	Provide funds to InvestED to encourage secondary students who have economic needs to stay in school, return to school, or get involved within their learning community

ACCOUNT	CONDITIONS FOR USE OF FUNDS
Seattle Sounders FC	Provide funds to Washington state mentors and the association of Washington generals created in RCW 43.15.030 in the following manner: (a) Seventy percent and the remaining proceeds, if any, to Washington state mentors, to increase the number of mentors in the state by offering mentoring grants throughout Washington state that foster positive youth development and academic success, with up to twenty percent of these proceeds authorized for program administration costs; and(b) up to thirty percent, not to exceed forty-thousand dollars annually as adjusted for inflation by the office of financial management, to the association of Washington generals, to develop Washington state educational, veterans, international relations, and civics projects and to recognize the outstanding public service of individuals or groups in the state of Washington
Seattle University	Fund scholarships for students attending or planning to attend Seattle University
Share the road	Promote bicycle safety and awareness education in communities throughout Washington
Ski & ride Washington	Promote winter snowsports, such as skiing and snowboarding, and related programs, such as ski and ride safety programs, underprivileged youth ski and ride programs, and active, healthy lifestyle programs
State flower	Support Meerkerk Rhododendron Gardens and provide for grants to other qualified nonprofit organizations' efforts to preserve rhododendrons
Volunteer firefighters	Receive and disseminate funds for purposes on behalf of volunteer firefighters, their families, and others deemed in need

ACCOUNT	CONDITIONS FOR USE OF FUNDS
Washington farmers and ranchers	Provide funds to the Washington FFA Foundation for educational programs in Washington state
Washington state aviation	Provide funds to the department of transportation to support infrastructure improvements at public use airports in Washington state
Washington state wrestling	Provide funds to the Washington state wrestling foundation to fund new and existing college wrestling programs
Washington state council of firefighters benevolent fund	Receive and disseminate funds for charitable purposes on behalf of members of the Washington state council of firefighters, their families, and others deemed in need
Washington tennis	Provide funds to cities to assist in the construction and maintenance of a public tennis facility with at least four indoor tennis courts. A city is eligible for construction funds if the city does not already have a public or private facility with at least four indoor tennis courts. Funds for construction must first be made available to the most populous eligible city, according to the most recent census, for a time period not to exceed five years after January 1, 2017. After the five-year time period, the funds for construction must be made available to the next most populous eligible city. Funds for the maintenance of a public tennis facility with at least four indoor tennis courts must first be made available to the first eligible city that utilizes funds for construction provided by chapter 16, Laws of 2016.
Washington's national park fund	Build awareness of Washington's national parks and support priority park programs and projects in Washington's national parks, such as enhancing visitor experience, promoting volunteerism, engaging communities, and providing educational opportunities related to Washington's national parks

ACCOUNT	CONDITIONS FOR USE OF FUNDS
We love our pets	Support and enable the Washington federation of animal welfare and control agencies to promote and perform spay/neuter surgery of Washington state pets in order to reduce pet population

(3) Only the director or the director's designee may authorize expenditures from the accounts described in subsection (2) of this section. The accounts are subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(4) Funds in the special license plate accounts described in subsection (2) of this section must be disbursed subject to the conditions described in subsection (2) of this section and under contract between the department and qualified nonprofit organizations that provide the services described in subsection (2) of this section.

(5) For the purposes of this section, a "qualified nonprofit organization" means a not-for-profit corporation operating in Washington that has received a determination of tax exempt status under 26 U.S.C. Sec. 501(c)(3). The qualified nonprofit organization must meet all the requirements under RCW 46.18.100(1).

NEW SECTION. **Sec. 5.** A new section is added to chapter 46.04 RCW to read as follows:

"Washington state aviation license plates" means special license plates issued under RCW 46.18.200 that display images of a Stearman biplane and Mount Rainier.

Passed by the House February 28, 2017.
Passed by the Senate March 31, 2017.
Approved by the Governor April 14, 2017.
Filed in Office of Secretary of State April 14, 2017.

CHAPTER 12

[House Bill 1615]

AGENCY PROPERTY ACQUISITIONS--RELOCATION ASSISTANCE--FEDERAL LAW

AN ACT Relating to relocation assistance for persons displaced by agency property acquisitions; and amending RCW 8.26.035, 8.26.045, and 8.26.055.

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

Sec. 1. RCW 8.26.035 and 2003 c 357 s 1 are each amended to read as follows:

(1) Whenever a program or project to be undertaken by a displacing agency will result in the displacement of any person, the displacing agency shall provide for the payment to the displaced person of:

(a) Actual reasonable expenses in moving himself or herself, or his or her family, business, farm operation, or other personal property;

(b) Actual direct losses of tangible personal property as a result of moving or discontinuing a business or farm operation, but not to exceed an amount equal

to the reasonable expenses that would have been required to relocate the property, in accordance with criteria established by the lead agency;

(c) Actual reasonable expenses in searching for a replacement business or farm; and

(d) Actual reasonable expenses necessary to reestablish a displaced farm, nonprofit organization, or small business at its new site, in accordance with criteria established by the lead agency, but not to exceed fifty thousand dollars or the dollar amount allowed under 42 U.S.C. Sec. 4622 as it existed on the effective date of this section, or such subsequent date as may be provided by the displacing agency by rule or regulation, consistent with the purposes of this section, whichever is greater.

(2) A displaced person eligible for payments under subsection (1) of this section who is displaced from a dwelling and who elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection (1) of this section may receive an expense and dislocation allowance determined according to a schedule established by the lead agency.

(3) A displaced person eligible for payments under subsection (1) of this section who is displaced from the person's place of business or farm operation and who is eligible under criteria established by the lead agency may elect to accept the payment authorized by this subsection in lieu of the payment authorized by subsection (1) of this section. The payment shall consist of a fixed payment in an amount to be determined according to criteria established by the lead agency, except that the payment shall be not less than ((~~one thousand dollars nor more than twenty thousand dollars~~)) the dollar amount allowed under 42 U.S.C. Sec. 4622 as it existed on the effective date of this section, or such subsequent date as may be provided by the displacing agency by rule or regulation, consistent with the purposes of this section. A person whose sole business at the displacement dwelling is the rental of that property to others does not qualify for a payment under this subsection.

Sec. 2. RCW 8.26.045 and 1988 c 90 s 4 are each amended to read as follows:

(1) In addition to payments otherwise authorized by this chapter, the displacing agency shall make an additional payment, not in excess of ((~~twenty-two thousand five hundred dollars~~)) the dollar amount allowed under 42 U.S.C. Sec. 4623 as it existed on the effective date of this section, or such subsequent date as may be provided by the displacing agency by rule or regulation, consistent with the purposes of this section, to any displaced person who is displaced from a dwelling actually owned and occupied by the displaced person for not less than ((~~one hundred and eighty~~)) ninety days immediately before the initiation of negotiations for the acquisition of the property. The additional payment shall include the following elements:

(a) The amount, if any, that when added to the acquisition cost of the dwelling acquired by the displacing agency, equals the reasonable and necessary cost of a comparable replacement dwelling;

(b) The amount, if any, that will compensate the displaced person for any increased mortgage interest costs and other debt service costs that the person is required to pay for financing the acquisition of any such comparable replacement dwelling. This amount shall be paid only if the dwelling acquired by the displacing agency was encumbered by a bona fide mortgage that was a

valid lien on the dwelling for not less than one hundred and eighty days immediately before the initiation of negotiations for the acquisition of the dwelling;

(c) Reasonable expenses incurred by the displaced person for evidence of title, recording fees, and other closing costs incident to the purchase of the replacement dwelling, but not including prepaid expenses.

(2) The additional payment authorized by this section shall be made only to a displaced person who purchases and occupies a decent, safe, and sanitary replacement dwelling within one year after the date on which the person receives final payment from the displacing agency for the acquired dwelling or the date on which the obligation of the displacing agency under RCW 8.26.075 is met, whichever date is later, except that the displacing agency may extend the period for good cause. If the period is extended, the payment under this section shall be based on the costs of relocating the person to a comparable replacement dwelling within one year of that date.

Sec. 3. RCW 8.26.055 and 1988 c 90 s 5 are each amended to read as follows:

(1) In addition to amounts otherwise authorized by this chapter, a displacing agency shall make a payment to or for a displaced person displaced from a dwelling not eligible to receive a payment under RCW 8.26.045 if the dwelling was actually and lawfully occupied by the displaced person for not less than ninety days immediately before (a) the initiation of negotiations for acquisition of the dwelling, or (b) in any case in which displacement is not a direct result of acquisition, such other event as the lead agency prescribes. The payment shall consist of the amount necessary to enable the person to lease or rent for a period not to exceed forty-two months, a comparable replacement dwelling, but not to exceed ((~~five thousand two hundred fifty dollars~~)) the dollar amount allowed under 42 U.S.C. Sec. 4624 as it existed on the effective date of this section, or such subsequent date as may be provided by the displacing agency by rule or regulation, consistent with the purposes of this section. At the discretion of the displacing agency, a payment under this subsection may be made in periodic installments. Computation of a payment under this subsection to a low-income displaced person for a comparable replacement dwelling shall take into account the person's income.

(2) A person eligible for a payment under subsection (1) of this section may elect to apply the payment to a down payment on, and other incidental expenses pursuant to, the purchase of a decent, safe, and sanitary replacement dwelling. The person may, at the discretion of the displacing agency, be eligible under this subsection for the maximum payment allowed under subsection (1) of this section((~~, except that, in the case of a displaced homeowner who has owned and occupied the displacement dwelling for at least ninety days but not more than one hundred eighty days immediately before the initiation of negotiations for the acquisition of the dwelling, the payment shall not exceed the payment the person would otherwise have received under RCW 8.26.045(1) had the person owned and occupied the displacement dwelling one hundred eighty days immediately before the initiation of the negotiations~~)).

Passed by the House February 16, 2017.

Passed by the Senate March 31, 2017.

Approved by the Governor April 14, 2017.
Filed in Office of Secretary of State April 14, 2017.

CHAPTER 13

[House Bill 1629]

DEPARTMENT OF LABOR AND INDUSTRIES APPEALS REDETERMINATION PERIOD

AN ACT Relating to extending the redetermination timeline regarding appeals to the department of labor and industries; reenacting and amending RCW 49.17.140; and providing an effective date.

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

Sec. 1. RCW 49.17.140 and 2011 c 301 s 13 and 2011 c 91 s 1 are each reenacted and amended to read as follows:

(1) If after an inspection or investigation the director or the director's authorized representative issues a citation under the authority of RCW 49.17.120 or 49.17.130, the department, within a reasonable time after the termination of such inspection or investigation, shall notify the employer using a method by which the mailing can be tracked or the delivery can be confirmed of the penalty to be assessed under the authority of RCW 49.17.180 and shall state that the employer has fifteen working days within which to notify the director that the employer wishes to appeal the citation or assessment of penalty. If, within fifteen working days from the communication of the notice issued by the director the employer fails to notify the director that the employer intends to appeal the citation or assessment penalty, and no notice is filed by any employee or representative of employees under subsection (3) of this section within such time, the citation and the assessment shall be deemed a final order of the department and not subject to review by any court or agency.

(2) If the director has reason to believe that an employer has failed to correct a violation for which the employer was previously cited and which has become a final order, the director shall notify the employer using a method by which the mailing can be tracked or the delivery can be confirmed of such failure to correct the violation and of the penalty to be assessed under RCW 49.17.180 by reason of such failure, and shall state that the employer has fifteen working days from the communication of such notification and assessment of penalty to notify the director that the employer wishes to appeal the director's notification of the assessment of penalty. If, within fifteen working days from the receipt of notification issued by the director the employer fails to notify the director that the employer intends to appeal the notification of assessment of penalty, the notification and assessment of penalty shall be deemed a final order of the department and not subject to review by any court or agency.

(3) If any employer notifies the director that the employer intends to appeal the citation issued under either RCW 49.17.120 or 49.17.130 or notification of the assessment of a penalty issued under subsections (1) or (2) of this section, or if, within fifteen working days from the issuance of a citation under either RCW 49.17.120 or 49.17.130 any employee or representative of employees files a notice with the director alleging that the period of time fixed in the citation for the abatement of the violation is unreasonable, the director may reassume jurisdiction over the entire matter, or any portion thereof upon which notice of intention to appeal has been filed with the director pursuant to this subsection. If

the director reassumes jurisdiction of all or any portion of the matter upon which notice of appeal has been filed with the director, any redetermination shall be completed and corrective notices of assessment of penalty, citations, or revised periods of abatement completed within a period of thirty working days. The thirty-working-day redetermination period may be extended up to ((~~fifteen~~)) forty-five additional working days upon agreement of all parties to the appeal. The redetermination shall then become final subject to direct appeal to the board of industrial insurance appeals within fifteen working days of such redetermination with service of notice of appeal upon the director. In the event that the director does not reassume jurisdiction as provided in this subsection, the director shall promptly notify the state board of industrial insurance appeals of all notifications of intention to appeal any such citations, any such notices of assessment of penalty and any employee or representative of employees notice of intention to appeal the period of time fixed for abatement of a violation and in addition certify a full copy of the record in such appeal matters to the board. The director shall adopt rules of procedure for the reassumption of jurisdiction under this subsection affording employers, employees, and employee representatives notice of the reassumption of jurisdiction by the director, and an opportunity to object or support the reassumption of jurisdiction, either in writing or orally at an informal conference to be held prior to the expiration of the redetermination period. Except as otherwise provided under subsection (4) of this section, a notice of appeal filed under this section shall stay the effectiveness of any citation or notice of the assessment of a penalty pending review by the board of industrial insurance appeals, but such appeal shall not stay the effectiveness of any order of immediate restraint issued by the director under the authority of RCW 49.17.130. The board of industrial insurance appeals shall afford an opportunity for a hearing in the case of each such appellant and the department shall be represented in such hearing by the attorney general and the board shall in addition provide affected employees or authorized representatives of affected employees an opportunity to participate as parties to hearings under this subsection. The board shall thereafter make disposition of the issues in accordance with procedures relative to contested cases appealed to the state board of industrial insurance appeals.

Upon application by an employer showing that a good faith effort to comply with the abatement requirements of a citation has been made and that the abatement has not been completed because of factors beyond the employer's control, the director after affording an opportunity for a hearing shall issue an order affirming or modifying the abatement requirements in such citation.

(4) An appeal of any violation classified and cited as serious, willful, repeated serious violation, or failure to abate a serious violation does not stay abatement dates and requirements except as follows:

(a) An employer may request a stay of abatement for any serious, willful, repeated serious violation, or failure to abate a serious violation in a notice of appeal under subsection (3) of this section;

(b) When the director reassumes jurisdiction of an appeal under subsection (3) of this section, it will include the stay of abatement request. The issued redetermination decision will include a decision on the stay of abatement request. The department shall stay the abatement for any serious, willful, repeated serious violation, or failure to abate a serious violation where the

department cannot determine that the preliminary evidence shows a substantial probability of death or serious physical harm to workers. The decision on stay of abatement will be final unless the employer renews the request for a stay of abatement in any direct appeal of the redetermination to the board of industrial insurance appeals under subsection (3) of this section;

(c) The board of industrial insurance appeals shall adopt rules necessary for conducting an expedited review on any stay of abatement requests identified in the employer's notice of appeal, and shall issue a final decision within forty-five working days of the board's notice of filing of appeal. This rule making shall be initiated in 2011;

(d) Affected employees or their representatives must be afforded an opportunity to participate as parties in an expedited review for stay of abatement;

(e) The board shall grant a stay of an abatement for a serious, willful, repeated serious violation, or failure to abate a serious violation where there is good cause for a stay unless based on the preliminary evidence it is more likely than not that a stay would result in death or serious physical harm to a worker;

(f) As long as a motion to stay abatement is pending all abatement requirements will be stayed.

(5) When the board of industrial insurance appeals denies a stay of abatement and abatement is required while the appeal is adjudicated, the abatement process must be the same process as the process required for abatement upon a final order.

(6) The department shall develop rules necessary to implement subsections (4) and (5) of this section. In an application for a stay of abatement, the department will not grant a stay when it can determine that the preliminary evidence shows a substantial probability of death or serious physical harm to workers. The board will not grant a stay where based on the preliminary evidence it is more likely than not that a stay would result in death or serious physical harm to a worker. This rule making shall be initiated in 2011.

NEW SECTION. **Sec. 2.** This act takes effect January 1, 2018.

Passed by the House February 27, 2017.
Passed by the Senate March 31, 2017.
Approved by the Governor April 14, 2017.
Filed in Office of Secretary of State April 14, 2017.

CHAPTER 14

[Engrossed House Bill 1654]

TEACHER CERTIFICATION ALTERNATIVE ROUTES--PROGRAM OUTCOMES--RULE-MAKING AUTHORITY

AN ACT Relating to changing explicit alternative routes to teacher certification program requirements to expectations for program outcomes; amending RCW 28A.660.020 and 28A.660.035; and repealing RCW 28A.660.040.

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

Sec. 1. RCW 28A.660.020 and 2010 c 235 s 503 are each amended to read as follows:

(1) The professional educator standards board shall transition the alternative route partnership grant program from a separate competitive grant program to a preparation program model to be expanded among approved preparation program providers. Alternative routes are partnerships between professional educator standards board-approved preparation programs, Washington school districts, and other partners as appropriate. Program design of alternative route programs shall continue to evolve over time to reflect innovations and improvements in educator preparation. The professional educator standards board must construct rules that address the competitive grant process and program design.

(2) ((~~Each prospective teacher preparation program provider, in cooperation with a Washington school district or consortia of school districts applying to operate [an] alternative route certification program shall include in its proposal to the Washington professional educator standards board:~~

~~(a) The route or routes the partnership program intends to offer and a detailed description of how the routes will be structured and operated by the partnership;~~

~~(b) The estimated number of candidates that will be enrolled per route;~~

~~(c) An identification, indication of commitment, and description of the role of approved teacher preparation programs and partnering district or consortia of districts;~~

~~(d) An assurance that the district or approved preparation program provider will provide adequate training for mentor teachers specific to the mentoring of alternative route candidates;~~

~~(e) An assurance that significant time will be provided for mentor teachers to spend with the alternative route teacher candidates throughout the internship. Partnerships must provide each candidate with intensive classroom mentoring until such time as the candidate demonstrates the competency necessary to manage the classroom with less intensive supervision and guidance from a mentor;~~

~~(f) A description of the rigorous screening process for applicants to alternative route programs, including entry requirements specific to each route, as provided in RCW 28A.660.040;~~

~~(g) A summary of procedures that provide flexible completion opportunities for candidates to achieve a residency certificate; and~~

~~(h) The design and use of a teacher development plan for each candidate. The plan shall specify the alternative route coursework and training required of each candidate and shall be developed by comparing the candidate's prior experience and coursework with the state's new performance-based standards for residency certification and adjusting any requirements accordingly. The plan may include the following components:~~

~~(i) A minimum of one-half of a school year, and an additional significant amount of time if necessary, of intensive mentorship during field experience, starting with full-time mentoring and progressing to increasingly less intensive monitoring and assistance as the intern demonstrates the skills necessary to take over the classroom with less intensive support. Before the supervision is diminished, the mentor of the teacher candidate at the school and the supervisor of the teacher candidate from the teacher preparation program must both agree~~

~~that the teacher candidate is ready to manage the classroom with less intensive supervision;~~

~~(ii) Identification of performance indicators based on the knowledge and skills standards required for residency certification by the Washington professional educator standards board;~~

~~(iii) Identification of benchmarks that will indicate when the standard is met for all performance indicators;~~

~~(iv) A description of strategies for assessing candidate performance on the benchmarks;~~

~~(v) Identification of one or more tools to be used to assess a candidate's performance once the candidate has been in the classroom for about one-half of a school year;~~

~~(vi) A description of the criteria that would result in residency certification after about one-half of a school year but before the end of the program; and~~

~~(vii) A description of how the district intends for the alternative route program to support its workforce development plan and how the presence of alternative route interns will advance its school improvement plans.~~

~~(3)~~))) As provided in RCW 28A.410.210, it is the duty of the professional educator standards board to establish policies for the approval of nontraditional preparation programs and to provide oversight and accountability related to the quality of these programs. In establishing and amending rules for alternative route programs, the professional educator standards board shall:

(a) Uphold criteria for alternative route program design that is innovative and reflects evidence-based practice;

(b) Ensure that approved partnerships reflect district engagement in their resident alternative route program as an integral part of their future workforce development, as well as school and student learning improvement strategies;

(c) Amend or adopt rules issuing preservice residents certification necessary to serve as substitute teachers in classrooms within the residency school for up to ten days per school year;

(d) Continue to prioritize program designs tailored to the needs of experienced paraeducators and candidates of high academic attainment in the subject area they intend to teach. In doing so the program designs must take into account school district demand for certain teacher credentials;

(e) Expand access and opportunity for individuals to become teachers statewide; and

(f) Give preference in admissions to applicants for alternative route programs who are eligible veterans or national guard members and who meet the entry requirements for the alternative route program.

(3) Beginning December 1, 2017, and each odd-numbered year thereafter, the professional educator standards board shall report to the education committees of the house of representatives and the senate the following outcomes as indicators that alternative route programs are meeting legislative intent through the regulation and oversight of the professional educator standards board. In considering administrative rules for, and reporting outcomes of, alternative route programs, the professional educator standards board shall examine the historical record of the data, reporting on:

(a) The number and percentage of alternative route completers hired;

(b) The percentage of alternative route completers from underrepresented populations;

(c) Three-year and five-year retention rates of alternative route completers;

(d) The average hiring dates of alternative route completers; and

(e) The percentage of alternative route completers hired in districts where their alternative route program was completed.

(4) To the extent funds are appropriated for this purpose, alternative route programs may apply for program funds to pay stipends to trained mentor teachers of interns during the mentored internship. The per intern amount of mentor stipend provided by state funds shall not exceed five hundred dollars.

Sec. 2. RCW 28A.660.035 and 2009 c 468 s 6 are each amended to read as follows:

The office of the superintendent of public instruction shall identify school districts that have the most significant achievement gaps among subgroups of students and for large numbers of those students, and districts that should receive priority for assistance in advancing cultural competency skills in their workforce. The professional educator standards board shall provide assistance to the identified school districts to develop partnership grant programs between the districts and teacher preparation programs to provide ((~~one or more of the four~~)) alternative route programs under RCW ((~~28A.660.040~~)) 28A.660.020 and to recruit paraeducators and other individuals in the local community to become certified as teachers. ((~~A~~)) An alternative route partnership ((~~grant~~)) program proposed by an identified school district shall receive priority eligibility for partnership grants under RCW 28A.660.020. To the maximum extent possible, the board shall coordinate the recruiting Washington teachers program under RCW 28A.415.370 with the alternative route programs under this section.

NEW SECTION. **Sec. 3.** RCW 28A.660.040 (Alternative route programs) and 2010 c 235 s 504 are each repealed.

Passed by the House March 2, 2017.

Passed by the Senate April 4, 2017.

Approved by the Governor April 14, 2017.

Filed in Office of Secretary of State April 14, 2017.

CHAPTER 15

[House Bill 1722]

WHOLESALE VEHICLE DEALER LICENSING--ELIMINATION

AN ACT Relating to wholesale vehicle dealers; amending RCW 46.70.005, 46.70.011, 46.70.023, 46.70.027, and 46.70.070; creating a new section; providing effective dates; providing an expiration date; and declaring an emergency.

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

NEW SECTION. **Sec. 1.** (1) Effective July 1, 2017, the department of licensing may not issue any new wholesale vehicle dealer licenses.

(2) Effective July 1, 2018, the department of licensing may not renew any wholesale vehicle dealer licenses.

(3) This section expires October 31, 2019.

Sec. 2. RCW 46.70.005 and 2001 c 272 s 1 are each amended to read as follows:

The legislature finds and declares that the distribution, sale, and lease of vehicles in the state of Washington vitally affects the general economy of the state and the public interest and the public welfare, and that in order to promote the public interest and the public welfare, and in the exercise of its police power, it is necessary to regulate and license vehicle manufacturers, distributors, ((~~or wholesalers~~)) and factory or distributor representatives, and to regulate and license dealers of vehicles doing business in Washington, in order to prevent frauds, impositions, and other abuses upon its citizens and to protect and preserve the investments and properties of the citizens of this state.

Sec. 3. RCW 46.70.011 and 2016 sp.s. c 26 s 1 are each amended to read as follows:

As used in this chapter:

(1) "Auction" means a transaction conducted by means of exchanges between an auctioneer and the members of the audience, constituting a series of oral invitations for offers for the purchase of vehicles made by the auctioneer, offers to purchase by members of the audience, and the acceptance of the highest or most favorable offer to purchase.

(2) "Auction company" means a sole proprietorship, partnership, corporation, or other legal or commercial entity licensed under chapter 18.11 RCW that only sells or offers to sell vehicles at auction or only arranges or sponsors auctions.

(3) "Buyer's agent" means any person, firm, partnership, association, limited liability company, limited liability partnership, or corporation retained or employed by a consumer to arrange for or to negotiate, or both, the purchase or lease of a new motor vehicle on behalf of the consumer, and who is paid a fee or receives other compensation from the consumer for its services.

(4) "Department" means the department of licensing, which shall administer and enforce the provisions of this chapter.

(5) "Director" means the director of licensing.

(6) "Established place of business" means a location meeting the requirements of RCW 46.70.023(1) at which a vehicle dealer conducts business in this state.

(7) "Listing dealer" means a used mobile home dealer who makes contracts with sellers who will compensate the dealer for obtaining a willing purchaser for the seller's mobile home.

(8) "Manufacturer" means any person, firm, association, corporation, or trust, resident or nonresident, who manufactures or assembles new and unused vehicles or remanufactures vehicles in whole or in part and further includes the terms:

(a) "Distributor," which means any person, firm, association, corporation, or trust, resident or nonresident, who in whole or in part offers for sale, sells, or distributes any new and unused vehicle to vehicle dealers or who maintains factory representatives.

(b) "Factory branch," which means a branch office maintained by a manufacturer for the purpose of selling or offering for sale, vehicles to a distributor((~~, wholesaler,~~)) or vehicle dealer, or for directing or supervising in whole or in part factory or distributor representatives, and further includes any

sales promotion organization, whether a person, firm, or corporation, which is engaged in promoting the sale of new and unused vehicles in this state of a particular brand or make to vehicle dealers.

(c) "Factory representative," which means a representative employed by a manufacturer, distributor, or factory branch for the purpose of making or promoting for the sale of their vehicles or for supervising or contracting with their dealers or prospective dealers.

(9) "Motor vehicle" means every vehicle which is self-propelled and every vehicle which is propelled by electric power obtained from overhead trolley wires, but not operated upon rails, and which is required to be registered and titled under this title.

(10) "New motor vehicle" means any motor vehicle that is self-propelled and is required to be registered and titled under this title, has not been previously titled to a retail purchaser or lessee, and is not a "used vehicle" as defined under RCW 46.04.660.

(11) "Principal place of business" means that dealer firm's business location in the state, which place the dealer designates as their principal place of business.

(12) "Recreational vehicle" means a travel trailer, motor home, truck camper, or camping trailer that is primarily designed and used as temporary living quarters, is either self-propelled or mounted on or drawn by another vehicle, is transient, is not occupied as a primary residence, and is not immobilized or permanently affixed to a mobile home lot.

(13) "Retail vehicle dealer" means a vehicle dealer who may buy and sell at both wholesale and retail.

(14) "Subagency" means any place of business of a vehicle dealer within the state, which place is physically and geographically separated from the principal place of business of the firm or any place of business of a vehicle dealer within the state, at which place the firm does business using a name other than the principal name of the firm, or both.

(15) "Temporary subagency" means a location other than the principal place of business or subagency within the state where a licensed vehicle dealer may secure a license to conduct the business and is licensed for a period of time not to exceed ten days for a specific purpose such as auto shows, shopping center promotions, tent sales, exhibitions, or similar merchandising ventures. No more than six temporary subagency licenses may be issued to a licensee in any twelve-month period.

(16) "Vehicle" means and includes every device capable of being moved upon a public highway and in, upon, or by which any persons or property is or may be transported or drawn upon a public highway, excepting devices moved by human or animal power or used exclusively upon stationary rails or tracks.

(17) "Vehicle dealer" means any person, firm, association, corporation, or trust, not excluded by subsection (18) of this section, engaged in the business of buying, selling, listing, exchanging, offering, brokering, leasing with an option to purchase, auctioning, soliciting, or advertising the sale of new or used vehicles, or arranging or offering or attempting to solicit or negotiate on behalf of others, a sale, purchase, or exchange of an interest in new or used motor vehicles, irrespective of whether the motor vehicles are owned by that person. Vehicle dealers shall be classified as follows:

(a) A "motor vehicle dealer" is a vehicle dealer that deals in new or used motor vehicles, or both;

(b) A "mobile home and travel trailer dealer" is a vehicle dealer that deals in mobile homes, park trailers, or travel trailers, or more than one type of these vehicles;

(c) A "miscellaneous vehicle dealer" is a vehicle dealer that deals in motorcycles or vehicles other than motor vehicles or mobile homes and travel trailers or any combination of such vehicles;

(d) A "recreational vehicle dealer" is a vehicle dealer that deals in travel trailers, motor homes, truck campers, or camping trailers that are primarily designed and used as temporary living quarters, are either self-propelled or mounted on or drawn by another vehicle, are transient, are not occupied as a primary residence, and are not immobilized or permanently affixed to a mobile home lot.

(18) "Vehicle dealer" does not include, nor do the licensing requirements of RCW 46.70.021 apply to, the following persons, firms, associations, or corporations:

(a) Receivers, trustees, administrators, executors, guardians, or other persons appointed by, or acting under a judgment or order of, any court; or

(b) Public officers while performing their official duties; or

(c) Employees of vehicle dealers who are engaged in the specific performance of their duties as such employees; or

(d) Any person engaged in an isolated sale of a vehicle in which that person is the registered or legal owner, or both, thereof; or

(e) Any person, firm, association, corporation, or trust, engaged in the selling of equipment other than vehicles, subject to registration, used for agricultural or industrial purposes; or

(f) A real estate broker licensed under chapter 18.85 RCW, or an affiliated licensee, who, on behalf of another negotiates the purchase, sale, lease, or exchange of a manufactured or mobile home in conjunction with the purchase, sale, exchange, rental, or lease of the land upon which the manufactured or mobile home is, or will be, located; or

(g) Owners who are also operators of special highway construction equipment, as defined in RCW 46.04.551, or of the highway construction equipment for which a vehicle license and display vehicle license number plate is required; or

(h) Any bank, trust company, savings bank, mutual savings bank, savings and loan association, credit union, and any parent, subsidiary, or affiliate thereof, authorized to do business in this state under state or federal law with respect to the sale or other disposition of a motor vehicle owned and used in their business; or with respect to the acquisition and sale or other disposition of a motor vehicle in which the entity has acquired an interest as a lessor, lessee, or secured party; or

(i) Any person who is regularly engaged in the business of acquiring leases or installment contracts by assignment, with respect to the acquisition and sale or other disposition of a motor vehicle in which the person has acquired an interest as a result of the business.

(19) "Vehicle salesperson" means any person who for any form of compensation sells, auctions, leases with an option to purchase, or offers to sell or to so lease vehicles on behalf of a vehicle dealer.

(((~~(20) "Wholesale vehicle dealer" means a vehicle dealer who buys vehicles from or sells vehicles to other Washington licensed vehicle dealers.~~)))

Sec. 4. RCW 46.70.023 and 2016 sp.s. c 26 s 2 are each amended to read as follows:

(1) An "established place of business" requires a permanent, enclosed commercial building located within the state of Washington easily accessible at all reasonable times. The business of a vehicle dealer must be lawfully carried on at an established place of business in accordance with the terms of all applicable building code, zoning, and other land-use regulatory ordinances. A vehicle dealer may display a vehicle for sale only at its established place of business, licensed subagency, or temporary subagency site, except at auction. The dealer shall keep the building open to the public so that the public may contact the vehicle dealer or the dealer's salespersons at all reasonable times. The books, records, and files necessary to conduct the business shall be kept and maintained at that place. The established place of business shall display an exterior sign with the business name and nature of the business, such as auto sales, permanently affixed to the land or building, with letters clearly visible to the major avenue of traffic. A room or rooms in a hotel, rooming house, or apartment house building or part of a single or multiple-unit dwelling house may not be considered an "established place of business" unless the ground floor of such a dwelling is devoted principally to and occupied for commercial purposes and the dealer offices are located on the ground floor. A mobile office or mobile home may be used as an office if it is connected to utilities and is set up in accordance with state law. A statewide trade association representing manufactured housing dealers shall be permitted to use a manufactured home as an office if the office complies with all other applicable building code, zoning, and other land-use regulatory ordinances. This subsection does not apply to auction companies that do not own vehicle inventory or sell vehicles from an auction yard.

(2) An auction company shall have office facilities within the state. The books, records, and files necessary to conduct the business shall be maintained at the office facilities. All storage facilities for inventory shall be listed with the department, and shall meet local zoning and land use ordinances. An auction company shall maintain a telecommunications system.

(3) Auction companies shall post their vehicle dealer license at each auction where vehicles are offered, and shall provide the department with the address of the auction at least three days before the auction.

(4) If a dealer maintains a place of business at more than one location or under more than one name in this state, he or she shall designate one location as the principal place of business of the firm, one name as the principal name of the firm, and all other locations or names as subagencies. A subagency license is required for each and every subagency: PROVIDED, That the department may grant an exception to the subagency requirement in the specific instance where a licensed dealer is unable to locate their used vehicle sales facilities adjacent to or at the established place of business. This exception shall be granted and defined under the promulgation of rules consistent with the administrative procedure act.

(5) All vehicle dealers shall maintain ownership or leasehold throughout the license year of the real property from which they do business. The dealer shall provide the department with evidence of ownership or leasehold whenever the ownership changes or the lease is terminated.

(6) A subagency shall comply with all requirements of an established place of business, except that subagency records may be kept at the principal place of business designated by the dealer. Auction companies shall comply with the requirements in subsection (2) of this section.

(7) A temporary subagency shall meet all local zoning and building codes for the type of merchandising being conducted. The dealer license certificate shall be posted at the location. No other requirements of an established place of business apply to a temporary subagency. Auction companies are not required to obtain a temporary subagency license.

(8) ((~~A wholesale vehicle dealer shall have office facilities in a commercial building within this state, with no more than two other wholesale or retail vehicle dealers in the same building, and all storage facilities for inventory shall be listed with the department, and shall meet local zoning and land use ordinances. A wholesale vehicle dealer shall maintain a telecommunications system. An exterior sign visible from the nearest street shall identify the business name and the nature of business. When two or more vehicle dealer businesses share a location, all records, office facilities, and inventory, if any, must be physically segregated and clearly identified.~~

~~(9)~~)) A retail vehicle dealer shall be open during normal business hours, maintain office and display facilities in a commercially zoned location or in a location complying with all applicable building and land use ordinances, and maintain a business telephone listing in the local directory. When two or more vehicle dealer businesses share a location, all records, office facilities, and inventory shall be physically segregated and clearly identified.

((~~(10)~~)) (9) A subagency license is not required for a mobile home dealer to display an on-site display model, a consigned mobile home not relocated from its site, or a repossessed mobile home if sales are handled from a principal place of business or subagency. A mobile home dealer shall identify on-site display models, repossessed mobile homes, and those consigned at their sites with a sign that includes the dealer's name and telephone number.

((~~(11)~~)) (10) Every vehicle dealer shall advise the department of the location of each and every place of business of the firm and the name or names under which the firm is doing business at such location or locations. If any name or location is changed, the dealer shall notify the department of such change within ten days. The license issued by the department shall reflect the name and location of the firm and shall be posted in a conspicuous place at that location by the dealer.

((~~(12)~~)) (11) A vehicle dealer's license shall upon the death or incapacity of an individual vehicle dealer authorize the personal representative of such dealer, subject to payment of license fees, to continue the business for a period of six months from the date of the death or incapacity.

Sec. 5. RCW 46.70.027 and 2011 c 171 s 90 are each amended to read as follows:

A vehicle dealer is accountable for the dealer's employees, sales personnel, and managerial personnel while in the performance of their official duties. Any

violations of this chapter or applicable provisions of chapter 46.12 or 46.16A RCW committed by any of these employees subjects the dealer to license penalties prescribed under RCW 46.70.101. ((~~A retail purchaser, consignor who is not a motor vehicle dealer, or a motor vehicle dealer who has purchased from a wholesale dealer, who has suffered a loss or damage by reason of any act by a dealer, salesperson, managerial person, or other employee of a dealership, that constitutes a violation of this chapter or applicable provisions of chapter 46.12 or 46.16A RCW may institute an action for recovery against the dealer and the surety bond as set forth in RCW 46.70.070. However, under this section, motor vehicle dealers who have purchased from wholesale dealers may only institute actions against wholesale dealers and their surety bonds.~~))

Sec. 6. RCW 46.70.070 and 2001 c 272 s 13 are each amended to read as follows:

(1) Before issuing a vehicle dealer's license, the department shall require the applicant to file with the department a surety bond in the amount of:

(a) Thirty thousand dollars for motor vehicle dealers;

(b) Thirty thousand dollars for mobile home, park trailer, and travel trailer dealers;

(c) Five thousand dollars for miscellaneous dealers,

running to the state, and executed by a surety company authorized to do business in the state. Such bond shall be approved by the attorney general as to form and conditioned that the dealer shall conduct his or her business in conformity with the provisions of this chapter.

Any retail purchaser((~~,~~)) or consignor who is not a motor vehicle dealer((~~, or a motor vehicle dealer who has purchased from, sold to, or otherwise transacted business with a wholesale dealer,~~)) and who has suffered any loss or damage by reason of any act by a dealer which constitutes a violation of this chapter ((~~shall have the right to~~)) may institute an action for recovery against such dealer and the surety upon such bond. ((~~However, under this section, motor vehicle dealers who have purchased from, sold to, or otherwise transacted business with wholesale dealers may only institute actions against wholesale dealers and their surety bonds.~~)) Successive recoveries against said bond shall be permitted, but the aggregate liability of the surety to all persons shall in no event exceed the amount of the bond. Upon exhaustion of the penalty of said bond or cancellation of the bond by the surety the vehicle dealer license shall automatically be deemed canceled.

(2) The bond for any vehicle dealer licensed or to be licensed under more than one classification shall be the highest bond required for any such classification.

(3) Vehicle dealers shall maintain a bond for each business location in this state and bond coverage for all temporary subagencies.

NEW SECTION. **Sec. 7.** Section 1 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2017.

NEW SECTION. **Sec. 8.** Sections 2 through 6 of this act take effect July 1, 2019.

Passed by the House March 3, 2017.

Passed by the Senate March 30, 2017.
Approved by the Governor April 14, 2017.
Filed in Office of Secretary of State April 14, 2017.

CHAPTER 16

[House Bill 1732]

EDUCATOR PROFESSIONAL GROWTH PLANS--PUBLIC RECORDS ACT EXEMPTION

AN ACT Relating to confidentiality of educator professional growth plans; and amending RCW 42.56.250.

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

Sec. 1. RCW 42.56.250 and 2014 c 106 s 1 are each amended to read as follows:

The following employment and licensing information is exempt from public inspection and copying under this chapter:

(1) Test questions, scoring keys, and other examination data used to administer a license, employment, or academic examination;

(2) All applications for public employment, including the names of applicants, resumes, and other related materials submitted with respect to an applicant;

(3) Professional growth plans (PGPs) in educator license renewals submitted through the eCert system in the office of the superintendent of public instruction;

(4) The following information held by any public agency in personnel records, public employment related records, volunteer rosters, or included in any mailing list of employees or volunteers of any public agency: Residential addresses, residential telephone numbers, personal wireless telephone numbers, personal electronic mail addresses, social security numbers, driver's license numbers, identicard numbers, and emergency contact information of employees or volunteers of a public agency, and the names, dates of birth, residential addresses, residential telephone numbers, personal wireless telephone numbers, personal electronic mail addresses, social security numbers, and emergency contact information of dependents of employees or volunteers of a public agency. For purposes of this subsection, "employees" includes independent provider home care workers as defined in RCW 74.39A.240;

((~~(4)~~)) (5) Information that identifies a person who, while an agency employee: (a) Seeks advice, under an informal process established by the employing agency, in order to ascertain his or her rights in connection with a possible unfair practice under chapter 49.60 RCW against the person; and (b) requests his or her identity or any identifying information not be disclosed;

((~~(5)~~)) (6) Investigative records compiled by an employing agency conducting an active and ongoing investigation of a possible unfair practice under chapter 49.60 RCW or of a possible violation of other federal, state, or local laws prohibiting discrimination in employment;

((~~(6)~~)) (7) Criminal history records checks for board staff finalist candidates conducted pursuant to RCW 43.33A.025;

(((~~(7)~~))) (8) Except as provided in RCW 47.64.220, salary and benefit information for maritime employees collected from private employers under RCW 47.64.220(1) and described in RCW 47.64.220(2); and

(((~~(8)~~))) (9) Photographs and month and year of birth in the personnel files of employees and workers of criminal justice agencies as defined in RCW 10.97.030. The news media, as defined in RCW 5.68.010(5), shall have access to the photographs and full date of birth. For the purposes of this subsection, news media does not include any person or organization of persons in the custody of a criminal justice agency as defined in RCW 10.97.030.

Passed by the House March 1, 2017.
Passed by the Senate April 4, 2017.
Approved by the Governor April 14, 2017.
Filed in Office of Secretary of State April 14, 2017.

CHAPTER 17

[House Bill 1734]

PROFESSIONAL EDUCATOR STANDARDS BOARD--SCHOOL DISTRICT REIMBURSEMENT FOR SUBSTITUTE TEACHERS

AN ACT Relating to reimbursement for substitute teachers participating in activities of the Washington state professional educator standards board to carry out its powers and duties; and amending RCW 28A.300.035.

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

Sec. 1. RCW 28A.300.035 and 1994 c 113 s 1 are each amended to read as follows:

If the superintendent of public instruction, the Washington professional educator standards board, or the state board of education, in carrying out their powers and duties under Title 28A RCW, request the service of any certificated or classified employee of a school district upon any committee formed for the purpose of furthering education within the state, or within any school district therein, and such service would result in a need for a school district to employ a substitute for such certificated or classified employee during such service, payment for such a substitute may be made by the superintendent of public instruction from funds appropriated by the legislature for the current use of the common schools and such payments shall be construed as amounts needed for state support to the common schools under RCW 28A.150.380. If such substitute is paid by the superintendent of public instruction, no deduction shall be made from the salary of the certificated or classified employee. In no event shall a school district deduct from the salary of a certificated or classified employee serving on such committee more than the amount paid the substitute employed by the district.

Passed by the House March 6, 2017.
Passed by the Senate March 31, 2017.
Approved by the Governor April 14, 2017.
Filed in Office of Secretary of State April 14, 2017.

CHAPTER 18

[House Bill 1832]

COMMERCIALLY SEXUALLY EXPLOITED CHILDREN STATEWIDE COORDINATING COMMITTEE--REPORTS--EXPIRATION

AN ACT Relating to the commercially sexually exploited children statewide coordinating committee; amending RCW 7.68.801; providing an expiration date; and declaring an emergency.

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

Sec. 1. RCW 7.68.801 and 2015 c 273 s 4 are each amended to read as follows:

(1) The commercially sexually exploited children statewide coordinating committee is established to address the issue of children who are commercially sexually exploited, to examine the practices of local and regional entities involved in addressing sexually exploited children, and to make recommendations on statewide laws and practices.

(2) The committee is convened by the office of the attorney general with the department of commerce assisting with agenda planning and administrative and clerical support. The committee consists of the following members:

(a) One member from each of the two largest caucuses of the house of representatives appointed by the speaker of the house;

(b) One member from each of the two largest caucuses of the senate appointed by the speaker of the senate;

(c) A representative of the governor's office appointed by the governor;

(d) The secretary of the children's administration or his or her designee;

(e) The secretary of the juvenile rehabilitation administration or his or her designee;

(f) The attorney general or his or her designee;

(g) The superintendent of public instruction or his or her designee;

(h) A representative of the administrative office of the courts appointed by the administrative office of the courts;

(i) The executive director of the Washington association of sheriffs and police chiefs or his or her designee;

(j) The executive director of the Washington state criminal justice training commission or his or her designee;

(k) A representative of the Washington association of prosecuting attorneys appointed by the association;

(l) The executive director of the office of public defense or his or her designee;

(m) Three representatives of community service providers that provide direct services to commercially sexually exploited children appointed by the attorney general;

(n) Two representatives of nongovernmental organizations familiar with the issues affecting commercially sexually exploited children appointed by the attorney general;

(o) The president of the superior court judges' association or his or her designee;

(p) The president of the juvenile court administrators or his or her designee;

(q) Any existing chairs of regional task forces on commercially sexually exploited children;

(r) A representative from the criminal defense bar;

(s) A representative of the center for children and youth justice;

(t) A representative from the office of crime victims advocacy;

(u) The executive director of the Washington coalition of sexual assault programs;

(v) A representative of an organization that provides in-patient chemical dependency treatment to youth, appointed by the attorney general;

(w) A representative of an organization that provides mental health treatment to youth, appointed by the attorney general; and

(x) A survivor of human trafficking, appointed by the attorney general.

(3) The duties of the committee include, but are not limited to:

(a) Overseeing and reviewing the implementation of the Washington state model protocol for commercially sexually exploited children at ((~~pilot~~)) task force sites;

(b) Receiving reports and data from local and regional entities regarding the incidence of commercially sexually exploited children in their areas as well as data information regarding perpetrators, geographic data and location trends, and any other data deemed relevant;

(c) Receiving reports on local coordinated community response practices and results of the community responses;

(d) Reviewing recommendations from local and regional entities regarding policy and legislative changes that would improve the efficiency and effectiveness of local response practices;

(e) Making recommendations regarding policy and legislative changes that would improve the effectiveness of the state's response to and promote best practices for suppression of the commercial sexual exploitation of children;

(f) Making recommendations regarding data collection useful to understanding or addressing the problem of commercially sexually exploited children;

(g) Reviewing and making recommendations regarding strategic local investments or opportunities for federal and state funding to address the commercial sexual exploitation of children;

(h) Reviewing the extent to which chapter 289, Laws of 2010 (Engrossed Substitute Senate Bill No. 6476) is understood and applied by enforcement authorities; and

(i) Researching any barriers that exist to full implementation of chapter 289, Laws of 2010 (Engrossed Substitute Senate Bill No. 6476) throughout the state.

(4) The committee must meet no less than annually.

(5) The committee shall annually report its findings and recommendations to the appropriate committees of the legislature and to any other known statewide committees addressing trafficking or the commercial sex trade ((~~by June 30, 2017~~)).

(6) ((~~In addition to its report under subsection (5) of this section, the committee shall report its findings regarding its duties under subsection (3)(h) and (i) of this section to the appropriate committees of the legislature by February 1, 2016.~~

~~(7)~~)) This section expires June 30, ((~~2017~~)) 2023.

NEW SECTION. **Sec. 2.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House March 2, 2017.
Passed by the Senate March 30, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 19

[House Bill 1001]

UTILITY EASEMENTS ON STATE-OWNED AQUATIC LANDS--FEE STRUCTURE EXPIRATION--LEGISLATIVE REVIEW

AN ACT Relating to utility easements on state-owned aquatic lands; and amending RCW 79.110.240.

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

Sec. 1. RCW 79.110.240 and 2008 c 55 s 2 are each amended to read as follows:

(1) Until July 1, ((~~2017~~)) 2030, the charge for the term of an easement granted under RCW 79.110.230(2) will be determined as follows and will be paid in advance upon grant of the easement:

(a) Five thousand dollars for individual easement crossings that are no longer than one mile in length;

(b) Twelve thousand five hundred dollars for individual easement crossings that are more than one mile but less than five miles in length; or

(c) Twenty thousand dollars for individual easement crossings that are five miles or more in length.

(2) The charge for easements under subsection (1) of this section must be adjusted annually by the rate of yearly ((~~increase~~)) change in the most recently published Seattle-Tacoma-Bremerton consumer price index, all urban consumers (CPI-U), ((~~for the Seattle-Everett SMSA,~~)) over the consumer price index for the same period of the preceding year, as compiled by the bureau of labor statistics, United States department of labor for the state of Washington rounded up to the nearest fifty dollars.

(3) The term of the easement is thirty years or a period of less than thirty years if requested by the person or entity seeking the easement.

(4) In addition to the charge for the easement under subsection (1) of this section, the department may recover its administrative costs incurred in receiving an application for the easement, approving the easement, and reviewing plans for and construction of the public utility lines. For the purposes of this subsection, "administrative costs" is equivalent to twenty percent of the fee for the easement as determined under subsection (1) of this section and adjusted under subsection (2) of this section. For public utility lines owned by a governmental entity, the administrative costs will be calculated based on the length of the easement and the fee that it would be charged if it were subject to the easement charges in this section. When multiple public utility lines are owned by the same entity and are authorized under the same easement, the administrative fee for the easement shall be equal to twenty percent of the

easement fee for the single longest public utility line. Administrative costs recovered by the department must be deposited into the resource management cost account.

(5) Applicants under RCW 79.110.230(2) providing a residence with an individual service connection for electrical, natural gas, cable television, or telecommunications service are not required to pay the charge for the easement under subsection (1) of this section but shall pay administrative costs under subsection (4) of this section.

(6) A final decision on applications for an easement must be made within one hundred twenty days after the department receives the completed application and after all applicable regulatory permits for the aquatic easement have been acquired. This subsection applies to applications submitted before June 13, 2002, as well as to applications submitted on or after June 13, 2002. Upon request of the applicant, the department may reach a decision on an application within sixty days and charge an additional fee for an expedited processing. The fee for an expedited processing is ten percent of the combined total of the easement charge and administrative costs.

(7) ((~~By~~)) Beginning December 31, ((~~2016~~)) 2021, every four years the legislature shall review the granting of easements on state-owned aquatic lands under this chapter and determine whether all applications for easements are processed within one hundred twenty days for normal processing of applications and sixty days for expedited processing of applications, and whether the granting of easements on state-owned aquatic lands generates reasonable income for the aquatic lands enhancement account.

Passed by the House March 7, 2017.
Passed by the Senate March 30, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 20

[House Bill 1064]

UNDERGROUND UTILITY DAMAGE PREVENTION ACT--ENFORCEMENT--EXPIRATION

AN ACT Relating to removing expiration dates, obsolete dates, and an outdated statutory reference from the enforcement provisions of the underground utility damage prevention act; and amending RCW 19.122.130, 19.122.140, and 19.122.150.

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

Sec. 1. RCW 19.122.130 and 2012 c 96 s 1 are each amended to read as follows:

(1) ((~~By January 1, 2013,~~)) The commission must contract with a statewide, nonprofit entity whose purpose is to reduce damages to underground and above ground facilities, promote safe excavation practices, and review complaints of alleged violations of this chapter. The contract must not obligate funding by the commission for activities performed by the nonprofit entity or the safety committee under this section((~~, and is therefore exempt under RCW 39.29.040(1) from the requirements of chapter 39.29 RCW~~)).

(2) ((~~By January 1, 2013,~~)) The contracting entity must create a safety committee to:

(a) Advise the commission and other state agencies, the legislature, and local governments on best practices and training to prevent damage to underground utilities, and policies to enhance worker and public safety; and

(b) Review complaints alleging violations of this chapter involving practices related to underground facilities.

(3)(a) The safety committee will consist of thirteen members, who must be nominated by represented groups and appointed by the contracting entity to staggered three-year terms. ((~~By January 1, 2013,~~)) The safety committee must include representatives of:

(i) Local governments;

(ii) A natural gas utility subject to regulation under Titles 80 and 81 RCW;

(iii) Contractors;

(iv) Excavators;

(v) An electric utility subject to regulation under Title 80 RCW;

(vi) A consumer-owned utility, as defined in RCW 19.27A.140;

(vii) A pipeline company;

(viii) The insurance industry;

(ix) The commission; and

(x) A telecommunications company.

(b) ((~~By January 1, 2013,~~)) The safety committee may pass bylaws and provide for those organizational processes that are necessary to complete the safety committee's tasks.

(4) The safety committee must meet at least once every three months.

(5) ((~~After January 1, 2013,~~)) The safety committee may review complaints of alleged violations of this chapter involving practices related to underground facilities. Any person may bring a complaint to the safety committee regarding an alleged violation occurring on or after January 1, 2013.

(6) To review complaints of alleged violations, the safety committee must appoint at least three and not more than five members as a review committee. The review committee must include the same number of members representing excavators and facility operators. One member representing facility operators must also be a representative of a pipeline company or a natural gas utility subject to regulation under Titles 80 and 81 RCW. The review committee must also include a member representing the insurance industry.

(7) Before reviewing a complaint alleging a violation of this chapter, the review committee must notify the person making the complaint and the alleged violator of its review and of the opportunity to participate.

(8) ((~~After January 1, 2013,~~)) The safety committee may provide written notification to the commission, with supporting documentation, that a person has likely committed a violation of this chapter, and recommend remedial action that may include a penalty amount, training, or education to improve public safety, or some combination thereof.

(((~~(9) This section expires December 31, 2020.~~))

Sec. 2. RCW 19.122.140 and 2011 c 263 s 19 are each amended to read as follows:

(1) The commission may enforce the civil penalties authorized in RCW 19.122.070 or 19.122.075 when it receives written notification from the safety committee created under RCW 19.122.130 indicating that a violation of this

chapter has likely been committed by a person subject to regulation by the commission, or involving the underground facilities of such a person.

(2) If the commission receives written notification from the safety committee pursuant to RCW 19.122.130 that a violation of this chapter has likely been committed by a person who is not subject to regulation by the commission, and in which the underground facility involved is also not subject to regulation by the commission, the commission may refer the matter to the attorney general for enforcement of a civil penalty under RCW 19.122.070 or 19.122.075. The commission must provide funding for such enforcement. However, any costs and fees recovered by the attorney general pursuant to subsection (3) of this section must be deposited by the commission in the fund that paid for such enforcement.

(3) In a matter referred to it by the commission pursuant to subsection (2) of this section, the attorney general may bring an action to enforce the penalties authorized in RCW 19.122.070 or 19.122.075. In such an action, the court may award the state all costs of investigation and trial, including a reasonable attorneys' fee fixed by the court.

((~~(4) This section expires December 31, 2020.~~))

Sec. 3. RCW 19.122.150 and 2011 c 263 s 21 are each amended to read as follows:

(1) The commission may investigate and enforce violations of RCW 19.122.055, 19.122.075, and 19.122.090 relating to pipeline facilities without initial referral to the safety committee created under RCW 19.122.130.

(2) If the commission's investigation of notifications received pursuant to RCW 19.122.140 or subsection (1) of this section substantiates violations of this chapter, the commission may impose penalties authorized by RCW 19.122.055, 19.122.070, 19.122.075, and 19.122.090, and require training, education, or any combination thereof.

(3) With respect to referrals from the safety committee, the commission must consider any recommendation by the committee regarding enforcement and remedial actions involving an alleged violator.

(4) In an action to impose a penalty initiated by the commission under subsection (1) or (2) of this section, the penalty is due and payable when the person incurring the penalty receives a notice of penalty in writing from the commission describing the violation and advising the person that the penalty is due. The person incurring the penalty has fifteen days from the date the person receives the notice of penalty to file with the commission a request for mitigation or a request for a hearing. The commission must include this time limit information in the notice of penalty. After receiving a timely request for mitigation or hearing, the commission must suspend collection of the penalty until it issues a final order concerning the penalty or mitigation of that penalty. A person aggrieved by the commission's final order may seek judicial review, subject to provisions of the administrative procedure act, chapter 34.05 RCW.

(5) If a penalty imposed by the commission is not paid, the attorney general may, on the commission's behalf, file a civil action in superior court to collect the penalty.

((~~(6) This section expires December 31, 2020.~~))

Passed by the House February 1, 2017.

Passed by the Senate April 7, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 21

[Substitute House Bill 1130]

CUSTOMIZED EMPLOYMENT TRAINING PROGRAM--EXPIRATION

AN ACT Relating to making the customized training program permanent; amending RCW 28B.67.020 and 28B.67.030; repealing RCW 28B.67.902; providing an effective date; and declaring an emergency.

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

Sec. 1. RCW 28B.67.020 and 2012 c 46 s 1 are each amended to read as follows:

(1) The Washington customized employment training program is hereby created to provide training assistance to employers locating or expanding in the state.

(2)(a) Application to receive funding under this program must be made to the board in a form and manner as specified by the board. Successful applicants must receive a training allowance from the board to cover the costs of training at a qualified training institution. Employers may not receive an allowance for training costs which exceed the maximum annual training cost per employee, as established by the board, and are not eligible to receive an allowance or allowances of over five hundred thousand dollars per calendar year.

(b) Allowances must be granted for applicants who meet the following criteria:

(i) The employer must have entered into an agreement with a qualified training institution to engage in customized training and the employer must agree to: (A) Upon completion of the training, make a payment to the employment training finance account created in RCW 28B.67.030 in an amount equal to one-quarter of the amount of the training allowance; and (B) over the subsequent eighteen months, make monthly or quarterly payments, as specified in the agreement, to the employment training finance account created in RCW 28B.67.030 in an amount equal to three-quarters of the amount of the training allowance. During calendar years 2009 and 2010, participants may delay payments due under this section for up to eighteen months. The payments into the employment training finance account provided for in this section do not constitute payment to the institution.

(ii) When hiring, the employer must make good faith efforts, as determined by the board, to hire from trainees in the participant's training program. The agreement with the qualified training institution provided for in (b)(i) of this subsection must specify terms for reimbursement or additional payment to the employment training finance account by the employer if the participant does not, when hiring, make good faith efforts to hire from trainees in the participant's training program.

(iii) The training allowance may not be used to train workers who have been hired as a result of a strike or lockout.

(c) Preference is given to employers with fewer than fifty employees.

(d) Preference is given to training that leads to transferable skills that are interchangeable among different jobs, employers, or workplaces.

(3) Qualified training institutions may enter into agreements with four-year institutions of higher education, as defined in RCW 28B.10.016, in accordance with the interlocal cooperation act, chapter 39.34 RCW.

(4) The board and qualified training institutions may solicit and receive gifts, grants, funds, fees, and endowments, in trust or otherwise, from tribal, local, federal, or other governmental entities, as well as private sources, for the purpose of providing training allowances under chapter 112, Laws of 2006. All revenue thus solicited and received must be deposited into the employment training finance account created in RCW 28B.67.030.

(5) Qualified training institutions must make good faith efforts to develop training programs using trainers preferred by participants.

(6) For employers who (a) have requested training under the job skills program created under chapter 28C.04 RCW but are not able to participate in the job skills program because the funds have all been committed, and (b) desire to become participants in the Washington customized employment training program, the board shall ensure a seamless process toward participation.

(7) The board may adopt rules to implement this section.

((~~(8) This section expires July 1, 2017.~~))

Sec. 2. RCW 28B.67.030 and 2013 2nd sp.s. c 4 s 961 are each amended to read as follows:

(1) All payments received from a participant in the Washington customized employment training program created in RCW 28B.67.020 must be deposited into the employment training finance account, which is hereby created in the custody of the state treasurer. Only the state board for community and technical colleges may authorize expenditures from the account and no appropriation is required for expenditures. The money in the account must be used solely for training allowances under the Washington customized employment training program created in RCW 28B.67.020 and for providing up to seventy-five thousand dollars per year for training, marketing, and facilitation services to increase the use of the program. The deposit of payments under this section from a participant ceases when the board specifies that the participant has met the monetary obligations of the program. During the 2013-2015 fiscal biennium, the legislature may transfer from the employment training finance account to the state general fund such amounts as reflect the excess fund balance in the account.

(2) All revenue solicited and received under the provisions of RCW 28B.67.020(4) must be deposited into the employment training finance account to provide training allowances.

(3) The definitions in RCW 28B.67.010 apply to this section.

((~~(4) This section expires July 1, 2017.~~))

NEW SECTION. **Sec. 3.** RCW 28B.67.902 (Expiration date—2006 c 112 §§ 1-4 and 8) and 2012 c 46 s 4 & 2006 c 112 s 11 are each repealed.

NEW SECTION. **Sec. 4.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2017.

Passed by the House February 15, 2017.

Passed by the Senate April 6, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 22

[House Bill 1198]

IMPAIRED PODIATRIC PRACTICING PROGRAM--SUBSTANCE ABUSE MONITORING PROGRAM CONTRACT

AN ACT Relating to substance abuse monitoring for podiatric physicians and surgeons; and adding a new section to chapter 18.22 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 18.22 RCW to read as follows:

(1) To implement an impaired podiatric practitioner program as authorized by RCW 18.130.175, the board shall enter into a contract with a voluntary substance abuse monitoring program. The impaired podiatric practitioner program may include any or all of the following:

(a) Contracting with providers of treatment programs;

(b) Receiving and evaluating reports of suspected impairment from any source;

(c) Intervening in cases of verified impairment;

(d) Referring impaired podiatric practitioners to treatment programs;

(e) Monitoring the treatment and rehabilitation of impaired podiatric practitioners including those ordered by the board;

(f) Providing education, prevention of impairment, posttreatment monitoring, and support of rehabilitated impaired podiatric practitioners; and

(g) Performing other related activities as determined by the board.

(2) A contract entered into under subsection (1) of this section shall be financed by a surcharge of fifty dollars on each license issuance or renewal to be collected by the department from every podiatric practitioner licensed under this chapter. These moneys must be placed in the health professions account to be used solely for implementation of the impaired podiatric practitioner program.

Passed by the House February 9, 2017.
Passed by the Senate April 6, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 23

[Substitute House Bill 1266]

PETROLEUM STORAGE TANK SYSTEMS

AN ACT Relating to petroleum storage tank systems; amending RCW 70.149.010, 70.149.020, 70.149.030, 70.149.040, 70.149.070, and 64.70.020; and creating new sections.

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

Sec. 1. RCW 70.149.010 and 1995 c 20 s 1 are each amended to read as follows:

It is the intent of the legislature to establish a temporary regulatory program to assist owners and operators of ((~~heating oil tanks~~)) petroleum storage tank systems. The legislature finds that it is in the best interests of all citizens for ((~~heating oil tanks~~)) petroleum storage tank systems to be operated safely and for tank leaks or spills to be dealt with expeditiously. The legislature further finds that it is necessary to protect tank owners from the financial hardship related to damaged heating oil tanks. The problem is especially acute because owners and operators of heating oil tanks used for space heating have been unable to obtain pollution liability insurance or insurance has been unaffordable.

Sec. 2. RCW 70.149.020 and 1995 c 20 s 2 are each amended to read as follows:

This chapter may be known and cited as the Washington state ((~~heating oil~~)) pollution liability protection act.

Sec. 3. RCW 70.149.030 and 1995 c 20 s 3 are each amended to read as follows:

((~~Unless the context clearly requires otherwise,~~)) The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Accidental release" means a sudden or nonsudden release of heating oil, occurring after July 23, 1995, from operating a heating oil tank that results in bodily injury, property damage, or a need for corrective action, neither expected nor intended by the owner or operator.

(2) "Bodily injury" means bodily injury, sickness, or disease sustained by a person, including death at any time, resulting from the injury, sickness, or disease.

(3)(a) "Corrective action" means those actions reasonably required to be undertaken by the insured to remove, treat, neutralize, contain, or clean up an accidental release in order to comply with a statute, ordinance, rule, regulation, directive, order, or similar legal requirement, in effect at the time of an accidental release, of the United States, the state of Washington, or a political subdivision of the United States or the state of Washington. "Corrective action" includes, where agreed to in writing, in advance by the insurer, action to remove, treat, neutralize, contain, or clean up an accidental release to avert, reduce, or eliminate the liability of the insured for corrective action, bodily injury, or property damage. "Corrective action" also includes actions reasonably necessary to monitor, assess, and evaluate an accidental release.

(b) "Corrective action" does not include:

(i) Replacement or repair of heating oil tanks or other receptacles; or

(ii) Replacement or repair of piping, connections, and valves of tanks or other receptacles.

(4) "Defense costs" include the costs of legal representation, expert fees, and related costs and expenses incurred in defending against claims or actions brought by or on behalf of:

(a) The United States, the state of Washington, or a political subdivision of the United States or state of Washington to require corrective action or to recover costs of corrective action; or

(b) A third party for bodily injury or property damage caused by an accidental release.

(5) "Director" means the director of the Washington state pollution liability insurance agency or the director's appointed representative.

(6) "Environmental covenant" has the same meaning as defined in RCW 64.70.020.

(7) "Facility" has the same meaning as defined in RCW 70.105D.020.

(8) "Heating oil" means any petroleum product used for space heating in oil-fired furnaces, heaters, and boilers, including stove oil, diesel fuel, or kerosene. "Heating oil" does not include petroleum products used as fuels in motor vehicles, marine vessels, trains, buses, aircraft, or any off-highway equipment not used for space heating, or for industrial processing or the generation of electrical energy.

((~~(7)~~)) (9) "Heating oil tank" means a tank and its connecting pipes, whether above or below ground, or in a basement, with pipes connected to the tank for space heating of human living or working space on the premises where the tank is located. "Heating oil tank" does not include a decommissioned or abandoned heating oil tank, or a tank used solely for industrial process heating purposes or generation of electrical energy.

((~~(8)~~)) (10) "Independent remedial action" has the same meaning as defined in RCW 70.105D.020.

(11) "Occurrence" means an accident, including continuous or repeated exposure to conditions, that results in a release from a heating oil tank.

((~~(9)~~)) (12) "Owner or operator" means a person in control of, or having responsibility for, the daily operation of a ((~~heating oil tank~~)) petroleum storage tank system.

((~~(10)~~)) (13) "Petroleum" means any petroleum-based substance including crude oil or any fraction that is liquid at standard conditions of temperature and pressure. The term "petroleum" includes, but is not limited to, petroleum and petroleum-based substances comprised of a complex blend of hydrocarbons, such as motor fuels, jet fuels, distillate fuel oils, residual fuel oils, lubricants, petroleum solvents, used oils, and heating oils. The term "petroleum" does not include propane, asphalt, or any other petroleum product that is not liquid at standard conditions of temperature and pressure. Standard conditions of temperature and pressure are at sixty degrees Fahrenheit and 14.7 pounds per square inch absolute.

(14) "Petroleum storage tank system" means a storage tank system that contains petroleum or a mixture of petroleum with de minimis quantities of other substances. The systems include those containing motor fuels, jet fuels, distillate fuel oils, residual fuel oils, lubricants, petroleum solvents, used oils, and heating oils. "Petroleum storage tank system" does not include any storage tank system regulated under chapter 70.105 RCW.

(15) "Pollution liability insurance agency" means the Washington state pollution liability insurance agency.

((~~(11)~~)) (16) "Property damage" means:

(a) Physical injury to, destruction of, or contamination of tangible property, including the loss of use of the property resulting from the injury, destruction, or contamination; or

(b) Loss of use of tangible property that has not been physically injured, destroyed, or contaminated but has been evacuated, withdrawn from use, or rendered inaccessible because of an accidental release.

(((~~(12)~~))) (17) "Release" means a spill, leak, emission, escape, or leaching into the environment.

(((~~(13)~~))) (18) "Remedial action" has the same meaning as defined in RCW 70.105D.020.

(19) "Remedial action costs" means reasonable costs that are attributable to or associated with a remedial action.

(((~~(14)~~))) (20) "Tank" means a stationary device, designed to contain an accumulation of heating oil, that is constructed primarily of nonearthen materials such as concrete, steel, fiberglass, or plastic that provides structural support.

(((~~(15)~~))) (21) "Third-party liability" means the liability of a heating oil tank owner to another person due to property damage or personal injury that results from a leak or spill.

Sec. 4. RCW 70.149.040 and 2009 c 560 s 11 are each amended to read as follows:

The director shall:

(1) Design a program, consistent with RCW 70.149.120, for providing pollution liability insurance for heating oil tanks that provides up to sixty thousand dollars per occurrence coverage and aggregate limits, and protects the state of Washington from unwanted or unanticipated liability for accidental release claims;

(2) Administer, implement, and enforce the provisions of this chapter. To assist in administration of the program, the director is authorized to appoint up to two employees who are exempt from the civil service law, chapter 41.06 RCW, and who shall serve at the pleasure of the director;

(3) Administer the heating oil pollution liability trust account, as established under RCW 70.149.070;

(4) Employ and discharge, at his or her discretion, agents, attorneys, consultants, companies, organizations, and employees as deemed necessary, and to prescribe their duties and powers, and fix their compensation;

(5) Adopt rules under chapter 34.05 RCW as necessary to carry out the provisions of this chapter;

(6) Design and from time to time revise a reinsurance contract providing coverage to an insurer or insurers meeting the requirements of this chapter. The director is authorized to provide reinsurance through the pollution liability insurance program trust account;

(7) Solicit bids from insurers and select an insurer to provide pollution liability insurance for third-party bodily injury and property damage, and corrective action to owners and operators of heating oil tanks;

(8) Register, and design a means of accounting for, operating heating oil tanks;

(9) Implement a program to provide advice and technical assistance ((~~to owners and operators of active and abandoned heating oil tanks if contamination from an active or abandoned heating oil tank is suspected. Advice and assistance regarding administrative and technical requirements may include observation of testing or site assessment and review of the results of reports. If the director finds that contamination is not present or that the contamination is apparently minor and not a threat to human health or the environment, the director may provide written opinions and conclusions on the results of the investigation to owners and operators of active and abandoned heating oil tanks~~)) on the administrative

and technical requirements of this chapter and chapter 70.105D RCW to persons who are conducting or otherwise interested in independent remedial actions at facilities where there is a suspected or confirmed release from the following petroleum storage tank systems: A heating oil tank; a decommissioned heating oil tank; an abandoned heating oil tank; or a petroleum storage tank system identified by the department of ecology based on the relative risk posed by the release to human health and the environment, as determined under chapter 70.105D RCW, or other factors identified by the department of ecology.

(a) Such advice or assistance is advisory only, and is not binding on the pollution liability insurance agency or the department of ecology. As part of this advice and assistance, the pollution liability insurance agency may provide written opinions on whether independent remedial actions or proposals for these actions meet the substantive requirements of chapter 70.105D RCW, or whether the pollution liability insurance agency believes further remedial action is necessary at the facility. As part of this advice and assistance, the pollution liability insurance agency may also observe independent remedial actions.

(b) The agency is authorized to collect, from persons requesting advice and assistance, the costs incurred by the agency in providing such advice and assistance. The costs may include travel costs and expenses associated with review of reports and preparation of written opinions and conclusions. Funds from cost reimbursement must be deposited in the heating oil pollution liability trust account.

(c) The state of Washington, the pollution liability insurance agency, and its officers and employees are immune from all liability, and no cause of action arises from any act or omission in providing, or failing to provide, such advice, opinion, conclusion, or assistance;

(10) Establish a public information program to provide information regarding liability, technical, and environmental requirements associated with active and abandoned heating oil tanks;

(11) Monitor agency expenditures and seek to minimize costs and maximize benefits to ensure responsible financial stewardship;

(12) Study if appropriate user fees to supplement program funding are necessary and develop recommendations for legislation to authorize such fees;

(13) Establish requirements, including deadlines not to exceed ninety days, for reporting to the pollution liability insurance agency a suspected or confirmed release from a heating oil tank, including a decommissioned or abandoned heating oil tank, that may pose a threat to human health or the environment by the owner or operator of the heating oil tank or the owner of the property where the release occurred;

(14) Within ninety days of receiving information and having a reasonable basis to believe that there may be a release from a heating oil tank, including decommissioned or abandoned heating oil tanks, that may pose a threat to human health or the environment, perform an initial investigation to determine at a minimum whether such a release has occurred and whether further remedial action is necessary under chapter 70.105D RCW. The initial investigation may include, but is not limited to, inspecting, sampling, or testing. The director may retain contractors to perform an initial investigation on the agency's behalf;

(15) For any written opinion issued under subsection (9) of this section requiring an environmental covenant as part of the remedial action, consult with,

and seek comment from, a city or county department with land use planning authority for real property subject to the environmental covenant prior to the property owner recording the environmental covenant; and

(16) For any property where an environmental covenant has been established as part of the remedial action approved under subsection (9) of this section, periodically review the environmental covenant for effectiveness. The director shall perform a review at least once every five years after an environmental covenant is recorded.

Sec. 5. RCW 70.149.070 and 2004 c 203 s 2 are each amended to read as follows:

(1) The heating oil pollution liability trust account is created in the custody of the state treasurer. All receipts from the pollution liability insurance fee collected under RCW 70.149.080 and reinsurance premiums shall be deposited into the account. Expenditures from the account may be used only for the purposes set out under this chapter. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures. ((~~Any residue in the account in excess of funds needed to meet administrative costs for January of the following year shall be transferred at the end of the calendar year to the pollution liability insurance program trust account.~~))

(2) Money in the account may be used by the director for the following purposes:

(a) Corrective action costs;

(b) Third-party liability claims;

(c) Costs associated with claims administration;

(d) Purchase of an insurance policy to cover all registered heating oil tanks, and reinsurance of the policy; and

(e) Administrative expenses of the program, including personnel, equipment, supplies, and providing advice and technical assistance.

Sec. 6. RCW 64.70.020 and 2007 c 104 s 3 are each amended to read as follows:

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

(1) "Activity or use limitations" means restrictions or obligations created under this chapter with respect to real property.

(2) "Agency" means either the department of ecology, the pollution liability insurance agency, or the United States environmental protection agency, whichever determines or approves the environmental response project pursuant to which the environmental covenant is created.

(3)(a) "Common interest community" means a condominium, cooperative, or other real property with respect to which a person, by virtue of the person's ownership of a parcel of real property, is obligated to pay property taxes or insurance premiums, or for maintenance, or improvement of other real property described in a recorded covenant that creates the common interest community.

(b) "Common interest community" includes but is not limited to:

(i) An association of apartment owners as defined in RCW 64.32.010;

(ii) A unit owners' association as defined in RCW 64.34.020 and organized under RCW 64.34.300;

(iii) A master association as provided in RCW 64.34.276;

(iv) A subassociation as provided in RCW 64.34.278; and

(v) A homeowners' association as defined in RCW 64.38.010.

(4) "Environmental covenant" means a servitude arising under an environmental response project that imposes activity or use limitations.

(5) "Environmental response project" means a plan or work performed for environmental remediation of real property and conducted:

(a) Under a federal or state program governing environmental remediation of real property, including chapters 43.21C, 64.44, 70.95, 70.98, 70.105, 70.105D, 90.48, and 90.52 RCW;

(b) Incident to closure of a solid or hazardous waste management unit, if the closure is conducted with approval of an agency; or

(c) Under the state voluntary clean-up program authorized under chapter 70.105D RCW or technical assistance program authorized under chapter 70.149 RCW.

(6) "Holder" means the grantee of an environmental covenant as specified in RCW 64.70.030(1).

(7) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(8) "Record," used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(9) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

NEW SECTION. **Sec. 7.** To ensure the adoption of rules will not delay the implementation of remedial actions, the pollution liability insurance agency may implement the technical advice and assistance program expansion to include petroleum storage tank systems through interpretive guidance pending adoption of rules.

NEW SECTION. **Sec. 8.** The pollution liability insurance agency may not expand the technical advice and assistance program to include petroleum storage tank systems until January 1, 2018. The pollution liability insurance agency may include heating oil tanks, including abandoned and decommissioned tanks, in the technical advice and assistance program as of the effective date of this section.

Passed by the House March 6, 2017.

Passed by the Senate April 6, 2017.

Approved by the Governor April 17, 2017.

Filed in Office of Secretary of State April 17, 2017.

CHAPTER 24

[Substitute House Bill 1320]

GOLD STAR LICENSE PLATE--ALTERNATIVE LICENSE PLATE CHOICE

AN ACT Relating to certain gold star license plate qualified applicants and recipients; and amending RCW 46.18.245.

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

Sec. 1. RCW 46.18.245 and 2015 c 208 s 1 are each amended to read as follows:

(1) A registered owner who is an eligible family member of a member of the United States armed forces who died while in service to his or her country, or as a result of his or her service, may apply to the department for special gold star license plates for use on a motor vehicle. The registered owner must:

(a) Be a resident of this state;

(b) Provide proof to the satisfaction of the department that the registered owner is an eligible family member, which includes:

(i) A widow;

(ii) A widower;

(iii) A biological parent;

(iv) An adoptive parent;

(v) A stepparent;

(vi) An adult in loco parentis or foster parent;

(vii) A biological child;

(viii) An adopted child; or

(ix) A sibling;

(c) Provide certification from the Washington state department of veterans affairs that the registered owner qualifies for the special license plate under this section;

(d) Be recorded as the registered owner of the motor vehicle on which the gold star license plates will be displayed; and

(e) Except as provided in subsection (2) of this section, pay all fees and taxes required by law for registering the motor vehicle.

(2)(a) In addition to the license plate fee exemption in subsection (3)(b) of this section, the widow or widower recipient of a gold star license plate under this section is also exempt from annual vehicle registration fees for one personal use motor vehicle.

(b) In lieu of applying for a gold star license plate under this section, an eligible widow or widower under subsection (1)(b) of this section may apply for a standard issue license plate or any qualifying special license plate for one personal use motor vehicle and be exempt from both annual vehicle registration fees and license plate fees for that vehicle.

(3) Gold star license plates must be issued:

(a) Only for motor vehicles owned by qualifying applicants; and

(b) Without payment of any license plate fee.

(4) Gold star license plates must be replaced, free of charge, if the license plates become lost, stolen, damaged, defaced, or destroyed.

(5) Gold star license plates may be transferred from one motor vehicle to another motor vehicle owned by the eligible family member, as described in

subsection (1) of this section, upon application to the department, county auditor or other agent, or subagent appointed by the director.

Passed by the House February 28, 2017.
Passed by the Senate April 4, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 25

[Substitute House Bill 1568]

FRED HUTCH SPECIAL LICENSE PLATE

AN ACT Relating to creating Fred Hutch special license plates; reenacting and amending RCW 46.18.200, 46.17.220, and 46.68.420; adding a new section to chapter 46.04 RCW; and providing an effective date.

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

Sec. 1. RCW 46.18.200 and 2016 c 36 s 1, 2016 c 30 s 1, 2016 c 16 s 1, and 2016 c 15 s 1 are each reenacted and amended to read as follows:

(1) Special license plate series reviewed and approved by the department:

(a) May be issued in lieu of standard issue or personalized license plates for vehicles required to display one and two license plates unless otherwise specified;

(b) Must be issued under terms and conditions established by the department;

(c) Must not be issued for vehicles registered under chapter 46.87 RCW; and

(d) Must display a symbol or artwork approved by the department.

(2) The department approves and shall issue the following special license plates:

LICENSE PLATE	DESCRIPTION, SYMBOL, OR ARTWORK
4-H	Displays the "4-H" logo.
Armed forces collection	Recognizes the contribution of veterans, active duty military personnel, reservists, and members of the national guard, and includes six separate designs, each containing a symbol representing a different branch of the armed forces to include army, navy, air force, marine corps, coast guard, and national guard.
Breast cancer awareness	Displays a pink ribbon symbolizing breast cancer awareness.
Endangered wildlife	Displays a symbol or artwork symbolizing endangered wildlife in Washington state.
Fred Hutch	Displays the Fred Hutch logo.

LICENSE PLATE	DESCRIPTION, SYMBOL, OR ARTWORK
Gonzaga University alumni association	Recognizes the Gonzaga University alumni association.
Helping kids speak	Recognizes an organization that supports programs that provide no-cost speech pathology programs to children.
Keep kids safe	Recognizes efforts to prevent child abuse and neglect.
Law enforcement memorial	Honors law enforcement officers in Washington killed in the line of duty.
Music matters	Displays the "Music Matters" logo.
Professional firefighters and paramedics	Recognizes professional firefighters and paramedics who are members of the Washington state council of firefighters.
Seattle Seahawks	Displays the "Seattle Seahawks" logo.
Seattle Sounders FC	Displays the "Seattle Sounders FC" logo.
Seattle University	Recognizes Seattle University.
Share the road	Recognizes an organization that promotes bicycle safety and awareness education.
Ski & ride Washington	Recognizes the Washington snowsports industry.
State flower	Recognizes the Washington state flower.
Volunteer firefighters	Recognizes volunteer firefighters.
Washington farmers and ranchers	Recognizes farmers and ranchers in Washington state.
Washington lighthouses	Recognizes an organization that supports selected Washington state lighthouses and provides environmental education programs.
Washington state parks	Recognizes Washington state parks as premier destinations of uncommon quality that preserve significant natural, cultural, historical, and recreational resources.
Washington state wrestling	Promotes and supports college wrestling in the state of Washington.

LICENSE PLATE	DESCRIPTION, SYMBOL, OR ARTWORK
Washington tennis	Builds awareness and year-round opportunities for tennis in Washington state. Displays a symbol or artwork recognizing tennis in Washington state.
Washington's national park fund	Builds awareness of Washington's national parks and supports priority park programs and projects in Washington's national parks, such as enhancing visitor experience, promoting volunteerism, engaging communities, and providing educational opportunities related to Washington's national parks.
Washington's fish collection	Recognizes Washington's fish.
Washington's wildlife collection	Recognizes Washington's wildlife.
We love our pets	Recognizes an organization that assists local member agencies of the federation of animal welfare and control agencies to promote and perform spay/neuter surgery on Washington state pets to reduce pet overpopulation.
Wild on Washington	Symbolizes wildlife viewing in Washington state.

(3) Applicants for initial and renewal professional firefighters and paramedics special license plates must show proof of eligibility by providing a certificate of current membership from the Washington state council of firefighters.

(4) Applicants for initial volunteer firefighters special license plates must (a) have been a volunteer firefighter for at least ten years or be a volunteer firefighter for one or more years and (b) have documentation of service from the district of the appropriate fire service. If the volunteer firefighter leaves firefighting service before ten years of service have been completed, the volunteer firefighter shall surrender the license plates to the department on the registration renewal date. If the volunteer firefighter stays in service for at least ten years and then leaves, the license plate may be retained by the former volunteer firefighter and as long as the license plate is retained for use the person will continue to pay the future registration renewals. A qualifying volunteer firefighter may have no more than one set of license plates per vehicle, and a maximum of two sets per applicant, for their personal vehicles. If the volunteer firefighter is convicted of a violation of RCW 46.61.502 or a felony, the license plates must be surrendered upon conviction.

Sec. 2. RCW 46.17.220 and 2016 c 36 s 2, 2016 c 31 s 2, 2016 c 30 s 3, 2016 c 16 s 2, and 2016 c 15 s 2 are each reenacted and amended to read as follows:

(1) In addition to all fees and taxes required to be paid upon application for a vehicle registration in chapter 46.16A RCW, the holder of a special license plate shall pay the appropriate special license plate fee as listed in this section.

PLATE TYPE	INITIAL FEE	RENEWAL FEE	DISTRIBUTED UNDER
(a) 4-H	$ 40.00	$ 30.00	RCW 46.68.420
(b) Amateur radio license	$ 5.00	N/A	RCW 46.68.070
(c) Armed forces	$ 40.00	$ 30.00	RCW 46.68.425
(d) Baseball stadium	$ 40.00	$ 30.00	Subsection (2) of this section
(e) Breast cancer awareness	$ 40.00	$ 30.00	RCW 46.68.425
(f) Collector vehicle	$ 35.00	N/A	RCW 46.68.030
(g) Collegiate	$ 40.00	$ 30.00	RCW 46.68.430
(h) Endangered wildlife	$ 40.00	$ 30.00	RCW 46.68.425
(i) Fred Hutch	$ 40.00	$ 30.00	RCW 46.68.420
(j) Gonzaga University alumni association	$ 40.00	$ 30.00	RCW 46.68.420
(((~~j~~))) (k) Helping kids speak	$ 40.00	$ 30.00	RCW 46.68.420
(((~~k~~))) (l) Horseless carriage	$ 35.00	N/A	RCW 46.68.030
(((~~l~~))) (m) Keep kids safe	$ 45.00	$ 30.00	RCW 46.68.425
(((~~m~~))) (n) Law enforcement memorial	$ 40.00	$ 30.00	RCW 46.68.420
(((~~n~~))) (o) Military affiliate radio system	$ 5.00	N/A	RCW 46.68.070
(((~~o~~))) (p) Music matters	$ 40.00	$ 30.00	RCW 46.68.420
(((~~p~~))) (q) Purple Heart	$ 40.00	$ 30.00	RCW 46.68.425
(((~~q~~))) (r) Professional firefighters and paramedics	$ 40.00	$ 30.00	RCW 46.68.420
(((~~r~~))) (s) Ride share	$ 25.00	N/A	RCW 46.68.030
(((~~s~~))) (t) Seattle Seahawks	$ 40.00	$ 30.00	RCW 46.68.420
(((~~t~~))) (u) Seattle Sounders FC	$ 40.00	$ 30.00	RCW 46.68.420
(((~~u~~))) (v) Seattle University	$ 40.00	$ 30.00	RCW 46.68.420
(((~~v~~))) (w) Share the road	$ 40.00	$ 30.00	RCW 46.68.420
(((~~w~~))) (x) Ski & ride Washington	$ 40.00	$ 30.00	RCW 46.68.420
(((~~x~~))) (y) Square dancer	$ 40.00	N/A	RCW 46.68.070
(((~~y~~))) (z) State flower	$ 40.00	$ 30.00	RCW 46.68.420
(((~~z~~))) (aa) Volunteer firefighters	$ 40.00	$ 30.00	RCW 46.68.420
(((~~aa~~))) (bb) Washington farmers and ranchers	$ 40.00	$ 30.00	RCW 46.68.420
(((~~bb~~))) (cc) Washington lighthouses	$ 40.00	$ 30.00	RCW 46.68.420

PLATE TYPE	INITIAL FEE	RENEWAL FEE	DISTRIBUTED UNDER
(((~~(ee)~~))) (dd) Washington state parks	$ 40.00	$ 30.00	RCW 46.68.425
(((~~(dd)~~))) (ee) Washington state wrestling	$ 40.00	$ 30.00	RCW 46.68.420
(((~~(ee)~~))) (ff) Washington tennis	$ 40.00	$ 30.00	RCW 46.68.420
(((~~(ff)~~))) (gg) Washington's fish collection	$ 40.00	$ 30.00	RCW 46.68.425
(((~~(gg)~~))) (hh) Washington's national parks	$ 40.00	$ 30.00	RCW 46.68.420
(((~~(hh)~~))) (ii) Washington's wildlife collection	$ 40.00	$ 30.00	RCW 46.68.425
(((~~(ii)~~))) (jj) We love our pets	$ 40.00	$ 30.00	RCW 46.68.420
(((~~(jj)~~))) (kk) Wild on Washington	$ 40.00	$ 30.00	RCW 46.68.425

(2) After deducting administration and collection expenses for the sale of baseball stadium license plates, the remaining proceeds must be distributed to a county for the purpose of paying the principal and interest payments on bonds issued by the county to construct a baseball stadium, as defined in RCW 82.14.0485, including reasonably necessary preconstruction costs, while the taxes are being collected under RCW 82.14.360. After this date, the state treasurer shall credit the funds to the state general fund.

Sec. 3. RCW 46.68.420 and 2016 c 36 s 3, 2016 c 16 s 3, and 2016 c 15 s 3 are each reenacted and amended to read as follows:

(1) The department shall:

(a) Collect special license plate fees established under RCW 46.17.220;

(b) Deduct an amount not to exceed twelve dollars for initial issue and two dollars for renewal issue for administration and collection expenses incurred by it; and

(c) Remit the remaining proceeds to the custody of the state treasurer with a proper identifying detailed report.

(2) The state treasurer shall credit the proceeds to the motor vehicle account until the department determines that the state has been reimbursed for the cost of implementing the special license plate. Upon determination by the department that the state has been reimbursed, the state treasurer shall credit the remaining special license plate fee amounts for each special license plate to the following appropriate account as created in this section in the custody of the state treasurer:

ACCOUNT	CONDITIONS FOR USE OF FUNDS
4-H programs	Support Washington 4-H programs
Fred Hutch	Support cancer research at the Fred Hutchinson cancer research center
Gonzaga University alumni association	Scholarship funds to needy and qualified students attending or planning to attend Gonzaga University

ACCOUNT	CONDITIONS FOR USE OF FUNDS
Helping kids speak	Provide free diagnostic and therapeutic services to families of children who suffer from a delay in language or speech development
Law enforcement memorial	Provide support and assistance to survivors and families of law enforcement officers in Washington killed in the line of duty and to organize, finance, fund, construct, utilize, and maintain a memorial on the state capitol grounds to honor those fallen officers
Lighthouse environmental programs	Support selected Washington state lighthouses that are accessible to the public and staffed by volunteers; provide environmental education programs; provide grants for other Washington lighthouses to assist in funding infrastructure preservation and restoration; encourage and support interpretive programs by lighthouse docents
Music matters awareness	Promote music education in schools throughout Washington
Seattle Seahawks	Provide funds to InvestED to encourage secondary students who have economic needs to stay in school, return to school, or get involved within their learning community

ACCOUNT	CONDITIONS FOR USE OF FUNDS
Seattle Sounders FC	Provide funds to Washington state mentors and the association of Washington generals created in RCW 43.15.030 in the following manner: (a) Seventy percent and the remaining proceeds, if any, to Washington state mentors, to increase the number of mentors in the state by offering mentoring grants throughout Washington state that foster positive youth development and academic success, with up to twenty percent of these proceeds authorized for program administration costs; and (b) up to thirty percent, not to exceed forty-thousand dollars annually as adjusted for inflation by the office of financial management, to the association of Washington generals, to develop Washington state educational, veterans, international relations, and civics projects and to recognize the outstanding public service of individuals or groups in the state of Washington
Seattle University	Fund scholarships for students attending or planning to attend Seattle University
Share the road	Promote bicycle safety and awareness education in communities throughout Washington
Ski & ride Washington	Promote winter snowsports, such as skiing and snowboarding, and related programs, such as ski and ride safety programs, underprivileged youth ski and ride programs, and active, healthy lifestyle programs
State flower	Support Meerkerk Rhododendron Gardens and provide for grants to other qualified nonprofit organizations' efforts to preserve rhododendrons
Volunteer firefighters	Receive and disseminate funds for purposes on behalf of volunteer firefighters, their families, and others deemed in need

ACCOUNT	CONDITIONS FOR USE OF FUNDS
Washington farmers and ranchers	Provide funds to the Washington FFA Foundation for educational programs in Washington state
Washington state wrestling	Provide funds to the Washington state wrestling foundation to fund new and existing college wrestling programs
Washington state council of firefighters benevolent fund	Receive and disseminate funds for charitable purposes on behalf of members of the Washington state council of firefighters, their families, and others deemed in need
Washington tennis	Provide funds to cities to assist in the construction and maintenance of a public tennis facility with at least four indoor tennis courts. A city is eligible for construction funds if the city does not already have a public or private facility with at least four indoor tennis courts. Funds for construction must first be made available to the most populous eligible city, according to the most recent census, for a time period not to exceed five years after January 1, 2017. After the five-year time period, the funds for construction must be made available to the next most populous eligible city. Funds for the maintenance of a public tennis facility with at least four indoor tennis courts must first be made available to the first eligible city that utilizes funds for construction provided by chapter 16, Laws of 2016.
Washington's national park fund	Build awareness of Washington's national parks and support priority park programs and projects in Washington's national parks, such as enhancing visitor experience, promoting volunteerism, engaging communities, and providing educational opportunities related to Washington's national parks
We love our pets	Support and enable the Washington federation of animal welfare and control agencies to promote and perform spay/neuter surgery of Washington state pets in order to reduce pet population

(3) Only the director or the director's designee may authorize expenditures from the accounts described in subsection (2) of this section. The accounts are subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(4) Funds in the special license plate accounts described in subsection (2) of this section must be disbursed subject to the conditions described in subsection (2) of this section and under contract between the department and qualified nonprofit organizations that provide the services described in subsection (2) of this section.

(5) For the purposes of this section, a "qualified nonprofit organization" means a not-for-profit corporation operating in Washington that has received a determination of tax exempt status under 26 U.S.C. Sec. 501(c)(3). The qualified nonprofit organization must meet all the requirements under RCW 46.18.100(1).

NEW SECTION. **Sec. 4.** A new section is added to chapter 46.04 RCW to read as follows:

"Fred Hutch license plates" means special license plates issued under RCW 46.18.200 that display the logo of the Fred Hutchinson cancer research center.

NEW SECTION. **Sec. 5.** This act takes effect October 1, 2017.

Passed by the House February 28, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 26

[Substitute House Bill 1838]

WHEELED ALL-TERRAIN VEHICLES--ROADWAY CROSSING

AN ACT Relating to the crossing of certain public roadways by wheeled all-terrain vehicles; and amending RCW 46.09.455.

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

Sec. 1. RCW 46.09.455 and 2013 2nd sp.s. c 23 s 6 are each amended to read as follows:

(1) A person may operate a wheeled all-terrain vehicle upon any public roadway of this state, not including nonhighway roads and trails, having a speed limit of thirty-five miles per hour or less subject to the following restrictions and requirements:

(a) A person may not operate a wheeled all-terrain vehicle upon state highways that are listed in chapter 47.17 RCW; however, a person may operate a wheeled all-terrain vehicle upon a segment of a state highway listed in chapter 47.17 RCW if the segment is within the limits of a city or town and the speed limit on the segment is thirty-five miles per hour or less;

(b)(i) A person operating a wheeled all-terrain vehicle may not cross a public roadway, not including nonhighway roads and trails, with a speed limit in excess of thirty-five miles per hour, ((~~unless the crossing begins and ends on a public roadway, not including nonhighway roads and trails, or an ORV trail, with a speed limit of thirty-five miles per hour or less and occurs at an intersection of approximately ninety degrees, except that~~)) except as follows: A person operating a wheeled all-terrain vehicle may cross a public roadway with a

speed limit of sixty miles per hour or less, but more than thirty-five miles per hour, at an intersection of approximately ninety degrees if the roadway that intersects the public roadway with a speed limit of sixty miles per hour or less, but more than thirty-five miles per hour, is a roadway upon which the operation of wheeled all-terrain vehicles has been approved or is otherwise allowed under this section.

(ii) A county, city, or town may by ordinance prohibit a person operating a wheeled all-terrain vehicle from crossing a public roadway with a speed limit of sixty miles per hour or less, but more than thirty-five miles per hour, at specific intersections or along the entirety of the route within the jurisdiction.

(iii) The operator of a wheeled all-terrain vehicle may not cross at an uncontrolled intersection of a public highway listed under chapter 47.17 RCW;

(c)(i) A person may not operate a wheeled all-terrain vehicle on a public roadway within the boundaries of a county, not including nonhighway roads and trails, with a population of fifteen thousand or more unless the county by ordinance has approved the operation of wheeled all-terrain vehicles on county roadways, not including nonhighway roads and trails.

(ii) The legislative body of a county with a population of fewer than fifteen thousand may, by ordinance, designate roadways or highways within its boundaries to be unsuitable for use by wheeled all-terrain vehicles.

(iii) Any public roadways, not including nonhighway roads and trails, authorized by a legislative body of a county under (c)(i) of this subsection or designated as unsuitable under (c)(ii) of this subsection must be listed publicly and made accessible from the main page of the county web site.

(iv) This subsection (1)(c) does not affect any roadway that was designated as open or closed as of January 1, 2013;

(d)(i) A person may not operate a wheeled all-terrain vehicle on a public roadway within the boundaries of a city or town, not including nonhighway roads and trails, unless the city or town by ordinance has approved the operation of wheeled all-terrain vehicles on city or town roadways, not including nonhighway roads and trails.

(ii) Any public roadways, not including nonhighway roads and trails, authorized by a legislative body of a city or town under (d)(i) of this subsection must be listed publicly and made accessible from the main page of the city or town web site.

(iii) This subsection (1)(d) does not affect any roadway that was designated as open or closed as of January 1, 2013;

(e) Any person who violates this subsection commits a traffic infraction.

(2) Local authorities may not establish requirements for the registration of wheeled all-terrain vehicles.

(3) A person may operate a wheeled all-terrain vehicle upon any public roadway, trail, nonhighway road, or highway within the state while being used under the authority or direction of an appropriate agency that engages in emergency management, as defined in RCW 46.09.310, or search and rescue, as defined in RCW 38.52.010, or a law enforcement agency, as defined in RCW 16.52.011, within the scope of the agency's official duties.

(4) A wheeled all-terrain vehicle is an off-road vehicle for the purposes of chapter 4.24 RCW.

Passed by the House March 1, 2017.

Passed by the Senate April 6, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 27

[Engrossed Senate Bill 5097]

CHEHALIS BOARD--APPOINTMENTS

AN ACT Relating to clarifying procedures for appointment to the Chehalis board created by chapter 194, Laws of 2016; amending RCW 43.21A.731; and declaring an emergency.

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

Sec. 1. RCW 43.21A.731 and 2016 c 194 s 2 are each amended to read as follows:

(1) The Chehalis board is created consisting of seven voting members.

(2)(a) Four members of the board must be voting members who are appointed ((~~by~~)) through the governor((~~, subject to confirmation by the senate. One member must represent the Chehalis Indian tribe and one member must represent the Quinault Indian nation~~)). The governor shall invite the Confederated Tribes of the Chehalis Reservation and the Quinault Indian Nation to each designate a voting member of the board. In addition, the governor shall appoint two members of the board, subject to confirmation by the senate. Three board members must be selected by the Chehalis basin flood authority. No member may have a direct financial ((~~or regulatory~~)) interest in the ((~~work~~)) actions of the board. The governor shall appoint one of the flood authority appointees as the chair. The voting members of the board must be appointed for terms of four years, except that ((~~two members~~)) one member appointed by the governor and one member appointed by the flood authority initially must be appointed for terms of two years, and ((~~three members~~)) one member appointed by the governor and two members appointed by the flood authority must initially be appointed for terms of three years. In making the appointments, ((~~the governor~~)) each appointing authority shall seek a board membership that collectively provides the expertise necessary to provide strong oversight for implementation of the Chehalis basin strategy, that provides extensive knowledge of local government processes and functions, and that has an understanding of issues relevant to reducing flood damages and restoring aquatic species.

(b) In addition to the seven voting members of the board, the following five state officials must serve as ex officio nonvoting members of the board: The director of the department of fish and wildlife, the executive director of the Washington state conservation commission, the secretary of the department of transportation, the director of the department of ecology, and the commissioner of public lands. The state officials serving in an ex officio capacity may designate a representative of their respective agencies to serve on the board in their behalf. These designations must be made in writing and in such a manner as is specified by the board.

(3) Staff support to the board must be provided by the department. For administrative purposes, the board is located within the department.

(4) Members of the board who do not represent state agencies must be compensated as provided by RCW 43.03.250. Members of the board shall be reimbursed for travel expenses as provided by RCW 43.03.050 and 43.03.060.

(5) The board is responsible for oversight of a long-term strategy resulting from the department's programmatic environmental impact statement for the Chehalis river basin to reduce flood damages and restore aquatic species habitat.

(6) The board is responsible for overseeing the implementation of the strategy and developing biennial and supplemental budget recommendations to the governor.

NEW SECTION. **Sec. 2.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate March 3, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 28

[Senate Bill 5011]

BUSINESS CORPORATION ACT

AN ACT Relating to the business corporation act; amending RCW 23B.12.010, 23B.12.020, 23B.07.050, 23B.13.020, 23B.07.300, 23B.07.320, 23B.11.040, and 23B.19.020; reenacting and amending RCW 23B.01.400; adding a new section to chapter 23B.02 RCW; and adding a new chapter to Title 23B RCW.

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

NEW SECTION. **Sec. 1.** DEFINITIONS. As used in this chapter:

(1) "Date of the defective corporate action" means the date the defective corporate action was purported to have been taken, or, if the exact date is unknown, the approximate date thereof.

(2) "Defective corporate action" means (a) any corporate action purportedly taken that is, and at the time such corporate action was purportedly taken would have been, within the power of the corporation, but is void or voidable due to a failure of authorization, and (b) an overissue.

(3) "Failure of authorization" means the failure to authorize, approve, or otherwise effect a corporate action in compliance with the provisions of this title, the articles of incorporation or bylaws of the corporation, a corporate resolution, or any plan or agreement to which the corporation is a party, if and to the extent such failure would render such corporate action void or voidable.

(4) "Overissue" means the purported issuance of:

(a) Shares of a class or series in excess of the number of shares of a class or series the corporation was authorized to issue in accordance with RCW 23B.06.010 at the time of such purported issuance; or

(b) Shares of any class or series that was not authorized for issuance by the articles of incorporation at the time of such purported issuance.

(5) "Putative shares" means the shares of any class or series of the corporation (including shares issuable upon exercise of rights, options, warrants, or other securities convertible into shares of the corporation, or interests with

respect thereto) that were purportedly created or issued as a result of a defective corporate action, that:

(a) But for any failure of authorization would constitute valid shares; or

(b) Cannot be determined by the board of directors to be valid shares.

(6) "Valid shares" means the shares of any class or series of the corporation that have been duly authorized and validly issued in accordance with this title, including as a result of ratification or validation in accordance with this chapter.

(7)(a) "Validation effective time," with respect to any defective corporate action ratified or validated in accordance with this chapter, means the later of:

(i) The time at which the ratification of the defective corporate action is approved by shareholders, or if approval of shareholders is not required, the time at which the notice required by section 5 of this act becomes effective in accordance with RCW 23B.01.410; and

(ii) The time at which any articles of validation filed in accordance with section 7 of this act become effective.

(b) The validation effective time will not be affected by the commencement or pendency of any proceeding in accordance with section 8(1)(b) of this act or otherwise, unless otherwise ordered by the court.

NEW SECTION. **Sec. 2.** DEFECTIVE CORPORATE ACTIONS. (1) A defective corporate action is not void or voidable solely as a result of a failure of authorization if ratified in accordance with section 3 of this act or validated in accordance with section 8 of this act.

(2) Ratification under section 3 of this act or validation under section 8 of this act is not the exclusive means of ratifying or validating any defective corporate action, and the absence or failure of ratification or validation in accordance with this chapter does not, of itself, affect the validity or effectiveness of any corporate action properly ratified under common law or otherwise, nor does it create a presumption that any such corporate action is or was a defective corporate action or void or voidable.

NEW SECTION. **Sec. 3.** RATIFICATION OF DEFECTIVE CORPORATE ACTIONS. (1) Except as otherwise required by subsection (2) of this section, to ratify a defective corporate action under this chapter, the board of directors must adopt a resolution stating:

(a) The defective corporate action to be ratified and, if the defective corporate action involved the purported issuance of putative shares, the number and class or series of putative shares purportedly issued;

(b) The date of the defective corporate action and, if the defective corporate action involved the purported issuance of putative shares, the date or dates on which the putative shares were purportedly issued;

(c) The nature of the failure of authorization with respect to the defective corporate action to be ratified; and

(d) That the ratification of the defective corporate action is approved.

(2) To ratify a defective corporate action under this chapter involving the election of the initial board of directors of the corporation under RCW 23B.02.050(1)(b), a majority of the persons who, at the time of the ratification, are exercising the powers of directors must adopt a resolution stating:

(a) The name of the person or persons who first purportedly approved corporate action as initial directors of the corporation;

(b) The earlier of the date on which that person or those persons first purportedly approved corporate action or purportedly were elected as initial directors; and

(c) That the ratification of the election of that person or those persons as the initial directors of the corporation is approved.

(3) If any provision of this title, the articles of incorporation or bylaws, any corporate resolution, or any plan or agreement to which the corporation is a party at the time the resolution required by subsection (1) of this section is adopted, would have required shareholder approval of the defective corporate action to be ratified, either on the date of the defective corporate action or at the time the resolution required by subsection (1) of this section is adopted, for the ratification of the defective corporate action to be approved:

(a) The board of directors must submit the ratification of the defective corporate action for approval by the shareholders in accordance with section 4 of this act;

(b) The board of directors must recommend the ratification of the defective corporate action to the shareholders unless (i) the board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation or (ii) RCW 23B.08.245 applies, and in either case the board of directors communicates the basis for so proceeding to the shareholders; and

(c) The shareholders entitled to vote must approve the ratification of the defective corporate action as provided in section 4 of this act.

NEW SECTION. **Sec. 4.** QUORUM AND VOTING REQUIREMENTS FOR RATIFICATION. (1) The quorum and voting requirements applicable to the adoption by the board of directors of the resolution required by section 3(1) of this act are the quorum and voting requirements that would be applicable if the defective corporate action was being approved at the time the resolution required by section 3(1) of this act is adopted.

(2) Except as provided in subsection (3) of this section, the quorum and voting requirements applicable to the approval by shareholders of the ratification of the defective corporate action required by section 3(3) of this act are the quorum and voting requirements that would be applicable if the defective corporate action was being approved at the time the ratification of the defective corporate action is approved.

(3) The approval by shareholders of the ratification of a defective corporate action under this chapter involving the election of directors requires that the votes cast within a voting group favoring such ratification exceed the votes cast within the voting group opposing such ratification at a meeting at which a quorum is present.

(4) Putative shares on the record date for determining the shareholders entitled to vote on any matter submitted to shareholders in accordance with section 3(3) of this act (and without giving effect to any ratification of a defective corporate action involving the purported issuance of putative shares that would become valid shares as a result of the approval of such matter) are neither entitled to vote nor to be counted for quorum purposes in any vote to approve the ratification of any defective corporate action.

(5) If the ratification of a defective corporate action involving the purported issuance of putative shares would result in an overissue, in addition to the

approval required by section 3 of this act, the board of directors and shareholders must approve an amendment to the articles of incorporation in accordance with chapter 23B.10 RCW to increase the number of shares of a class or series that the corporation is authorized to issue or to create a class or series of shares that the corporation is authorized to issue so there would be no overissue.

NEW SECTION. **Sec. 5.** NOTICE OF RATIFICATION OR VALIDATION. (1) If the ratification of a defective corporate action does not require approval of the shareholders under section 3(3) of this act:

(a) The corporation shall notify, promptly after the adoption of the resolution described in section 3 (1) or (2) of this act, each holder of valid shares and putative shares, whether or not entitled to vote, as of the date of the adoption of that resolution by the board of directors, that the ratification of a defective corporate action has been approved by the board of directors pursuant to section 3 of this act. This notice must also be given to each person who was a holder of valid shares or putative shares, whether or not entitled to vote, as of the date of the defective corporate action, other than to those persons whose identities or addresses for notice cannot be determined from the records of the corporation.

(b) The notice specified in (a) of this subsection must contain or be accompanied by (i) a copy of the resolution adopted by the board of directors in accordance with section 3 (1) or (2) of this act, or (ii) the information required by section 3 (1)(a) through (d) or (2)(a) through (c) of this act, as applicable. This notice must also include a statement that any action before a court to determine whether the ratification of the defective corporate action complied with the requirements imposed by this chapter must be brought within sixty days from the validation effective time.

(2) If the ratification of a defective corporate action requires approval of the shareholders under section 3(3) of this act, and if the approval of the shareholders is to be given at a meeting:

(a) The corporation shall notify each holder of valid shares and putative shares, whether or not entitled to vote, as of the record date for the meeting, of the proposed meeting of shareholders at which the ratification is to be submitted for approval in accordance with RCW 23B.07.050. This notice must also be given to each person who was a holder of valid shares or putative shares, whether or not entitled to vote, as of the date of the defective corporate action, other than to those persons whose identities or addresses for notice cannot be determined from the records of the corporation; and

(b) The notice specified in (a) of this subsection must state that the purpose, or one of the purposes, of the meeting is to consider ratification of a defective corporate action and must contain or be accompanied by (i) a copy of the resolution adopted by the board of directors in accordance with section 3(1) of this act, or (ii) the information required by section 3(1) (a) through (d) of this act. This notice must also include a statement that any action before a court to determine whether the ratification of the defective corporate action complied with the requirements imposed by this chapter must be brought within sixty days from the validation effective time.

(3) If the ratification of a defective corporate action requires approval of the shareholders under section 3(3) of this act, and if the approval of the shareholders is to be without a meeting or a vote in accordance with RCW 23B.07.040:

(a) The corporation or the person soliciting consents shall give the notice required under RCW 23B.07.040(3)(a) and the corporation shall give the notice required under RCW 23B.07.040(3)(b) to each holder of valid shares and putative shares, whether or not entitled to vote, as of the record date for the shareholder consent. These notices must also be given to each person who was a holder of valid shares or putative shares, whether or not entitled to vote, as of the date of the defective corporate action, other than to those persons whose identities or addresses for notice cannot be determined from the records of the corporation; and

(b) The notices specified in (a) of this subsection must describe the ratification of the defective corporate action being approved and must contain or be accompanied by (i) a copy of the resolution adopted by the board of directors in accordance with section 3 (1) or (2) of this act, or (ii) the information required by section 3 (1)(a) through (d) or (2)(a) through (c) of this act, as applicable. These notices must also include a statement that any action before a court to determine whether the ratification of the defective corporate action complied with the requirements imposed by this chapter must be brought within sixty days from the validation effective time.

(4) If a defective corporate action is validated in accordance with section 8 of this act:

(a) The corporation shall notify, promptly after the validation, each holder of valid shares and putative shares, whether or not entitled to vote, as of the date of the validation, that the validation of a defective corporate action has taken place pursuant to section 8 of this act. This notice must also be given to each person who was a holder of valid shares or putative shares, whether or not entitled to vote, as of the date of the defective corporate action, other than to those persons whose identities or addresses for notice cannot be determined from the records of the corporation.

(b) The notice specified in (a) of this subsection must contain or be accompanied by a copy of the information required by section 8(2) of this act.

(5) Any notice required by this section may be given in any manner permitted by RCW 23B.01.410 and, for any corporation subject to the reporting requirements of section 13 or 15(d) of the securities exchange act of 1934, as amended, may be given by filing or furnishing the notice with the United States securities and exchange commission.

NEW SECTION. **Sec. 6.** EFFECT OF RATIFICATION OR VALIDATION. From and after the validation effective time:

(1) Each defective corporate action ratified in accordance with section 3 of this act or validated in accordance with section 8 of this act:

(a) Is not void or voidable as a result of the failure of authorization identified (i) in the resolution adopted by the board of directors in accordance with section 3 (1) or (2) of this act, or (ii) by the court in accordance with section 8(2) of this act; and

(b) Is deemed to be a valid corporate action taken on the date of the defective corporate action;

(2) The issuance of each putative share or fraction of a putative share purportedly issued pursuant to a defective corporate action identified in the resolution adopted by the board of directors in accordance with section 3(1) of this act or by the court in accordance with section 8(2) of this act is not void or

voidable as a result of the failure of authorization identified in that resolution or by that court, and each such putative share or fraction of a putative share is deemed to be an identical valid share or fraction of a valid share issued at the time it was purportedly issued; and

(3) Any corporate action taken subsequent to the date of the defective corporate action ratified or validated in accordance with this chapter in reliance on that defective corporate action having been validly taken, and any subsequent defective corporate action resulting directly or indirectly from that original defective corporate action, is deemed to be valid as of the time that corporate action was taken.

NEW SECTION. **Sec. 7.** FILINGS. (1) If a defective corporate action ratified or validated under this chapter would have required under any other section of this title a record to be filed with the secretary of state, then, whether or not a record was previously filed in respect of that defective corporate action and in lieu of filing the record otherwise required by this title, the corporation shall deliver to the secretary of state for filing articles of validation setting forth:

(a) The defective corporate action that was ratified or validated and, if the defective corporate action involved the purported issuance of putative shares, the number and class or series of putative shares purportedly issued;

(b) The date of the defective corporate action that was ratified or validated and, if the defective corporate action involved the purported issuance of putative shares, the date or dates on which the putative shares were purportedly issued;

(c) The nature of the failure of authorization with respect to the defective corporate action that was ratified or validated;

(d) A statement that the defective corporate action was (i) ratified in accordance with section 3 of this act, including the date on which the board of directors ratified the defective corporate action and the date, if any, on which the shareholders approved the ratification of the defective corporate action, or (ii) validated in accordance with section 8 of this act, including the date on which the court validated the defective corporate action; and

(e) The information required by subsection (2) of this section.

(2) The articles of validation must also contain the following information:

(a) If the corporation previously filed a record in respect of a defective corporate action that was ratified or validated and no changes to that record are required to give effect to the ratification or validation of the defective corporate action in accordance with section 4(5) of this act, the corporation shall (i) describe the record, together with any articles of correction thereto, including its filing date, in the articles of validation, and (ii) attach a copy of the record, together with any articles of correction thereto, to the articles of validation;

(b) If the corporation previously filed a record in respect of a defective corporate action that was ratified or validated and any change to that record is required to give effect to the ratification or validation of the defective corporate action in accordance with section 4(5) of this act, the corporation shall (i) describe the previously filed record, together with any articles of correction thereto, including its filing date, (ii) attach a copy of the record containing all of the information required to be included under the applicable section or sections of this title to give effect to the defective corporate action that was ratified or validated to the articles of validation, and (iii) state the date and time that the record is deemed to have become effective; or

(c) If the corporation did not previously file a record in respect of a defective corporate action that was ratified or validated and that defective corporate action would have required a filing under any other section of this title, the corporation shall (i) attach a copy of a record containing all of the information required to be included under the applicable section or sections of this title to give effect to the defective corporate action that was ratified or validated to the articles of validation, and (ii) state the date and time that the record is deemed to have become effective.

(3) Articles of validation that comply with this section supersede any other record in respect of a defective corporate action that was ratified in accordance with section 3 of this act or validated in accordance with section 8 of this act.

NEW SECTION. **Sec. 8.** PROCEEDINGS TO VALIDATE OR CHALLENGE RATIFICATION OF DEFECTIVE CORPORATE ACTIONS. (1) Upon application by the corporation, any successor entity to the corporation, a director of the corporation, or any shareholder of the corporation, including any person who was a shareholder of the corporation as of the date of a defective corporate action, the superior courts may:

(a) Validate any defective corporate action that has not been ratified in accordance with section 3 of this act; or

(b) Determine that any ratification of a defective corporate action under section 3 of this act is not valid or effective because it failed to comply with the procedural requirements imposed by this chapter.

(2) In connection with a proceeding under subsection (1)(a) of this section, the court shall identify the defective corporate action to be validated, including the information required under section 3 (1)(a) through (c) or (2)(a) and (b) of this act, as applicable, and may make such findings or orders as it deems proper under the circumstances. In determining whether to validate a defective corporate action under subsection (1)(a) of this section, the court may consider the following:

(a) Whether the defective corporate action was originally approved or effectuated with the belief that the approval or effectuation was in compliance with the provisions of this title, the articles of incorporation or bylaws of the corporation, and any corporate resolution or plan or agreement of or to which the corporation is a party that would be relevant in determining whether there was a failure of authorization;

(b) Whether the corporation and board of directors has treated the defective corporate action as a valid action or transaction;

(c) Whether any person has acted in reliance on the public record that the defective corporate action was valid or would be harmed by the failure to validate the defective corporate action;

(d) Whether any person would be harmed by the validation of the defective corporate action, excluding any harm that would have resulted if the defective corporate action had been valid when approved or effectuated; and

(e) Any other factors or considerations that the court deems proper in the circumstances.

(3) The court shall stay any proceeding brought under subsection (1)(a) of this section during any ratification process under section 3 of this act involving the defective corporate action that is the subject of the proceeding until the earlier of:

(a) The validation effective time; and

(b)(i) If shareholder approval is not required for ratification, the date on which the board of directors votes, but fails to ratify, the defective corporate action, (ii) if shareholder approval is required for ratification in accordance with section 4 of this act and is to be given at a meeting, the date on which the shareholders vote, but fail to ratify, the defective corporate action, or (iii) if shareholder approval is required for ratification in accordance with section 4 of this act and is to be given without a meeting, sixty days after the date of execution indicated on the earliest dated shareholder consent approving the ratification that is delivered to the corporation, even though that shareholder consent may not have been delivered to the corporation on that date, if consents executed by a sufficient number of shareholders to approve the ratification are not delivered to the corporation during that sixty-day period.

(4) Notwithstanding any other provision of this section or otherwise under applicable law, any proceeding asserting a claim under subsection (1)(b) of this section must be brought within sixty days after the validation effective time, except that this subsection will not apply to any person to whom notice of the ratification was required to have been given pursuant to section 5 of this act, but to whom such notice was not given. Claims under subsection (1)(b) of this section are to be the exclusive basis for challenging the validity or effectiveness of a defective corporate action ratified under section 3 of this act.

(5) Service of process on the corporation for any proceeding under this section may be made in any manner provided by statute of this state or by rule of the court for service on the corporation, and no other party need be joined in order for the court to adjudicate the matter. In a proceeding commenced by the corporation, the court may require notice of the proceeding to be provided to other persons specified by the court and permit such other persons to intervene in the proceeding.

(6) For purposes of this section, "shareholder" includes a beneficial owner whose shares are held in a voting trust or held by a nominee on behalf of the beneficial owner.

NEW SECTION. **Sec. 9.** A new section is added to chapter 23B.02 RCW to read as follows:

FORUM SELECTION PROVISIONS. (1) The articles of incorporation or bylaws may contain provisions that require any or all internal corporate proceedings to be commenced and maintained exclusively in any specified court or courts of this state and, if so specified, in any additional courts in this state or in any other jurisdictions with which the corporation has a reasonable relationship.

(2) A provision permitted under subsection (1) of this section:

(a) May not confer jurisdiction on any court, over any person, or of any proceeding; and

(b) May not (i) prohibit commencing or maintaining an internal corporate proceeding in the courts of this state or (ii) require claims asserted in an internal corporate proceeding to be determined by arbitration.

(3) If the court or courts of this state specified in a provision permitted under subsection (1) of this section do not have jurisdiction, but any other court or courts specified in the provision do have jurisdiction, then the internal corporate proceeding may be commenced and maintained:

(a) In any court of this state that has jurisdiction; or

(b) In any other court specified in the provision that has jurisdiction.

(4) If no court specified in a provision permitted under subsection (1) of this section has jurisdiction, then the internal corporate proceeding may be commenced and maintained in any court that has jurisdiction.

(5) For purposes of this section, "internal corporate proceeding" means (a) any proceeding asserting a claim based on a violation of a duty under the laws of this state by a current or former director, officer, or shareholder in such capacity, (b) any proceeding commenced or maintained in the right of the corporation, (c) any proceeding asserting a claim arising pursuant to any provision of the act or the corporation's articles of incorporation or bylaws, or (d) any proceeding asserting a claim concerning the internal affairs of the corporation that is not included in (a) through (c) of this subsection.

Sec. 10. RCW 23B.12.010 and 2006 c 52 s 4 are each amended to read as follows:

SALE OR OTHER DISPOSITION OF ASSETS IN THE USUAL AND REGULAR COURSE OF BUSINESS AND MORTGAGE OR PLEDGE OF ASSETS—ASSIGNMENT FOR BENEFIT OF CREDITORS.

(1) A corporation may on the terms and conditions and for the consideration determined by the board of directors:

(a) Sell, lease, exchange, or otherwise dispose of all, or substantially all, of its property and assets in the usual and regular course of its business; or

(b) Mortgage, pledge, dedicate to the repayment of indebtedness, whether with or without recourse, or otherwise encumber any or all of its property and assets whether or not any of these actions are in the usual and regular course of its business.

(2) Unless the articles of incorporation require it, approval by the shareholders of a transaction described in subsection (1) of this section is not required.

(3) A dedication of a corporation's property and assets to the repayment of its creditors may be effected by the board of directors through an assignment for the benefit of creditors in accordance with chapter 7.08 RCW or by obtaining the appointment of a general receiver in accordance with chapter 7.60 RCW, and the assumption of control over the corporation's property and assets by an assignee for the benefit of creditors or by a general receiver relieves the directors of any further duties with respect to the liquidation of the corporation's property and assets or the application of any property and assets or proceeds toward satisfaction of the claims of creditors.

Sec. 11. RCW 23B.12.020 and 2011 c 328 s 7 are each amended to read as follows:

SALE OR OTHER DISPOSITION OF ASSETS OTHER THAN IN THE USUAL AND REGULAR COURSE OF BUSINESS.

(1) A corporation may sell, lease, exchange, or otherwise dispose of all, or substantially all, of its property and assets, otherwise than in the usual and regular course of business, on the terms and conditions and for the consideration determined by the corporation's board of directors((~~, if the board of directors proposes and its shareholders approve the proposed transaction~~)). Except as

provided in subsection (8) of this section, a transaction described in this subsection requires approval of the corporation's shareholders.

(2) For a transaction to be approved by a corporation's shareholders:

(a) The board of directors must submit the proposed transaction to the shareholders for their approval;

(b) The board of directors must recommend the proposed transaction to the shareholders unless (i) the board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation or (ii) RCW 23B.08.245 applies, and in either case the board of directors communicates the basis for so proceeding to the shareholders; and

((~~(b)~~)) (c) The shareholders entitled to vote must approve the transaction.

(3) The board of directors may condition its submission of the proposed transaction on any basis, including the affirmative vote of holders of a specified percentage of shares held by any group of shareholders not otherwise entitled under this title or the articles of incorporation to vote as a separate voting group on the proposed transaction.

(4) If the approval of the shareholders is to be given at a meeting, the corporation shall notify each shareholder, whether or not entitled to vote, of the proposed shareholders' meeting at which the proposed transaction is to be submitted for approval in accordance with RCW 23B.07.050. The notice must ((~~also~~)) state that the purpose, or one of the purposes, of the meeting is to consider the sale, lease, exchange, or other disposition of all, or substantially all, of the property and assets of the corporation and contain or be accompanied by a description of the transaction.

(5) In addition to any other voting conditions imposed by the board of directors under subsection (3) of this section, the transaction must be approved by two-thirds of the voting group comprising all the votes entitled to be cast on the transaction, and of each other voting group entitled under the articles of incorporation to vote separately on the transaction, unless shareholder approval is not required under subsection (8) of this section. The articles of incorporation may require a greater or lesser vote than provided in this subsection, or a greater or lesser vote by any separate voting groups provided for in the articles of incorporation, so long as the required vote is not less than a majority of all the votes entitled to be cast on the transaction and of each other voting group entitled to vote separately on the transaction.

(6) After a sale, lease, exchange, or other disposition of property ((~~is~~)) and assets has been approved as required by this section, the transaction may be abandoned, subject to any contractual rights, without further shareholder approval, in a manner determined by the board of directors.

(7) A transaction that constitutes a distribution is governed by RCW 23B.06.400 and not by this section.

(8) Unless the articles of incorporation otherwise require, approval by the shareholders of a parent corporation is not required for the transfer of any or all of the parent corporation's property and assets to one or more subsidiary corporations or other entities all of the shares or interests of which are owned, directly or indirectly, by the parent corporation.

(9) The sale, lease, exchange, or other disposition of all, or substantially all, the assets of one or more subsidiaries of a corporation, if not in the usual and regular course of business as conducted by that subsidiary or those subsidiaries,

is to be treated as a disposition by the parent corporation within the meaning of subsection (1) of this section if the subsidiary or subsidiaries constitute all, or substantially all, the assets of the parent corporation.

Sec. 12. RCW 23B.01.400 and 2015 c 176 s 2148 and 2015 c 20 s 1 are each reenacted and amended to read as follows:

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

(1) "Articles of incorporation" include amended and restated articles of incorporation and articles of merger.

(2) "Authorized shares" means the shares of all classes a domestic or foreign corporation is authorized to issue.

(3) "Conspicuous" means so prepared that a reasonable person against whom the record is to operate should have noticed it. For example, printing in italics or boldface or contrasting color, or typing in capitals or underlined, is conspicuous.

(4) "Controlling interest" means ownership of an entity's outstanding shares or interests in such number as to entitle the holder at the time to elect a majority of the entity's directors or other governors without regard to voting power which may thereafter exist upon a default, failure, or other contingency.

(5) "Corporate action" means any resolution, act, policy, contract, transaction, plan, adoption or amendment of articles of incorporation or bylaws, or other matter approved by or submitted for approval to a corporation's incorporators, board of directors or a committee thereof, or shareholders.

(((~~(5)~~))) (6) "Corporation" or "domestic corporation" means a corporation for profit, including a social purpose corporation, which is not a foreign corporation, incorporated under or subject to the provisions of this title.

(((~~(6)~~))) (7) "Deliver" includes (a) mailing, (b) for purposes of delivering a demand, consent, notice, or waiver to the corporation or one of its officers, directors, or shareholders, transmission by facsimile equipment, and (c) for purposes of delivering a demand, consent, notice, or waiver to the corporation or one of its officers, directors, or shareholders under RCW 23B.01.410 or chapter 23B.07, 23B.08, 23B.11, 23B.13, 23B.14, or 23B.16 RCW delivery by electronic transmission.

(((~~(7)~~))) (8) "Distribution" means a direct or indirect transfer of money or other property, except its own shares, or incurrence of indebtedness by a corporation to or for the benefit of its shareholders in respect to any of its shares. A distribution may be in the form of a declaration or payment of a dividend; a distribution in partial or complete liquidation, or upon voluntary or involuntary dissolution; a purchase, redemption, or other acquisition of shares; a distribution of indebtedness; or otherwise.

(((~~(8)~~))) (9) "Effective date of notice" has the meaning provided in RCW 23B.01.410.

(((~~(9)~~))) (10) "Electronic transmission" means an electronic communication (a) not directly involving the physical transfer of a record in a tangible medium and (b) that may be retained, retrieved, and reviewed by the sender and the recipient thereof, and that may be directly reproduced in a tangible medium by such a sender and recipient.

(((~~(10)~~))) (11) "Electronically transmitted" means the initiation of an electronic transmission.

((~~(11)~~)) (12) "Employee" includes an officer but not a director. A director may accept duties that make the director also an employee.

((~~(12)~~)) (13) "Entity" includes a corporation and foreign corporation, not-for-profit corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, two or more persons having a joint or common economic interest, the state, United States, and a foreign governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

((~~(13)~~)) (14) "Execute," "executes," or "executed" means (a) signed with respect to a written record or (b) electronically transmitted along with sufficient information to determine the sender's identity with respect to an electronic transmission, or (c) with respect to a record to be filed with the secretary of state, in compliance with the standards for filing with the office of the secretary of state as prescribed by the secretary of state.

((~~(14)~~)) (15) "Foreign corporation" means a corporation for profit incorporated under a law other than the law of this state.

((~~(15)~~)) (16) "Foreign limited partnership" means a partnership formed under laws other than of this state and having as partners one or more general partners and one or more limited partners.

((~~(16)~~)) (17) "General social purpose" means the general social purpose for which a social purpose corporation is organized as set forth in the articles of incorporation of the corporation in accordance with RCW 23B.25.040(1)(c).

((~~(17)~~)) (18) "Governmental subdivision" includes authority, county, district, and municipality.

((~~(18)~~)) (19) "Governor" has the meaning given that term in RCW 23.95.105.

(20) "Includes" denotes a partial definition.

((~~(19)~~)) (21) "Individual" includes the estate of an incompetent or deceased individual.

((~~(20)~~)) (22) "Limited partnership" or "domestic limited partnership" means a partnership formed by two or more persons under the laws of this state and having one or more general partners and one or more limited partners.

((~~(21)~~)) (23) "Means" denotes an exhaustive definition.

((~~(22)~~)) (24) "Notice" has the meaning provided in RCW 23B.01.410.

((~~(23)~~)) (25) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

((~~(24)~~)) (26) "Principal office" means the office, in or out of this state, so designated in the annual report where the principal executive offices of a domestic or foreign corporation are located.

((~~(25)~~)) (27) "Proceeding" includes civil suit and criminal, administrative, and investigatory action.

((~~(26)~~)) (28) "Public company" means a corporation that has a class of shares registered with the federal securities and exchange commission pursuant to section 12 or 15 of the securities exchange act of 1934, or section 8 of the investment company act of 1940, or any successor statute.

((~~(27)~~)) (29) "Qualified director" means (a) with respect to a director's conflicting interest transaction as defined in RCW 23B.08.700, any director who does not have either (i) a conflicting interest respecting the transaction, or (ii) a

familial, financial, professional, or employment relationship with a second director who does have a conflicting interest respecting the transaction, which relationship would, in the circumstances, reasonably be expected to exert an influence on the first director's judgment when voting on the transaction; (b) with respect to RCW 23B.08.735, a qualified director under (a) of this subsection if the business opportunity were a director's conflicting interest transaction; and (c) with respect to RCW 23B.02.020(5)(k), a director who is not a director (i) to whom the limitation or elimination of the duty of an officer to offer potential business opportunities to the corporation would apply, or (ii) who has a familial, financial, professional, or employment relationship with another officer to whom the limitation or elimination would apply, which relationship would, in the circumstances, reasonably be expected to exert an influence on the director's judgment when voting on the limitation or elimination.

(((~~(28)~~))) (30) "Record" means information inscribed on a tangible medium or contained in an electronic transmission.

(((~~(29)~~))) (31) "Record date" means the date established under chapter 23B.07 RCW on which a corporation determines the identity of its shareholders and their shareholdings for purposes of this title. The determinations shall be made as of the close of business on the record date unless another time for doing so is specified when the record date is fixed.

(((~~(30)~~))) (32) "Registered office" means the address of the corporation's registered agent.

(((~~(31)~~))) (33) "Secretary" means the corporate officer to whom the board of directors has delegated responsibility under RCW 23B.08.400(3) for custody of the minutes of the meetings of the board of directors and of the shareholders and for authenticating records of the corporation.

(((~~(32)~~))) (34) "Shareholder" means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.

(((~~(33)~~))) (35) "Shares" means the units into which the proprietary interests in a corporation are divided.

(((~~(34)~~))) (36) "Social purpose" includes any general social purpose and any specific social purpose.

(((~~(35)~~))) (37) "Social purpose corporation" means a corporation that has elected to be governed as a social purpose corporation under chapter 23B.25 RCW.

(((~~(36)~~))) (38) "Specific social purpose" means the specific social purpose or purposes for which a social purpose corporation is organized as set forth in the articles of incorporation of the corporation in accordance with RCW 23B.25.040(2)(a).

(((~~(37)~~))) (39) "State," when referring to a part of the United States, includes a state and commonwealth, and their agencies and governmental subdivisions, and a territory and insular possession, and their agencies and governmental subdivisions, of the United States.

(((~~(38)~~))) (40) "Subscriber" means a person who subscribes for shares in a corporation, whether before or after incorporation.

(((~~(39)~~))) (41) "Subsidiary" means an entity in which the corporation has a controlling interest.

(42) "Tangible medium" means a writing, copy of a writing, or facsimile, or a physical reproduction, each on paper or on other tangible material.

(((~~(40)~~))) (43) "United States" includes a district, authority, bureau, commission, department, and any other agency of the United States.

(((~~(41)~~))) (44) "Voting group" means all shares of one or more classes or series that under the articles of incorporation or this title are entitled to vote and be counted together collectively on a matter at a meeting of shareholders. All shares entitled by the articles of incorporation or this title to vote generally on the matter are for that purpose a single voting group.

(((~~(42)~~))) (45) "Writing" does not include an electronic transmission.

(((~~(43)~~))) (46) "Written" means embodied in a tangible medium.

Sec. 13. RCW 23B.07.050 and 1989 c 165 s 64 are each amended to read as follows:

(1) A corporation shall notify shareholders of the date, time, and place of each annual and special shareholders' meeting. Such notice shall be given no fewer than ten nor more than sixty days before the meeting date, except that notice of a shareholders' meeting to act on an amendment to the articles of incorporation, a plan of merger or share exchange, a proposed ((~~sale of~~)) disposition of property and assets pursuant to RCW 23B.12.020, or the dissolution of the corporation shall be given no fewer than twenty nor more than sixty days before the meeting date. Unless this title or the articles of incorporation require otherwise, the corporation is required to give notice only to shareholders entitled to vote at the meeting.

(2) Unless this title or the articles of incorporation require otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called.

(3) Notice of a special meeting must include a description of the purpose or purposes for which the meeting is called.

(4) Unless the bylaws require otherwise, if an annual or special shareholders' meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under RCW 23B.07.070, however, notice of the adjourned meeting must be given under this section to persons who are shareholders as of the new record date.

Sec. 14. RCW 23B.13.020 and 2014 c 83 s 15 are each amended to read as follows:

(1) A shareholder is entitled to dissent from, and obtain payment of the fair value of the shareholder's shares in the event of, any of the following corporate actions:

(a) A plan of merger, which has become effective, to which the corporation is a party (i) if shareholder approval was required for the merger by RCW 23B.11.030, 23B.11.080, or the articles of incorporation, and the shareholder was entitled to vote on the merger, or (ii) if the corporation was a subsidiary and the plan of merger provided for the merger of the subsidiary with its parent under RCW 23B.11.040;

(b) A plan of share exchange, which has become effective, to which the corporation is a party as the corporation whose shares have been acquired, if the shareholder was entitled to vote on the plan;

(c) A sale ((~~or~~)), lease, exchange, or other disposition, which has become effective, of all, or substantially all, of the property and assets of the corporation other than in the usual and regular course of business, if the shareholder was entitled to vote on the sale ((~~or~~)), lease, exchange, or other disposition, including a ((~~sale~~)) disposition in dissolution, but not including a ((~~sale~~)) disposition pursuant to court order or a ((~~sale~~)) disposition for cash pursuant to a plan by which all or substantially all of the net proceeds of the ((~~sale~~)) disposition will be distributed to the shareholders within one year after the date of ((~~sale~~)) the disposition;

(d) An amendment of the articles of incorporation, whether or not the shareholder was entitled to vote on the amendment, if the amendment effects a redemption or cancellation of all of the shareholder's shares in exchange for cash or other consideration other than shares of the corporation;

(e) Any action described in RCW 23B.25.120;

(f) Any corporate action approved pursuant to a shareholder vote to the extent the articles of incorporation, bylaws, or a resolution of the board of directors provides that voting or nonvoting shareholders are entitled to dissent and obtain payment for their shares; or

(g) A plan of entity conversion in the case of a conversion of a domestic corporation to a foreign corporation, which has become effective, to which the domestic corporation is a party as the converting entity, if: (i) The shareholder was entitled to vote on the plan; and (ii) the shareholder does not receive shares in the surviving entity that have terms as favorable to the shareholder in all material respects and that represent at least the same percentage interest of the total voting rights of the outstanding shares of the surviving entity as the shares held by the shareholder before the conversion.

(2) A shareholder entitled to dissent and obtain payment for the shareholder's shares under this chapter may not challenge the corporate action creating the shareholder's entitlement unless the action fails to comply with the procedural requirements imposed by this title, RCW 25.10.831 through 25.10.886, the articles of incorporation, or the bylaws, or is fraudulent with respect to the shareholder or the corporation.

(3) The right of a dissenting shareholder to obtain payment of the fair value of the shareholder's shares shall terminate upon the occurrence of any one of the following events:

(a) The proposed corporate action is abandoned or rescinded;

(b) A court having jurisdiction permanently enjoins or sets aside the corporate action; or

(c) The shareholder's demand for payment is withdrawn with the written consent of the corporation.

Sec. 15. RCW 23B.07.300 and 1989 c 165 s 77 are each amended to read as follows:

(1) One or more shareholders may create a voting trust, conferring on a trustee the right to vote or otherwise act for them, by signing an agreement setting out the provisions of the trust, which may include anything consistent with its purpose, and transferring their shares to the trustee. When a voting trust

agreement is signed, the trustee shall prepare a list of the names and addresses of all voting trust beneficial owners ((~~of beneficial interests in the trust~~)), together with the number and class of shares each voting trust beneficial owner ((~~of a beneficial interest~~)) transferred to the trust, and deliver copies of the list and agreement to the corporation's principal office.

(2) A voting trust becomes effective on the date the first shares subject to the trust are registered in the trustee's name. ((~~A voting trust is valid for not more than ten years after its effective date unless extended under subsection (3) of this section.~~))

(3) ((~~All or some of the parties to a voting trust may extend it for additional terms of not more than ten years each by signing an extension agreement and obtaining the voting trustee's written consent to the extension. An extension is valid only until the earlier of ten years from the date the first shareholder signs the extension agreement or the date of expiration of the extension. The voting trustee must deliver copies of the extension agreement and list of beneficial owners to the corporation's principal office. An extension agreement binds only those parties signing it.~~)) Limits, if any, on the duration of a voting trust are to be as set forth in the voting trust agreement. A voting trust that became effective when this section limited the term of a voting trust to ten years will remain governed by the provisions of this section then in effect relating to the duration of voting trusts, unless the voting trust agreement is amended to provide otherwise by unanimous agreement of the parties to that agreement.

Sec. 16. RCW 23B.07.320 and 2009 c 189 s 22 are each amended to read as follows:

(1) An agreement among the shareholders of a corporation that is not contrary to public policy and that complies with this section is effective among the shareholders and the corporation even though it is inconsistent with one or more other provisions of this title in that it:

(a) Eliminates the board of directors or restricts the discretion or powers of the board of directors;

(b) Governs the approval or making of distributions whether or not in proportion to ownership of shares, subject to the limitations in RCW 23B.06.400;

(c) Establishes who shall be directors or officers of the corporation, or their terms of office or manner of selection or removal;

(d) Governs, in general or in regard to specific matters, the exercise or division of voting power by or between the shareholders and directors or by or among any of them, including use of weighted voting rights or director proxies;

(e) Establishes the terms and conditions of any agreement for the transfer or use of property or the provision of services between the corporation and any shareholder, director, officer, or employee of the corporation or among any of them;

(f) Transfers to one or more shareholders or other persons all or part of the authority to exercise the corporate powers or to manage the business and affairs of the corporation;

(g) Provides a process by which a deadlock among directors or shareholders may be resolved;

(h) Requires dissolution of the corporation at the request of one or more shareholders or upon the occurrence of a specified event or contingency; or

(i) Otherwise governs the exercise of the corporate powers or the management of the business and affairs of the corporation or the relationship among the shareholders, the directors, and the corporation, or among any of them.

(2) An agreement authorized by this section shall be:

(a) Set forth in a written agreement that is signed by all persons who are shareholders at the time of the agreement and is made known to the corporation; and

(b) Subject to amendment only by all persons who are shareholders at the time of the amendment, unless the agreement provides otherwise((~~; and~~

~~(c) Valid for ten years, unless the agreement provides otherwise~~)).

(3) The existence of an agreement authorized by this section shall be noted conspicuously on the front or back of each certificate for outstanding shares or on the information statement required by RCW 23B.06.260(2). If at the time of the agreement the corporation has shares outstanding represented by certificates, the corporation shall recall the outstanding certificates and issue substitute certificates that comply with this subsection. The failure to note the existence of the agreement on the certificate or information statement shall not affect the validity of the agreement or any action taken pursuant to it. Unless the agreement provides otherwise, any person who acquires outstanding or newly issued shares in the corporation after an agreement authorized by this section has been effected, whether by purchase, gift, operation of law, or otherwise, is deemed to have assented to the agreement and to be a party to the agreement. A purchaser of shares who is aggrieved because he or she at the time of purchase did not have actual or constructive knowledge of the existence of the agreement may either: (a) Bring an action to rescind the purchase within the earlier of ninety days after discovery of the existence of the agreement or two years after the purchase of the shares; or (b) continue to hold the shares subject to the agreement but with a right of action for any damages resulting from nondisclosure of the existence of the agreement. A purchaser shall be deemed to have constructive knowledge of the existence of the agreement if its existence is noted on the certificate or information statement for the shares in compliance with this subsection and, if the shares are not represented by a certificate, the information statement is delivered to the purchaser at or prior to the time of purchase of the shares.

(4) An agreement authorized by this section shall cease to be effective when shares of the corporation are listed on a national securities exchange or regularly traded in a market maintained by one or more members of a national or affiliated securities association.

(5) An agreement authorized by this section that limits the discretion or powers of the board of directors shall relieve the directors of, and impose upon the person or persons in whom such discretion or powers are vested, liability for acts or omissions imposed by law on directors to the extent that the discretion or powers of the directors are limited by the agreement.

(6) The existence or performance of an agreement authorized by this section shall not be a ground for imposing personal liability on any shareholder for the acts or debts of the corporation even if the agreement or its performance treats the corporation as if it were a partnership or results in failure to observe the

corporate formalities otherwise applicable to the matters governed by the agreement.

(7) Incorporators or subscribers for shares may act as shareholders with respect to an agreement authorized by this section if no shares have been issued when the agreement is made.

(8) Limits, if any, on the duration of an agreement governed by this section are to be as set forth in the agreement. An agreement governed by this section that became effective when this section limited the term of such an agreement to ten years unless the agreement provided otherwise will remain governed by the provisions of this section then in effect relating to the duration of agreements among shareholders.

Sec. 17. RCW 23B.11.040 and 2009 c 189 s 39 are each amended to read as follows:

(1) A parent corporation owning at least ninety percent of the outstanding shares of each class of a subsidiary corporation may (a) merge the subsidiary into itself without approval of the shareholders of the parent or subsidiary, or (b) merge itself into the subsidiary without approval of the shareholders of the subsidiary. A merger of a parent corporation into its subsidiary otherwise will be governed by the provisions of chapter 23B.11 RCW applicable to mergers generally.

(2) The board of directors of the parent shall approve a plan of merger that sets forth:

(a) The names of the parent and subsidiary; and

(b) The manner and basis of converting the shares of the subsidiary or parent corporation, as applicable, into shares, obligations, or other securities of the ((~~parent~~)) surviving corporation or any other corporation or into cash or other property in whole or part.

(3) Within ten days after the corporate action becomes effective, the ((~~parent~~)) surviving corporation shall deliver a notice to each other shareholder of the subsidiary, which notice ((~~shall~~)) must include a copy of the plan of merger.

(4) Articles of merger under this section may not contain amendments to the articles of incorporation of the parent corporation, except for amendments enumerated in RCW 23B.10.020.

Sec. 18. RCW 23B.19.020 and 2016 c 216 s 1 are each amended to read as follows:

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

(1) "Acquiring person" means a person or group of persons, other than the target corporation or a subsidiary of the target corporation, who is the beneficial owner of voting shares entitled to cast votes comprising ten percent or more of the voting power of the target corporation; provided, however, that the term "acquiring person" does not include any person who (a) beneficially owned voting shares entitled to cast votes comprising ten percent or more of the voting power of the target corporation on March 23, 1988; (b) acquired its voting shares of the target corporation solely by gift, inheritance, or in a transaction in which no consideration is exchanged; (c) equals or exceeds the ten percent threshold as a result of action taken solely by the target corporation, such as redemption of

shares, unless that person, by its own action, acquires additional voting shares of the target corporation; (d) beneficially owned voting shares entitled to cast votes comprising ten percent or more of the voting power of the target corporation prior to the time the target corporation had a class of voting shares registered with the securities and exchange commission pursuant to section 12 or 15 of the exchange act; or (e) beneficially ((~~was the owner of~~)) owned voting shares entitled to cast votes comprising ten percent or more of the ((~~outstanding~~)) voting ((~~shares~~)) power of the target corporation prior to the time the target corporation amended its articles of incorporation to provide that the corporation shall be subject to the provisions of this chapter. An agent, bank, broker, nominee, or trustee for another person, if the other person is not an acquiring person, who acts in good faith and not for the purpose of circumventing this chapter, is not an acquiring person. For the purpose of determining whether a person is an acquiring person, the number of voting shares of the target corporation that are outstanding shall include voting shares beneficially owned by the person through application of subsection (4) of this section, but shall not include any other unissued voting shares of the target corporation which may be issuable pursuant to any agreement, arrangement, or understanding; or upon exercise of conversion rights, warrants, or options; or otherwise.

(2) "Affiliate" means a person who directly or indirectly controls, or is controlled by, or is under common control with, a person.

(3) "Announcement date," when used in reference to any significant business transaction, means the date of the first public announcement of the final, definitive proposal for such a significant business transaction.

(4) "Associate" means (a) a domestic or foreign corporation or organization of which a person is an officer, director, member, or partner or in which a person performs a similar function; (b) a direct or indirect beneficial owner of ten percent or more of any class of equity securities of a person; (c) a trust or estate in which a person has a beneficial interest or as to which a person serves as trustee or in a similar fiduciary capacity; and (d) the spouse or a parent or sibling of a person or a child, grandchild, sibling, parent, or spouse of any thereof, of a person or an individual having the same home as a person.

(5)(a)(i) "Beneficial owner" when used with respect to any shares means a person who individually or with or through any of its affiliates or associates:

(A) Has or shares:

(I) The power to vote, or to direct the voting of, the shares, directly or indirectly;

(II) The power to dispose, or to direct the disposition of, the shares, directly or indirectly;

(III) The right to acquire the shares, whether the right is exercisable immediately or only after the passage of time, pursuant to any agreement, arrangement, or understanding, whether or not in writing, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; or

(IV) The right to vote the shares pursuant to any agreement, arrangement, or understanding, whether or not in writing; or

(B) Has any agreement, arrangement, or understanding, whether or not in writing, for the purpose of acquiring, holding, voting, or disposing of the shares with any other person who beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, the shares.

(ii)(A) A person is not the beneficial owner of shares under (a)(i)(A)(III) of this subsection with respect to shares tendered pursuant to a tender or exchange offer made by the person or any of the person's affiliates or associates until the tendered shares are accepted for purchase or exchange.

(B) A person is not the beneficial owner of any shares under (a)(i)(A)(IV) of this subsection if the agreement, arrangement, or understanding to vote the shares arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made in accordance with the applicable rules and regulations under the exchange act and is not then reportable on schedule 13D under the exchange act, or any comparable or successor report.

(C) A person is not the beneficial owner of any shares under (a)(i)(B) of this subsection if the agreement, arrangement, or understanding for the purpose of voting the shares arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made in accordance with the applicable rules and regulations under the exchange act and is not then reportable on schedule 13D under the exchange act, or any comparable or successor report.

(b) The terms "beneficial ownership," "beneficially own," and "beneficially owned" have meanings correlative to the meaning of "beneficial owner."

(6) "Common shares" means any shares other than preferred shares.

(7) "Consumption date," with respect to any significant business transaction, means the date of consumption of such a significant business transaction, or, in the case of a significant business transaction as to which a shareholder vote is taken, the later of the business day prior to the vote or twenty days prior to the date of consumption of such a significant business transaction.

(8) "Control," "controlling," "controlled by," and "under common control with((~~,~~))" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract, or otherwise. A person's beneficial ownership of voting shares entitled to cast votes comprising ten percent or more of the voting power of a domestic or foreign corporation shall create a rebuttable presumption that such person has control of such corporation. However, a person does not have control of a domestic or foreign corporation if the person holds voting shares, in good faith and not for the purpose of circumventing this chapter, as an agent, bank, broker, nominee, custodian, or trustee for one or more beneficial owners who do not individually or as a group have control of such corporation.

(9) "Domestic corporation" means an issuer of voting shares which is organized under chapter 23B.02 RCW or any predecessor provision.

(10) "Exchange act" means the federal securities exchange act of 1934, as amended.

(11) "Market value," in the case of property other than cash or shares, means the fair market value of the property on the date in question as determined by the board of directors of the target corporation in good faith.

(12) "Person" means an individual, domestic or foreign corporation, partnership, trust, unincorporated association, or other entity; an affiliate or associate of any such person; or any two or more persons acting as a partnership,

syndicate, or other group for the purpose of acquiring, holding, or dispersing of securities of a domestic or foreign corporation.

(13) "Preferred shares" means any class or series of shares of a target corporation which under the bylaws or articles of incorporation of such a corporation is entitled to receive payment of dividends prior to any payment of dividends on some other class or series of shares, or is entitled in the event of any voluntary liquidation, dissolution, or winding up of the target corporation to receive payment or distribution of a preferential amount before any payments or distributions are received by some other class or series of shares.

(14) "Share acquisition time" means the time at which a person first becomes an acquiring person of a target corporation.

(15) "Shares" means any:

(a) Shares or similar security, any certificate of interest, any participation in any profit sharing agreement, any voting trust certificate, or any certificate of deposit for shares; and

(b) Security convertible, with or without consideration, into shares, or any warrant, call, or other option or privilege of buying shares without being bound to do so, or any other security carrying any right to acquire, subscribe to, or purchase shares.

(16) "Significant business transaction" means:

(a) A merger, share exchange, or consolidation of a target corporation or a subsidiary of a target corporation with (i) an acquiring person, or (ii) any other domestic or foreign corporation which is, or after the merger, share exchange, or consolidation would be, an affiliate or associate of the acquiring person;

(b) A sale, lease, exchange, mortgage, pledge, transfer, or other disposition or encumbrance, whether in one transaction or a series of transactions, to or with an acquiring person or an affiliate or associate of an acquiring person of assets of a target corporation or a subsidiary of a target corporation (i) having an aggregate market value equal to five percent or more of the aggregate market value of all the assets, determined on a consolidated basis, of the target corporation, (ii) having an aggregate market value equal to five percent or more of the aggregate market value of all the outstanding shares of the target corporation, or (iii) representing five percent or more of the earning power or net income, determined on a consolidated basis, of the target corporation;

(c) The termination, while the corporation has an acquiring person and as a result of the acquiring person's acquisition of ten percent or more of the shares of the corporation, of five percent or more of the employees of the target corporation or its subsidiaries employed in this state, whether at one time or over the five-year period following the share acquisition time. For the purposes of (c) of this subsection, a termination other than an employee's death or disability or bona fide voluntary retirement, transfer, resignation, termination for cause under applicable common law principles, or leave of absence shall be presumed to be a termination resulting from the acquiring person's acquisition of shares, which presumption is rebuttable. A bona fide voluntary transfer of employees between the target corporation and its subsidiaries or between its subsidiaries is not a termination for the purposes of (c) of this subsection;

(d) The issuance, transfer, or redemption by a target corporation or a subsidiary of a target corporation, whether in one transaction or a series of transactions, of shares or of options, warrants, or rights to acquire shares of a

target corporation or a subsidiary of a target corporation to or beneficially owned by an acquiring person or an affiliate or associate of an acquiring person except pursuant to the exercise of warrants or rights to purchase shares offered, or a dividend, distribution, or redemption paid or made pro rata to, all shareholders or holders of options, warrants, or rights to acquire shares of the target corporation, and except for involuntary redemptions permitted by the target corporation's charter or by the law of this state or the state of incorporation;

(e) The liquidation or dissolution of a target corporation proposed by, or pursuant to an agreement, arrangement, or understanding, whether or not in writing, with an acquiring person or an affiliate or associate of an acquiring person;

(f) A reclassification of securities, including, without limitation, any shares split, shares dividend, or other distribution of shares in respect of stock, or any reverse shares split, or recapitalization of a target corporation, or a merger or consolidation of a target corporation with a subsidiary of the target corporation, or any other transaction, whether or not with or into or otherwise involving an acquiring person, proposed by, or pursuant to an agreement, arrangement, or understanding, whether or not in writing, with an acquiring person or an affiliate or associate of an acquiring person, that has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of a class or series of voting shares or securities convertible into voting shares of a target corporation or a subsidiary of the target corporation that is directly or indirectly owned by an acquiring person or an affiliate or associate of an acquiring person, except as a result of immaterial changes due to fractional share adjustments; or

(g) A receipt by an acquiring person or an affiliate or associate of an acquiring person of the benefit, directly or indirectly, except proportionately as a shareholder of a target corporation, of loans, advances, guarantees, pledges, or other financial assistance or tax credits or other tax advantages provided by or through a target corporation.

(17) "Subsidiary" means a domestic or foreign corporation that has a majority of its outstanding voting shares owned, directly or indirectly, by another domestic or foreign corporation.

(18) "Tangible assets" means tangible real and personal property of all kinds. It shall also include leasehold interests in tangible real and personal property.

(19) "Target corporation" means:

(a) Every domestic corporation, if:

(i) The corporation has a class of voting shares registered with the securities and exchange commission pursuant to section 12 or 15 of the exchange act; or

(ii) The corporation's articles of incorporation have been amended to provide that such a corporation shall be subject to the provisions of this chapter, if the corporation did not have a class of voting shares registered with the securities and exchange commission pursuant to section 12 or 15 of the exchange act on the effective date of that amendment; and

(b) Every foreign corporation required to register to transact business in this state pursuant to chapter 23B.15 RCW and Article 5 of chapter 23.95 RCW, if:

(i) The corporation has a class of voting shares registered with the securities and exchange commission pursuant to section 12 or 15 of the exchange act;

(ii) The corporation's principal executive office is located in the state;

(iii) The corporation has: (A) More than ten percent of its shareholders of record resident in the state; or (B) more than ten percent of its shares owned of record by state residents; or (C) one thousand or more shareholders of record resident in the state;

(iv) A majority of the corporation's employees, together with those of its subsidiaries, are residents of the state or the corporation, together with its subsidiaries, employs more than one thousand residents of the state; and

(v) A majority of the corporation's tangible assets, together with those of its subsidiaries, measured by market value, are located in the state or the corporation, together with its subsidiaries, has more than fifty million dollars' worth of tangible assets located in the state.

For purposes of this subsection, the record date for determining the percentages and numbers of shareholders and shares shall be the last shareholder record date before the event requiring that the determination be made. A shareholder record date shall be determined pursuant to the comparable provision to RCW 23B.07.070 of the law of the state in which a foreign corporation is incorporated. If a shareholder record date has not been fixed by the board of directors within the preceding four months, the determination shall be made as of the end of the corporation's most recent fiscal quarter.

The residence of each shareholder is presumed to be the address appearing in the records of the corporation. Shares held of record by brokers or nominees shall be disregarded for purposes of calculating the percentages and numbers specified in this subsection. Shares of a corporation allocated to the account of an employee or former employee or beneficiaries of employees or former employees of a corporation and held in a plan that is qualified under section 401(a) of the federal internal revenue code of 1986, as amended, and is a defined contribution plan within the meaning of section 414(i) of the code shall be deemed, for the purposes of this subsection, to be held of record by the employee to whose account such shares are allocated.

A domestic or foreign corporation shall be deemed to be a target corporation if the domestic or foreign corporation's failure to satisfy the requirements of this subsection is caused by the action of, or is the result of a proposal by, an acquiring person or affiliate or associate of an acquiring person.

(20) "Voting power" means the total number of votes entitled to be cast by all of the outstanding voting shares of a corporation.

(21) "Voting shares" means shares of all classes of a corporation entitled to vote generally in the election of directors.

NEW SECTION. **Sec. 19.** Sections 1 through 8 of this act constitute a new chapter in Title 23B RCW.

Passed by the Senate February 1, 2017.

Passed by the House April 5, 2017.

Approved by the Governor April 17, 2017.

Filed in Office of Secretary of State April 17, 2017.

CHAPTER 29

[Substitute Senate Bill 5012]

TRUSTS--DECANTING POWER

AN ACT Relating to the distribution of a Washington trust's assets to another trust; and adding a new chapter to Title 11 RCW.

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

NEW SECTION. **Sec. 1.** DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Ascertainable standard" means a standard relating to an individual's health, education, support, or maintenance within the meaning of Title 26 U.S.C. Sec. 2041(b)(1)(A) or 2514(c)(1) of the federal internal revenue code and any applicable regulations, as amended, as of the effective date of this section.

(2) "Charitable interest" means an interest in a trust that:

(a) Is held by a charitable organization;

(b) Benefits charitable organizations;

(c) Is held for charitable purposes; or

(d) Holds assets subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational, or similar purposes.

(3) "Charitable purpose" means a purpose that is for: The relief of poverty, the advancement of education or religion, the promotion of health, governmental or municipal purposes, or other purposes the achievement of which are beneficial to a community.

(4) "Decanting power" or "the decanting power" means the power of a trustee under this chapter to distribute income and principal of a first trust to one or more second trusts or to modify the terms of the first trust.

(5) "Expanded discretion" means a discretionary power of distribution that is not limited to an ascertainable standard or a reasonably definite standard.

(6) "First trust" means a trust over which a trustee may exercise the decanting power.

(7) "Limited discretion" means a discretionary power of distribution that is limited to an ascertainable standard or a reasonably definite standard.

(8) "Person" means an individual, estate, business or nonprofit entity, public corporation, government or governmental subdivision, agency, or instrumentality, or other legal entity.

(9) "Qualified beneficiary" means a beneficiary that on the date of qualification is described in RCW 11.98.002(2).

(10) "Reasonably definite standard" means a clearly measurable standard under which a holder of a power of distribution is legally accountable within the meaning of Title 26 U.S.C. Sec. 674(b)(5)(A) of the federal internal revenue code and any applicable regulations, as amended, as of the effective date of this section.

(11) "Second trust" means:

(a) A first trust after modification under this chapter; or

(b) A trust to which a distribution of income and principal from a first trust is or may be made under this chapter.

NEW SECTION. **Sec. 2.** DECANTING POWER UNDER EXPANDED DISCRETION. (1) Subject to (a) of this subsection and section 7 of this act, a trustee that has expanded discretion to distribute the principal of a first trust to

one or more current beneficiaries may exercise the decanting power over the principal of the first trust, subject to the following:

(a) Except as provided in section 6 of this act, a second trust may not in an exercise of the decanting power under this section:

(i) Include as a current beneficiary a person that is not a current beneficiary of the first trust, except as otherwise provided in (b) of this subsection;

(ii) Include as a presumptive remainder beneficiary or successor beneficiary a person that is not a current beneficiary, presumptive remainder beneficiary, or successor beneficiary of the first trust, except as otherwise provided in (b) of this subsection; or

(iii) Reduce or eliminate a vested interest;

(b) Subject to (a)(iii) of this subsection and section 7 of this act, a second trust may in an exercise of the decanting power under this section:

(i) Retain a power of appointment granted in the first trust;

(ii) Omit a power of appointment granted in the first trust, other than a presently exercisable general power of appointment;

(iii) Create or modify a power of appointment if the powerholder is a current beneficiary of the first trust and the trustee has expanded discretion to distribute principal to the current beneficiary; and

(iv) Create or modify a power of appointment if the powerholder is a presumptive remainder beneficiary or successor beneficiary of the first trust, but the exercise of the power may take effect only after the powerholder becomes, or would have become if then living, a current beneficiary;

(c) A power of appointment described in (b) of this subsection may be general or nongeneral. The class of permissible appointees in favor of which the power may be exercised may be broader than or different from the beneficiaries of the first trust;

(d) In an exercise of the decanting power under this section, a second trust may be a trust created or administered under the law of any jurisdiction; and

(e) If a trustee has expanded discretion to distribute part but not all of the principal of a first trust, the trustee may exercise the decanting power under this section only over that part of the principal.

(2) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Presumptive remainder beneficiary" means a qualified beneficiary other than a current beneficiary.

(b) "Successor beneficiary" means a beneficiary that on the date of the beneficiary's qualification is determined not to be a qualified beneficiary. The term does not include a person that is a beneficiary only because the person holds a nongeneral power of appointment.

(c) "Vested interest" means:

(i) A right to a mandatory distribution that is noncontingent as of the date of the exercise of the decanting power;

(ii) A current and noncontingent right, annually or more frequently, to either a mandatory distribution of income or to withdraw income, a specified dollar amount, or a percentage of value of some or all of the trust income or principal;

(iii) A presently exercisable general power of appointment; or

(iv) A right to receive an ascertainable part of the trust principal on trust termination that is not subject to the exercise of discretion or the occurrence of a specified event that is not certain to occur.

NEW SECTION. **Sec. 3.** DECANTING POWER UNDER LIMITED DISCRETION. Subject to section 7 of this act, a trustee that has limited discretion to distribute the principal of a first trust to one or more current beneficiaries may exercise the decanting power over the principal of the first trust, subject to the following:

(1) Second trusts under this section, in the aggregate, must grant each beneficiary of the first trust beneficial interests in the second trusts which are substantially similar to the beneficial interests of the beneficiary in the first trust;

(2) A power to make a distribution under the second trust for the benefit of a beneficiary who is an individual is substantially similar to a power under the first trust to make a distribution directly to the beneficiary. A distribution is for the benefit of a beneficiary if:

(a) The distribution is made for the benefit of the beneficiary;

(b) The beneficiary is incapacitated or otherwise under a legal disability or the trustee reasonably believes the beneficiary is incapacitated or under a legal disability, and the distribution is made as permitted by the first trust instrument or otherwise as permitted by law; or

(c) The distribution is made as permitted under the terms of the first trust instrument and the second trust instrument for the benefit of the beneficiary;

(3) In an exercise of the decanting power under this section, a second trust may be a trust created or administered under the law of any jurisdiction; and

(4) If a trustee has limited discretion to distribute part but not all of the principal of a first trust, the trustee may exercise the decanting power under this section only over that part of the principal.

NEW SECTION. **Sec. 4.** DECANTING STATUTE—PROCEDURE TO EXERCISE DECANTING POWER. (1) The trustee of the first trust may exercise the decanting power under sections 2 and 3 of this act if:

(a) The trustee determines that the exercise of the decanting power is consistent with the trustee's fiduciary duties described in section 8(1) of this act;

(b) In the event that the first trust contains a charitable interest, the trustee gives written notice to the attorney general of the trustee's intention to exercise the decanting power; and

(c) The trustee gives written notice of the trustee's intention to exercise the decanting power to each qualified beneficiary, each holder of a presently exercisable power of appointment over any part of the first trust, and each person that currently has the right to remove or replace the trustee not less than sixty days prior to the effective date of the exercise.

(2) The trustee of the first trust, qualified beneficiaries, and any other party as defined by RCW 11.96A.030(5) may agree to exercise by the trustee of the decanting power by means of a binding agreement under RCW 11.96A.220.

(3) The trustee of the first trust, a qualified beneficiary, a holder of a presently exercisable power of appointment over any part of the first trust, and a person that currently has the right to remove or replace the trustee may petition the court under chapter 11.96A RCW regarding exercise of the decanting power for the following relief, to:

(a) Provide instructions to the trustee regarding whether a proposed exercise of the decanting power is permitted under this chapter and consistent with the fiduciary duties of the trustee;

(b) Approve an exercise of the decanting power;

(c) Determine that a proposed or attempted exercise of the decanting power is ineffective because the proposed or attempted exercise does not or did comply with this chapter or the proposed or attempted exercise would be or was an abuse of the trustee's discretion or a breach of fiduciary duty; or

(d) Order other relief to carry out the purposes of this chapter.

(4) The trustee of the first trust may petition the court under chapter 11.96A RCW regarding exercise of the decanting power for the following relief:

(a) An increase of the trustee's compensation under section 7(2)(a)(ii) of this act; or

(b) Modification under section 7(4)(b) of this act of a provision granting a person the right to remove or replace the trustee.

(5) If there is at least one qualified beneficiary who is not a minor or who has a representative, the trustee is not required to give notice under subsection (1)(c) of this section to a qualified beneficiary who is a minor and has no representative. If all qualified beneficiaries are minors and none has a representative, the trustee must petition for appointment of a guardian ad litem under RCW 11.98A.160.

(6) The trustee is not required to give notice under this section to a person who is not known to the trustee or is known to the trustee but cannot be located by the trustee after reasonable diligence.

(7) A notice under subsection (1) of this section or petition under subsection (3) or (4) of this section must:

(a) Specify the manner in which the trustee must exercise the decanting power;

(b) Specify the proposed effective date for exercise of the decanting power;

(c) Include a copy of all governing instruments of the first trust; and

(d) Include a copy of all governing instruments of the second trust. An exercise of the decanting power under this section must be made in a record signed by the trustee; for this purpose, a "record signed by the trustee" must include a court order under subsection (3) of this section.

(8) The decanting power may be exercised before expiration of the notice period under subsection (1) of this section if all persons entitled to receive notice waive the period in writing. An exercise of the decanting power is not ineffective because of the failure to give notice to one or more persons under subsection (1) of this section if the trustee acted with reasonable care to comply with this section.

NEW SECTION. **Sec. 5.** DECANTING STATUTE—EFFECTS AND CONSEQUENCES OF AN EXERCISE OF THE DECANTING POWER. (1) A trustee or other person that reasonably relies on the validity of a distribution of part or all of the income and principal of a trust to another trust, or a modification of a trust, under this chapter or the law of another jurisdiction is not liable to any person for any action or failure to act as a result of the reliance.

(2) A debt, liability, or other obligation enforceable against income and principal of a first trust is enforceable to the same extent against that income and principal when held by the second trust after exercise of the decanting power.

(3) For purposes of the law of this state other than this chapter and subject to this subsection, a settlor of a first trust is deemed to be the settlor of the second trust with respect to the portion of the principal of the first trust subject to the exercise of the decanting power. In determining settlor intent with respect to a second trust, the intent of a settlor of the first trust and the intent of a settlor of the second trust, if different, may be considered. The intent of the trustee may also be considered.

(4) If the trustee intends to distribute all of the principal of a first trust to a second trust and the trustee makes a good faith effort to do so, the distribution of all of the principal of a first trust to a second trust includes subsequently discovered assets otherwise belonging to the first trust and principal paid to or acquired by the first trust after the distribution of the first trust's principal. If the trustee does not intend to distribute all of the principal of a first trust to a second trust, the distribution of part of the principal of a first trust to a second trust does not include subsequently discovered assets belonging to the first trust or principal paid to or acquired by the first trust after the distribution of principal from the first trust to the second trust, and those assets or that principal remain the assets or principal of the first trust.

(5) A reference under this title to a trust instrument or to terms of the trust includes the second trust, the second trust instrument, and the terms of the second trust.

(6) The title to all real estate and other property, both tangible and intangible, owned by the first trust remains vested in the second trust without reversion or impairment.

(7) An action or proceeding pending by or against the first trust may be continued by or against the second trust as if the decanting had not occurred.

(8) Except as otherwise provided by this chapter, all of the rights, privileges, immunities, powers, and purposes of the first trust remain vested in the second trust.

NEW SECTION. **Sec. 6.** DECANTING STATUTE—TRUST FOR BENEFICIARY WITH A DISABILITY. (1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Beneficiary with a disability" means a beneficiary of the first trust who the trustee believes may qualify for governmental benefits based on disability, whether or not the beneficiary currently receives those benefits or is an individual who is incapacitated within the meaning of RCW 11.88.010.

(b) "Governmental benefits" means financial aid or services from a state, federal, or other public agency.

(c) "Special needs trust" means a trust the trustee believes would not be considered a resource for purposes of determining whether the beneficiary with a disability is eligible for governmental benefits.

(2) A trustee may exercise the decanting power under sections 2 and 3 of this act over the property of the first trust as if the trustee had authority to distribute principal to a beneficiary with a disability subject to expanded discretion if:

(a) The second trust is a special needs trust that benefits the beneficiary with a disability; and

(b) The trustee determines that exercise of the decanting power will further the purposes of the first trust.

(3) In an exercise of the decanting power under this section, the following rules apply:

(a) The provisions of the second trust for a beneficiary with a disability may:

(i) Meet the medicaid law requirements for an account in a pooled trust for a beneficiary with a disability under 42 U.S.C. Sec. 1369p(d)(4)(C), as amended, including requiring a payback to the state of medicaid expenditures of funds not retained by the pooled trust; or

(ii) Meet the medicaid law requirements for a trust for the sole benefit of a beneficiary with a disability under age sixty-five under 42 U.S.C. Sec. 1369(d)(4)(A), as amended, including requiring a payback to the state of medicaid expenditures.

(b) Section 2(1)(a)(iii) of this act does not apply to the interests of the beneficiary with a disability.

(c) Except as affected by any change to the interests of the beneficiary with a disability, the second trusts, in the aggregate, must grant each other beneficiary of the first trust beneficial interests in the second trusts which are substantially similar to the beneficiary's beneficial interests in the first trust unless inconsistent with (a)(i) or (ii) of this subsection (3).

NEW SECTION. **Sec. 7.** DECANTING STATUTE—SPECIFIC PROHIBITIONS. (1) A trustee may not exercise the decanting power to the extent the first trust instrument expressly prohibits exercise of the decanting power or a power granted by state law to the trustee to modify the trust including, but not limited to, modification pursuant to chapter 11.96A RCW, and any exercise of the decanting power is subject to the prohibition and the prohibition must be included in the second trust instrument or modified first trust instrument. If the first trust instrument contains an express restriction on exercise of the decanting power or such a power to modify the trust, the exercise of the decanting power is subject to the restriction and the restriction must be included in the second trust instrument or modified first trust instrument.

(2)(a) Whether or not a first trust instrument specifies a trustee's compensation, the trustee may not exercise the decanting power to increase the trustee's compensation beyond any compensation specified or above the compensation permitted by RCW 11.98.070(26) unless:

(i) All qualified beneficiaries of the second trust consent to the increase in a signed record; or

(ii) The increase is approved by the court.

(b) A change in a trustee's compensation which is incidental to other changes made by the exercise of the decanting power is not an increase in the trustee's compensation for purposes of this subsection (2).

(3) Except as otherwise provided in subsection (2)(a)(i) or (ii) or (b) of this section, a second trust instrument may not relieve a trustee from liability for breach of trust to a greater extent than the first trust instrument.

(a) A second trust instrument may provide for indemnification of a trustee of the first trust or another person acting in a fiduciary capacity under the first trust for any liability or claim that would have been payable from the first trust if the decanting power had not been exercised.

(b) A second trust instrument may not reduce fiduciary liability in the aggregate.

(c) Subject to (b) of this subsection, a second trust instrument may divide and reallocate fiduciary powers among fiduciaries, including one or more trustees or statutory trust advisors, and relieve a fiduciary from liability for an act or failure to act of another fiduciary as permitted by law of this state other than this chapter. This includes but is not limited to directed trusts.

(4) A trustee may not exercise the decanting power to modify a provision in the first trust instrument granting another person power to remove or replace the trustee unless:

(a) All qualified beneficiaries of the second trust consent to the modification in a signed record; or

(b) The court approves the modification and the modification grants a substantially similar power to another person.

(5) A second trust may have a duration that is the same as or different from the duration of the first trust. Notwithstanding the foregoing, to the extent that income and principal of a second trust is attributable to income and principal of the first trust, the second trust is subject to any maximum perpetuity, accumulation, or suspension of the power of alienation rules that were applicable to income and principal of the first trust.

(6) If a first trust contains a charitable interest, the attorney general has the rights of a qualified beneficiary and may represent and bind the charitable interest and the attorney general has the authority to participate in any proceedings in accordance with chapter 11.110 RCW. If a first trust contains a charitable interest, the second trusts, in the aggregate, may not:

(a) Diminish the charitable interest;

(b) Diminish the interest of any entity that holds the charitable interest; or

(c) Alter any charitable purpose stated in the first trust instrument.

(7) If the first trust contains assets that qualified, or would have qualified but for the provisions of this chapter other than this subsection, for a tax benefit as defined in this subsection, the second trust instrument must not include or omit a term which would have prevented the first trust from qualifying in the same manner for, or would have reduced the amount of, that tax benefit.

(a) For the purposes of this subsection, "tax benefit" includes any federal or state tax deduction, exemption, exclusion, or other tax benefit under federal or state statute, regulation, or other law, except for the benefit of being a grantor trust other than under Title 26 U.S.C. Sec. 672(f)(2)(A) of the federal internal revenue code, as amended, as of the effective date of this section, including but not limited to the following:

(i) The marital deduction for gift, estate, or inheritance tax purposes, including but not limited to the deductions under Title 26 U.S.C. Sec. 2056 of the federal internal revenue code, as amended, as of the effective date of this section, and RCW 83.100.047;

(ii) The charitable deduction for purposes of the income, gift, or estate tax under the internal revenue code or a state income, gift, estate, or inheritance tax;

(iii) The exclusion from the gift tax described in 26 U.S.C. Sec. 2503(b), including by application of Title 26 U.S.C. Sec. 2503(c) of the internal revenue code, as amended;

(iv) Status as a permitted shareholder in an S corporation, as defined in Title 26 U.S.C. Sec. 1361 of the federal internal revenue code, as amended, as of the effective date of this section, including as a qualified subchapter S trust within

the meaning of Title 26 U.S.C. Sec. 1361(c)(2) of the federal internal revenue code;

(v) Qualification for a zero inclusion ratio for purposes of the generation-skipping transfer tax under Title 26 U.S.C. Sec. 2642(c) of the federal internal revenue code, as amended, as of the effective date of this section;

(vi) Meeting required minimum distribution and any similar requirements under Title 26 U.S.C. Sec. 401(a)(9) of the federal internal revenue code, as amended, as of the effective date of this section, and any applicable regulations; or

(vii) Qualification as a grantor trust because of the application of Title 26 U.S.C. Sec. 672(f)(2)(A) of the federal internal revenue code, as amended, as of the effective date of this section.

(b) Subject to (a)(vii) of this subsection, the second trust may be a nongrantor trust, even if the first trust is a grantor trust, and except as otherwise provided in this subsection (7)(b) the second trust may be a grantor trust, even if the first trust is a nongrantor trust. The trustee may not exercise the decanting power if the settlor objects in a written instrument delivered to the trustee within the notice period under section 4(1)(c) of this act; and

(i)(A) The first trust and second trust are both grantor trusts, in whole or in part;

(B) The first trust grants the settlor or another person the power to cause the first trust to cease to be a grantor trust; and

(C) The second trust does not grant an equivalent power to the settlor or other person; or

(ii) The first trust is a nongrantor trust and the second trust is a grantor trust, in whole or in part, with respect to the settlor unless:

(A) The settlor has the power at all times to cause the second trust to cease to be a grantor trust; or

(B) The first trust instrument contains a provision granting the settlor or another person the power to cause the first trust to cease to be a grantor trust and the second trust instrument contains the same provision.

(8) A trustee may not exercise the decanting power if RCW 11.98.200 applies to the first trust and exercise would cause RCW 11.98.200 not to apply to the second trust or modified first trust instrument.

(9) A general prohibition of the amendment or revocation of a first trust, a spendthrift clause, or a clause restraining the voluntary or involuntary transfer of a beneficiary's interest does not preclude exercise of the decanting power.

NEW SECTION. **Sec. 8.** MISCELLANEOUS. (1) This chapter applies to any express trust, within the meaning of RCW 11.98.009, other than a trust during such time as the grantor has retained the right to revoke or amend. In exercising the decanting power, the trustee must act in accordance with the trustee's fiduciary duties, including the duty to act in accordance with the purposes of the first trust. Except as otherwise provided in the first trust instrument, for purposes of this chapter the terms of the first trust are deemed to include the decanting power.

(2) This chapter does not limit the power of a trustee, powerholder, or other person to distribute or appoint income and principal in further trust or to modify a trust under the trust instrument, law of this state other than this title, a court order, or a nonjudicial agreement. This chapter does not increase or modify the

requirements for a binding agreement under RCW 11.96A.220 or the requirements for a directed trust under chapter 11.98A RCW. This chapter does not affect the ability of a settlor to provide in a trust instrument for the distribution or appointment in further trust of the trust income and principal or for modification of the trust instrument.

(3) This chapter does not apply to a trust held solely for charitable purposes.

(4) This chapter does not create or imply a duty to exercise the decanting power or to inform beneficiaries about the applicability of this chapter.

(5) This chapter applies to a trust created before, on, or after the effective date of this section that:

(a) Has its situs in this state, including a trust whose situs has been changed to this state; or

(b) Provides by its trust instrument that it is governed by the law of this state or is governed by the law of this state for purposes of:

(i) Administration, including a trust whose governing law for purposes of administration has been changed to the law of this state;

(ii) Construction of terms of the trust; or

(iii) Determining the meaning or effect of terms of the trust.

(6) A trustee may exercise the decanting power whether or not the trustee would have made or could have been compelled to make a discretionary distribution of principal at the time of the exercise.

(7) If exercise of the decanting power would be effective under this chapter except that the second trust instrument in part does not comply with this chapter, the exercise of the decanting power is effective and the following rules apply to the principal of the first trust subject to the exercise of the power:

(a) A provision in the second trust instrument which is not permitted under this chapter is void to the extent necessary to comply with this chapter.

(b) A provision required by this chapter to be in the second trust instrument which is not contained in the instrument is deemed to be included in the instrument to the extent necessary to comply with this chapter.

(8) If a trustee of a second trust discovers that subsection (7) of this section applies to a prior exercise of the decanting power, the trustee must take such appropriate corrective action as is consistent with the trustee's duties.

NEW SECTION. **Sec. 9.** SEVERABILITY. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 10.** Sections 1 through 8 of this act constitute a new chapter in Title 11 RCW.

Passed by the Senate March 1, 2017.

Passed by the House April 5, 2017.

Approved by the Governor April 17, 2017.

Filed in Office of Secretary of State April 17, 2017.

CHAPTER 30

[Substitute Senate Bill 5031]

UNIFORM MONEY SERVICES ACT--VIRTUAL CURRENCY--ONLINE CURRENCY EXCHANGERS

AN ACT Relating to licensing and enforcement provisions applicable to money transmitters and currency exchanges under the uniform money services act; amending RCW 19.230.010, 19.230.020, 19.230.030, 19.230.040, 19.230.050, 19.230.070, 19.230.100, 19.230.110, 19.230.130, 19.230.140, 19.230.150, 19.230.152, 19.230.180, 19.230.190, 19.230.200, 19.230.210, 19.230.250, 19.230.290, 19.230.320, and 19.230.330; adding new sections to chapter 19.230 RCW; and prescribing penalties.

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

Sec. 1. RCW 19.230.010 and 2013 c 106 s 1 are each amended to read as follows:

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

(1) "Affiliate" means any person who directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, another person.

(2) "Annual assessment due date" means the date specified in rule by the director upon which the annual assessment is due.

(3) "Applicant" means a person that files an application for a license under this chapter, including the applicant's proposed responsible individual and executive officers, and persons in control of the applicant.

(4) "Authorized delegate" means a person a licensee designates to provide money services on behalf of the licensee. A person that is exempt from licensing under this chapter cannot have an authorized delegate.

(5) "Board director" means a natural person who is a member of the applicant's or licensee's board of directors if the applicant is a corporation or limited liability company, or a partner if the applicant or licensee is a partnership.

(6) "Closed loop ((~~stored value~~)) prepaid access" means ((~~stored value, when that value or credit is primarily intended to~~)) prepaid access that can only be redeemed for a limited universe of goods, intangibles, services, or other items provided by the issuer of the ((~~stored value~~)) prepaid access, its affiliates, or others involved in transactions functionally related to the issuer or its affiliates.

(7) "Control" means:

(a) Ownership of, or the power to vote, directly or indirectly, at least twenty-five percent of a class of voting securities or voting interests of a licensee or applicant, or person in control of a licensee or applicant;

(b) Power to elect a majority of executive officers, managers, directors, trustees, or other persons exercising managerial authority of a licensee or applicant, or person in control of a licensee or applicant; or

(c) Power to exercise directly or indirectly, a controlling influence over the management or policies of a licensee or applicant, or person in control of a licensee or applicant.

(8) "Currency exchange" means exchanging the money of one government for money of another government, or holding oneself out as able to exchange the money of one government for money of another government. The following persons are not considered currency exchangers:

(a) Affiliated businesses that engage in currency exchange for a business purpose other than currency exchange;

(b) A person who provides currency exchange services for a person acting primarily for a business, commercial, agricultural, or investment purpose when the currency exchange is incidental to the transaction;

(c) A person who deals in coins or a person who deals in money whose value is primarily determined because it is rare, old, or collectible; and

(d) A person who in the regular course of business chooses to accept from a customer the currency of a country other than the United States in order to complete the sale of a good or service other than currency exchange, that may include cash back to the customer, and does not otherwise trade in currencies or transmit money for compensation or gain.

(9) "Currency exchanger" means a person that is engaged in currency exchange.

(10) "Director" means the director of financial institutions.

(11) "Executive officer" means a president, chairperson of the executive committee, chief financial officer, responsible individual, or other individual who performs similar functions.

(12) "Financial institution" means any person doing business under the laws of any state or the United States relating to commercial banks, bank holding companies, savings banks, savings and loan associations, trust companies, or credit unions.

(13) "Licensee" means a person licensed under this chapter. "Licensee" also means any person, whether located within or outside of this state, who fails to obtain a license required by this chapter.

(14) "Material litigation" means litigation that according to generally accepted accounting principles is significant to an applicant's or a licensee's financial health and would be required to be disclosed in the applicant's or licensee's annual audited financial statements, report to shareholders, or similar records.

(15) "Mobile location" means a vehicle or movable facility where money services are provided.

(16) "Money" means a medium of exchange that is authorized or adopted by the United States or a foreign government or other recognized medium of exchange. "Money" includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more governments.

(17) "Money services" means money transmission or currency exchange.

(18) "Money transmission" means receiving money or its equivalent value (equivalent value includes virtual currency) to transmit, deliver, or instruct to be delivered ((~~the money or its equivalent value~~)) to another location, inside or outside the United States, by any means including but not limited to by wire, facsimile, or electronic transfer. ((~~"Money transmission" does not include the provision solely of connection services to the internet, telecommunications services, or network access.~~)) "Money transmission" includes selling, issuing, or acting as an intermediary for open loop ((~~stored value~~)) prepaid access and payment instruments, but not closed loop ((~~stored value~~)) prepaid access. "Money transmission" does not include: The provision solely of connection services to the internet, telecommunications services, or network access; units of

value that are issued in affinity or rewards programs that cannot be redeemed for either money or virtual currencies; and units of value that are used solely within online gaming platforms that have no market or application outside of the gaming platforms.

(19) "Money transmitter" means a person that is engaged in money transmission.

(20) "Open loop ((~~stored value~~)) prepaid access" means ((~~stored value~~)) prepaid access redeemable at multiple, unaffiliated merchants or service providers, or automated teller machines.

(21) "Outstanding money transmission" means the value of all money transmissions reported to the licensee for which the money transmitter has received money or its equivalent value from the customer for transmission, but has not yet completed the money transmission by delivering the money or monetary value to the person designated by the customer.

(22) "Payment instrument" means a check, draft, money order, or traveler's check for the transmission or payment of money or its equivalent value, whether or not negotiable. "Payment instrument" does not include a credit card voucher, letter of credit, or instrument that is redeemable by the issuer in goods or services.

(23) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture; government, governmental subdivision, agency, or instrumentality; public corporation; or any other legal or commercial entity.

(24) "Prepaid access" means access to money that has been paid in advance and can be retrieved or transferred through an electronic device or vehicle, such as a card, code, electronic serial number, mobile identification number, or personal identification number.

(25) "Record" means information that is inscribed on a tangible medium, or that is stored in an electronic or other medium, and is retrievable in perceivable form.

(((~~(25)~~))) (26) "Responsible individual" means an individual who is employed by a licensee and has principal managerial authority over the provision of money services by the licensee in this state.

(((~~(26)~~))) (27) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(((~~(27) "Stored value" means a card or other device that electronically stores or provides access to funds and is available for making payments to others.~~)))

(28) "Tangible net worth" means the physical worth of a licensee, calculated by taking a licensee's assets and subtracting its liabilities and its intangible assets, such as copyrights, patents, intellectual property, and goodwill.

(29) "Unsafe or unsound practice" means a practice or conduct by a ((~~person licensed to provide money services,~~)) licensee or an authorized delegate ((~~of such a person,~~)) which creates the likelihood of material loss, insolvency, or dissipation of the licensee's assets, or otherwise materially prejudices the financial condition of the licensee or the interests of its customers.

(30) "Virtual currency" means a digital representation of value used as a medium of exchange, a unit of account, or a store of value, but does not have legal tender status as recognized by the United States government. "Virtual

currency" does not include the software or protocols governing the transfer of the digital representation of value or other uses of virtual distributed ledger systems to verify ownership or authenticity in a digital capacity when the virtual currency is not used as a medium of exchange.

Sec. 2. RCW 19.230.020 and 2013 c 106 s 2 are each amended to read as follows:

This chapter does not apply to:

(1) The United States or a department, agency, or instrumentality thereof;

(2) ((~~Money transmission by~~)) The United States postal service or ((~~by~~)) a contractor on behalf of the United States postal service;

(3) A state, county, city, or a department, agency, or instrumentality thereof;

(4) A financial institution or its subsidiaries, affiliates, and service corporations, or any office of an international banking corporation, branch of a foreign bank, or corporation organized pursuant to the Bank Service Corporation Act (12 U.S.C. Sec. 1861-1867) or a corporation organized under the Edge Act (12 U.S.C. Sec. 611-633);

(5) Electronic funds transfer of governmental benefits for a federal, state, county, or governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or a state or governmental subdivision, agency, or instrumentality thereof;

(6) A board of trade designated as a contract market under the federal Commodity Exchange Act (7 U.S.C. Sec. 1-25) or a person that, in the ordinary course of business, provides clearance and settlement services for a board of trade to the extent of its operation as, or for, a board of trade;

(7) A registered futures commission merchant under the federal commodities laws to the extent of its operation as such a merchant;

(8) A person that provides clearance or settlement services under a registration as a clearing agency, or an exemption from that registration granted under the federal securities laws, to the extent of its operation as such a provider;

(9) ((~~An operator of~~)) A person:

(a) Operating a payment system ((~~only to the extent that it~~)) that provides processing, clearing, or settlement services, between or among persons who are all excluded by this section, in connection with wire transfers, credit card transactions, debit card transactions, ((~~stored-value~~)) prepaid access transactions, automated clearinghouse transfers, or similar funds transfers;

(b) Who is a contracted service provider of an entity in subsection (4) of this section that provides processing, clearing, or settlement services in connection with wire transfers, credit card transactions, debit card transactions, prepaid access transactions, automated clearinghouse transfers, or similar funds transfers; or

(c) That facilitates payment for goods or services (not including money transmission itself) or bill payment through a clearance and settlement process using bank secrecy act regulated institutions pursuant to a written contract with the payee and either payment to the person facilitating the payment processing satisfies the payor's obligation to the payee or that obligation is otherwise extinguished;

(10) A person registered as a securities broker-dealer or investment advisor under federal or state securities laws to the extent of its operation as such a broker-dealer or investment advisor;

(11) An insurance company, title insurance company, or escrow agent to the extent that such an entity is lawfully authorized to conduct business in this state as an insurance company, title insurance company, or escrow agent and to the extent that they engage in money transmission or currency exchange as an ancillary service when conducting insurance, title insurance, or escrow activity;

(12) The issuance, sale, use, redemption, or exchange of closed loop ((~~stored value~~)) prepaid access or of payment instruments by a person licensed under chapter 31.45 RCW;

(13) An attorney, to the extent that the attorney is lawfully authorized to practice law in this state and to the extent that the attorney engages in money transmission or currency exchange as an ancillary service to the practice of law; ((~~or~~))

(14) A ((~~stored value~~)) seller or issuer of prepaid access when the funds are covered by federal deposit insurance immediately upon sale or issue;

(15) A person that transmits wages, salaries, or employee benefits on behalf of employers when the money transmission or currency exchange is an ancillary service in a suite of services that may include, but is not limited to, the following: Facilitate the payment of payroll taxes to state and federal agencies, make payments relating to employee benefit plans, make distribution of other authorized deductions from an employees' wages or salaries, or transmit other funds on behalf of an employer in connection with transactions related to employees; or

(16) The lawful business of bookkeeping or accounting to the extent the money transmission or currency exchange is an ancillary service.

The director may, at his or her discretion, waive applicability of the licensing provisions of this chapter when the director determines it necessary to facilitate commerce and protect consumers. The burden of proving the applicability of an exclusion or exception from licensing is upon the person claiming the exclusion or exception. The director may adopt rules to implement this section.

Sec. 3. RCW 19.230.030 and 2003 c 287 s 5 are each amended to read as follows:

(1) A person may not engage in the business of money transmission, or advertise, solicit, or hold itself out as providing money transmission, unless the person is:

(a) Licensed as a money transmitter under this chapter; ((~~or~~))

(b) An authorized delegate of a person licensed as a money transmitter under this chapter; or

(c) Excluded under RCW 19.230.020.

(2) A money transmitter license is not transferable or assignable.

Sec. 4. RCW 19.230.040 and 2013 c 106 s 3 are each amended to read as follows:

(1) A person applying for a money transmitter license under this chapter shall do so in a form and in a medium prescribed in rule by the director. The application must state or contain:

(a) The legal name, business addresses, and residential address, if applicable, of the applicant and any fictitious or trade name used by the applicant in conducting its business;

(b) The legal name, residential and business addresses, date of birth, social security number, employment history for the five-year period preceding the submission of the application of the applicant's proposed responsible individual, and documentation that the proposed responsible individual is a citizen of the United States or has obtained legal immigration status to work in the United States. In addition, the applicant shall provide the fingerprints of the proposed responsible individual upon the request of the director;

(c) For the ten-year period preceding submission of the application, a list of any criminal convictions of the proposed responsible individual of the applicant, any material litigation in which the applicant has been involved, and any litigation involving the proposed responsible individual relating to the provision of money services;

(d) A description of any money services previously provided by the applicant and the money services that the applicant seeks to provide to persons in Washington state;

(e) A list of the applicant's proposed authorized delegates and the locations where the applicant and its authorized delegates will engage in the provision of money services to persons in Washington state on behalf of the licensee;

(f) A list of other states in which the applicant is licensed to engage in money transmission, or provide other money services, and any license revocations, suspensions, restrictions, or other disciplinary action taken against the applicant in another state;

(g) A list of any license revocations, suspensions, restrictions, or other disciplinary action taken against any money services business involving the proposed responsible individual;

(h) Information concerning any bankruptcy or receivership proceedings involving or affecting the applicant or the proposed responsible individual;

(i) A sample form of contract for authorized delegates, if applicable;

(j) A description of the source of money and credit to be used by the applicant to provide money services; and

(k) Any other information regarding the background, experience, character, financial responsibility, and general fitness of the applicant, the applicant's responsible individual, or authorized delegates that the director may require in rule.

(2) If an applicant is a corporation, limited liability company, partnership, or other entity, the applicant shall also provide:

(a) The date of the applicant's incorporation or formation and state or country of incorporation or formation;

(b) If applicable, a certificate of good standing from the state or country in which the applicant is incorporated or formed;

(c) A brief description of the structure or organization of the applicant, including any parent or subsidiary of the applicant, and whether any parent or subsidiary is publicly traded;

(d) The legal name, any fictitious or trade name, all business and residential addresses, date of birth, social security number, and employment history in the ten-year period preceding the submission of the application for each executive officer, board director, or person that has control of the applicant;

(e) If the applicant or its corporate parent is not a publicly traded entity, the director may request the fingerprints of each executive officer, board director, or person that has control of the applicant;

(f) A list of any criminal convictions, material litigation, and any litigation related to the provision of money services, in the ten-year period preceding the submission of the application in which any executive officer, board director, or person in control of the applicant has been involved;

(g) A copy of the applicant's audited financial statements for the most recent fiscal year or, if the applicant is a wholly owned subsidiary of another corporation, the most recent audited consolidated annual financial statement of the parent corporation or the applicant's most recent audited consolidated annual financial statement, and in each case, if available, for the two-year period preceding the submission of the application;

(h) A copy of the applicant's unconsolidated financial statements for the current fiscal year, whether audited or not, and, if available, for the two-year period preceding the submission of the application;

(i) If the applicant is publicly traded, a copy of the most recent report filed with the United States securities and exchange commission under section 13 of the federal Securities Exchange Act of 1934 (15 U.S.C. Sec. 78m);

(j) If the applicant is a wholly owned subsidiary of:

(i) A corporation publicly traded in the United States, a copy of audited financial statements for the parent corporation for the most recent fiscal year or a copy of the parent corporation's most recent report filed under section 13 of the federal Securities Exchange Act of 1934 (15 U.S.C. Sec. 78m); or

(ii) A corporation publicly traded outside the United States, a copy of similar documentation filed with the regulator of the parent corporation's domicile outside the United States;

(k) If the applicant has a registered agent in this state, the name and address of the applicant's registered agent in this state; and

(l) Any other information that the director may require in rule regarding the applicant, each executive officer, or each board director to determine the applicant's background, experience, character, financial responsibility, and general fitness.

(3) A nonrefundable application fee and an initial license fee, as determined in rule by the director, must accompany an application for a license under this chapter. The initial license fee must be refunded if the application is denied.

(4) As part of or in connection with an application for any license under this section, or periodically upon license renewal, each officer, director, responsible individual, and owner applicant shall furnish information concerning his or her identity, including fingerprints for submission to the Washington state patrol or the federal bureau of investigation for a state and national criminal history background check, personal history, experience, business record, purposes, and other pertinent facts, as the director may reasonably require. As part of or in connection with an application for a license under this chapter, or periodically upon license renewal, the director is authorized to receive criminal history record information that includes nonconviction data as defined in RCW 10.97.030. The department may only disseminate nonconviction data obtained under this section to criminal justice agencies. This section does not apply to financial institutions regulated under chapters 31.12 and 31.13 RCW and Titles

((~~30,~~)) 32((~~,~~)) and 33 RCW. The requirements of this subsection do not apply when the applicant or its corporate parents are publicly traded entities.

(5) For business models that store virtual currency on behalf of others, the applicant must provide a third-party security audit of all electronic information and data systems acceptable to the director.

(6) The director or the director's designated representative may deny an application for a proposed license or trade name if the proposed license or trade name is similar to a currently existing licensee name, including trade names.

(7) The director may waive one or more requirements of this section or permit an applicant to submit other information in lieu of the required information.

Sec. 5. RCW 19.230.050 and 2010 c 73 s 3 are each amended to read as follows:

(1) Each money transmitter licensee shall maintain a surety bond((~~, or other similar security acceptable to the director,~~)) in an amount based on the previous year's money transmission dollar volume; and the previous year's payment instrument dollar volume. The minimum surety bond must be at least ten thousand dollars, and not to exceed five hundred fifty thousand dollars. The director may adopt rules to implement this section.

(2) The surety bond shall run to the state of Washington as obligee, and shall run to the benefit of the state and any person or persons who suffer loss by reason of a licensee's or licensee's authorized delegate's violation of this chapter or the rules adopted under this chapter. A claimant against a money transmitter licensee may maintain an action on the bond, or the director may maintain an action on behalf of the claimant.

(3) The surety bond shall be continuous and may be canceled by the surety upon the surety giving written notice to the director of its intent to cancel the bond. The cancellation is effective thirty days after the notice of cancellation is received by the director or the director's designee. Whether or not the bond is renewed, continued, replaced, or modified, including increases or decreases in the penal sum, it is considered one continuous obligation, and the surety upon the bond is not liable in an aggregate or cumulative amount exceeding the penal sum set forth on the face of the bond. In no event may the penal sum, or any portion thereof, at two or more points in time, be added together in determining the surety's liability.

(4) A surety bond ((~~or other security~~)) must cover claims for at least five years after the date of a money transmitter licensee's violation of this chapter, or at least five years after the date the money transmitter licensee ceases to provide money services in this state, whichever is longer. However, the director may permit the amount of the surety bond ((~~or other security~~)) to be reduced or eliminated before the expiration of that time to the extent the amount of the licensee's obligations outstanding in this state are reduced.

(5) In the event that a money transmitter licensee does not maintain a surety bond ((~~or other form of security satisfactory to the director~~)) in the amount required under subsection (1) of this section, the director may issue a temporary cease and desist order under RCW 19.230.260.

(6) The director may increase the amount of ((~~security~~)) the bond required up to a maximum of one million dollars ((~~if the financial condition of a money transmitter licensee so requires, as evidenced by reduction of net worth, financial~~

~~losses, potential losses as a result of violations of this chapter or rules adopted under this chapter, or other relevant~~)) based on the nature and volume of business activities, the financial health of the company, and other criteria specified by the director in rule.

Sec. 6. RCW 19.230.070 and 2010 c 73 s 5 are each amended to read as follows:

(1) When an application for a money transmitter license is filed under this chapter, the director or the director's designee shall investigate the applicant's financial condition and responsibility, financial and business experience, competence, character, and general fitness. The director or the director's designee may conduct an on-site investigation of the applicant, the cost of which must be paid by the applicant as specified in RCW 19.230.320 or rules adopted under this chapter. The director shall issue a money transmitter license to an applicant under this chapter if the director or the director's designee finds that all of the following conditions have been fulfilled:

(a) The applicant has complied with RCW 19.230.040, 19.230.050, and 19.230.060;

(b) The financial condition and responsibility, financial and business experience, competence, character, and general fitness of the applicant; and the competence, financial and business experience, character, and general fitness of the executive officers, proposed responsible individual, board directors, and persons in control of the applicant; indicate that it is in the interest of the public to permit the applicant to engage in the business of providing money transmission services; and

(c) Neither the applicant, nor any executive officer, nor person who exercises control over the applicant, nor the proposed responsible individual is listed on the specially designated nationals and blocked persons list prepared by the United States department of the treasury or department of state under Presidential Executive Order No. 13224.

(2) The director may for good cause extend the application review period or condition the issuance of the license.

(3) An applicant whose application is denied by the director under this chapter may appeal under chapter 34.05 RCW.

(4) A money transmitter license issued under this chapter is valid from the date of issuance and remains in effect with no fixed date of expiration unless otherwise suspended or revoked by the director or unless the license expires for nonpayment of the annual assessment and any late fee, if applicable.

(5) A money transmitter licensee may surrender a license by ((~~delivering the original license to~~)) providing the director ((~~along~~)) with a written notice of surrender through the nationwide licensing system. The written notice of surrender must include notice of where the records of the licensee will be stored and the name, address, telephone number, and other contact information of a responsible party who is authorized to provide access to the records. The surrender of a license does not reduce or eliminate the licensee's civil or criminal liability arising from acts or omissions occurring prior to the surrender of the license, including any administrative actions undertaken by the director or the director's designee to revoke or suspend a license, to assess fines, to order payment of restitution, or to exercise any other authority authorized under this chapter.

NEW SECTION. **Sec. 7.** A new section is added to chapter 19.230 RCW to read as follows:

(1) Each online currency exchanger licensee shall maintain a surety bond in an amount based on the previous year's currency exchange dollar volume. The minimum surety bond must be at least ten thousand dollars, and not to exceed fifty thousand dollars. The director may adopt rules to implement this section.

(2) The surety bond shall run to the state of Washington as obligee, and shall run to the benefit of the state and any person or persons who suffer loss by reason of a licensee's violation of this chapter or the rules adopted under this chapter. A claimant against the bond may maintain an action on the bond, or the director may maintain an action on behalf of the claimant.

(3) The surety bond must be continuous and may be canceled by the surety upon the surety giving written notice to the director of its intent to cancel the bond. The cancellation is effective thirty days after the notice of cancellation is received by the director or the director's designee. Whether or not the bond is renewed, continued, replaced, or modified, including increases or decreases in the penal sum, it is considered one continuous obligation, and the surety upon the bond is not liable in an aggregate or cumulative amount exceeding the penal sum set forth on the face of the bond. In no event may the penal sum, or any portion thereof, at two or more points in time, be added together in determining the surety's liability.

(4) A surety bond must cover claims for at least one year after the date of an online currency exchanger licensee's violation of this chapter, or at least one year after the date the online currency exchanger licensee ceases to provide online currency exchange services in this state, whichever is longer. However, the director may permit the amount of the surety bond to be reduced or eliminated before the expiration of that time to the extent the amount of the licensee's obligations outstanding in this state are reduced.

(5) In the event that an online currency exchanger licensee does not maintain a surety bond in the amount required under subsection (1) of this section, the director may issue a temporary cease and desist order under RCW 19.230.260.

(6) The director may increase the amount of the bond required up to a maximum of one million dollars based on the nature and volume of the business activities, the financial health of the company, and other criteria specified by the director in rule.

Sec. 8. RCW 19.230.100 and 2003 c 287 s 12 are each amended to read as follows:

(1) When an application for a currency exchange license is filed under this chapter, the director or the director's designee shall investigate the applicant's financial condition and responsibility, financial and business experience, competence, character, and general fitness. The director or the director's designee may conduct an on-site investigation of the applicant, the cost of which must be paid by the applicant as specified in RCW 19.230.320 or rules adopted under this chapter. The director shall issue a currency exchange license to an applicant under this chapter if the director or the director's designee finds that all of the following conditions have been fulfilled:

(a) The applicant has complied with RCW 19.230.090;

(b) The financial and business experience, competence, character, and general fitness of the applicant; and the competence, financial and business experience, character, and general fitness of the executive officers, proposed responsible individual, board directors, and persons in control of the applicant indicate that it is in the interest of the public to permit the applicant to engage in the business of providing currency exchange; and

(c) Neither the applicant, nor any executive officer, nor person who exercises control over the applicant, nor the proposed responsible individual are listed on the specially designated nationals and blocked persons list prepared by the United States department of treasury or department of state under Presidential Executive Order No. 13224.

(2) The director may for good cause extend the application review period.

(3) An applicant whose application is denied by the director under this chapter may appeal under chapter 34.05 RCW.

(4) A currency exchange license issued under this chapter is valid from the date of issuance and remains in effect with no fixed date of expiration unless otherwise suspended or revoked by the director, or unless the license expires for nonpayment of the annual ((~~license~~)) assessment and any late fee, if applicable.

(5) A currency exchange licensee may surrender a license by ((~~delivering the original license to~~)) providing the director ((~~along~~)) with a written notice of surrender through the nationwide licensing system. The written notice of surrender must include notice of where the records of the licensee will be stored and the name, address, telephone number, and other contact information of a responsible party who is authorized to provide access to the records. The surrender of a license does not reduce or eliminate the licensee's civil or criminal liability arising from acts or omissions occurring prior to the surrender of the license, including any administrative actions undertaken by the director or the director's designee to revoke or suspend a license, to assess fines, to order payment of restitution, or to exercise any other authority authorized under this chapter.

Sec. 9. RCW 19.230.110 and 2013 c 106 s 4 are each amended to read as follows:

(1) A licensee shall pay an annual assessment as established in rule by the director no later than the annual assessment due date or, if the annual assessment due date is not a business day, on the next business day. A licensee shall pay an annual assessment based on the previous year's Washington dollar volume of: (a) Money transmissions; (b) payment instruments; (c) currency exchanges; and (d) ((~~stored value~~)) prepaid access sales. The total minimum assessment must be one thousand dollars per year, and the maximum assessment may not exceed one hundred thousand dollars per year.

(2) A licensee shall submit an accurate annual report with the annual assessment, in a form and in a medium prescribed by the director in rule. The annual report must state or contain:

(a) If the licensee is a money transmitter, a copy of the licensee's most recent audited annual financial statement or, if the licensee is a wholly owned subsidiary of another corporation, the most recent audited consolidated annual financial statement of the parent corporation or the licensee's most recent audited consolidated annual financial statement;

(b) A description of each material change, as defined in rule by the director, to information submitted by the licensee in its original license application which has not been previously reported to the director on any required report;

(c) If the licensee is a money transmitter, a list of the licensee's permissible investments and a certification that the licensee continues to maintain permissible investments according to the requirements set forth in RCW 19.230.200 and 19.230.210;

(d) If the licensee is a money transmitter, proof that the licensee continues to maintain an adequate ((~~security~~)) bond as required by RCW 19.230.050; and

(e) A list of the locations where the licensee or an authorized delegate of the licensee engages in or provides money services to persons in Washington state.

(3) If a licensee does not file an annual report or pay its annual assessment by the annual assessment due date, the director or the director's designee shall send the licensee a notice of suspension and assess the licensee a late fee not to exceed twenty-five percent of the annual assessment as established in rule by the director. The licensee's annual report and payment of both the annual assessment and the late fee must arrive in the department's offices by 5:00 p.m. on the thirtieth day after the assessment due date or any extension of time granted by the director, unless that date is not a business day, in which case the licensee's annual report and payment of both the annual assessment and the late fee must arrive in the department's offices by 5:00 p.m. on the next occurring business day. If the licensee's annual report and payment of both the annual assessment and late fee do not arrive by such date, the expiration of the licensee's license is effective at 5:00 p.m. on the thirtieth day after the assessment due date, unless that date is not a business day, in which case the expiration of the licensee's license is effective at 5:00 p.m. on the next occurring business day. The director, or the director's designee, may reinstate the license if, within twenty days after its effective date, the licensee:

(a) Files the annual report and pays both the annual assessment and the late fee; and

(b) Did not engage in or provide money services during the period its license was expired.

Sec. 10. RCW 19.230.130 and 2003 c 287 s 15 are each amended to read as follows:

(1) For the purpose of discovering violations of this chapter or rules adopted under this chapter, discovering unsafe and unsound practices, or securing information lawfully required under this chapter, the director may at any time, either personally or by designee, investigate or examine the business and, wherever located, the books, accounts, records, papers, documents, files, and other information used in the business of every licensee or its authorized delegates, and of every person who is engaged in the business of providing money services, whether the person acts or claims to act under or without the authority of this chapter. For these purposes, the director or designated representative shall have free access to the offices and places of business, books, accounts, papers, documents, other information, records, files, safes, and vaults of all such persons. The director or the director's designee may require the attendance of and examine under oath all persons whose testimony may be required about the business or the subject matter of any investigation, examination, or hearing and may require such person to produce books,

accounts, papers, documents, records, files, and any other information the director or designated person declares is relevant to the inquiry. The director may require the production of original books, accounts, papers, documents, records, files, and other information; may require that such original books, accounts, papers, documents, records, files, and other information be copied; or may make copies himself or herself or by designee of such original books, accounts, papers, documents, records, files, or other information. The director or designated person may issue a directive, subpoena, or subpoena duces tecum requiring attendance or compelling production of the books, accounts, papers, documents, records, files, or other information.

(2) The licensee, applicant, or person subject to licensing under this chapter shall pay the cost of examinations and investigations as specified in RCW 19.230.320 or rules adopted under this chapter.

(3) Information obtained during an examination or investigation under this chapter may be disclosed only as provided in RCW 19.230.190.

Sec. 11. RCW 19.230.140 and 2003 c 287 s 16 are each amended to read as follows:

(1) The director may: Conduct an on-site examination ((~~or investigation of~~)), participate in a joint or concurrent examination with other state or federal agencies, or investigate the books, accounts, records, papers, documents, files, and other information used in the business of every licensee or its authorized delegates in conjunction with representatives of other state agencies or agencies of another state or of the federal government. The director may accept an examination report or an investigation report of an agency of this state or of another state or of the federal government.

(2) A joint or concurrent examination or investigation, or an acceptance of an examination or investigation report, does not preclude the director from conducting an examination or investigation under this chapter. A joint report or a report accepted under this section is an official report of the director for all purposes.

Sec. 12. RCW 19.230.150 and 2013 c 106 s 6 are each amended to read as follows:

(1) A licensee shall file with the director within thirty ((~~business~~)) days any material changes in information provided in a licensee's application as prescribed in rule by the director. If this information indicates that the licensee is no longer in compliance with this chapter, the director may take any action authorized under this chapter to ensure that the licensee operates in compliance with this chapter.

(2) A licensee shall ((~~file with the director within forty-five days after the end of each fiscal quarter a current list of all authorized delegates including the name, address, and email address, if available, of each authorized delegate providing money services to persons in Washington. The licensee shall also file with the director within forty-five days after the end of each fiscal quarter a current list of all licensee locations providing money services to persons in Washington, including mobile locations, which includes the address, and email address if available, of the licensee~~)) report all licensee branch locations and all authorized delegates to the nationwide licensing system within thirty days of the contractual agreement with the licensee to provide money services in

Washington. Accurate records must be maintained within the licensing system as prescribed in rule.

(3) A licensee shall file a report with the director within one business day after the licensee has reason to know of the occurrence of any of the following events:

(a) The filing of a petition by or against the licensee, or any authorized delegate of the licensee, under the United States Bankruptcy Code (11 U.S.C. Sec. 101-110) for bankruptcy or reorganization;

(b) The filing of a petition by or against the licensee, or any authorized delegate of the licensee, for receivership, the commencement of any other judicial or administrative proceeding for its dissolution or reorganization, or the making of a general assignment for the benefit of its creditors;

(c) The commencement of a proceeding to revoke, suspend, restrict, or condition its license, or otherwise discipline or sanction the licensee, in a state or country in which the licensee engages in business or is licensed;

(d) The cancellation or other impairment of the licensee's bond ((~~or other security~~));

(e) A charge or conviction of the licensee or of an executive officer, responsible individual, board director of the licensee, or person in control of the licensee, for a felony; or

(f) A charge or conviction of an authorized delegate for a felony.

Sec. 13. RCW 19.230.152 and 2014 c 36 s 4 are each amended to read as follows:

Each licensee ((~~on a nationwide licensing system~~)) shall submit reports of condition through a nationwide licensing system which must be in the form and must contain the information as the director may require.

Sec. 14. RCW 19.230.180 and 2010 c 73 s 8 are each amended to read as follows:

Every licensee and its authorized delegates shall file all reports required by federal currency reporting, recordkeeping, and suspicious transaction reporting requirements with the appropriate federal agency as set forth in 31 U.S.C. Sec. 5311, 31 C.F.R. ((~~Sec. 103 (2000)~~)) Part 1022, and other federal and state laws pertaining to money laundering. Every licensee and its authorized delegates shall maintain copies of these reports in its records in compliance with RCW 19.230.170.

Sec. 15. RCW 19.230.190 and 2005 c 274 s 237 are each amended to read as follows:

(1) Except as otherwise provided in subsection (2) of this section, all information or reports obtained by the director from an applicant, licensee, or authorized delegate and all information contained in, or related to, examination, investigation, operating, or condition reports prepared by, on behalf of, or for the use of the director, or financial statements, balance sheets, or authorized delegate information, are confidential and are not subject to disclosure under chapter 42.56 RCW.

(2) The director may disclose information not otherwise subject to disclosure under subsection (1) of this section to representatives of state or federal agencies who agree in writing to maintain the confidentiality of the

information; or if the director finds that the release is reasonably necessary for the protection of the public and in the interests of justice.

(3) This section does not prohibit the director from disclosing to the public a list of persons licensed or reported with the department as authorized delegates under this chapter or the aggregated financial data concerning those licensees.

Sec. 16. RCW 19.230.200 and 2013 c 106 s 7 are each amended to read as follows:

(1)(a) A money transmitter licensee ((~~shall~~)) must maintain, at all times, permissible investments that have a market value computed in accordance with generally accepted accounting principles of not less than the amount of the licensee's average ((~~outstanding money~~)) daily transmission liability. Average daily transmission liability means the sum of the daily amounts of a licensee's outstanding money transmissions, as computed each day of the month divided by the number of days in the month.

(b) ((~~For the purposes of this section, average outstanding money transmission liability means the sum of the daily amounts of a licensee's outstanding money transmissions, as computed each day of the month divided by the number of days in the month~~)) A licensee transmitting virtual currencies must hold like-kind virtual currencies of the same volume as that held by the licensee but which is obligated to consumers in lieu of the permissible investments required in (a) of this subsection.

(c) A licensee transmitting both money and virtual currency must maintain applicable levels and types of permissible investments as described in (a) and (b) of this subsection.

(2) The director, with respect to any money transmitter licensee, may limit the extent to which a type of investment within a class of permissible investments may be considered a permissible investment, except for money, time deposits, savings deposits, demand deposits, and certificates of deposit issued by a federally insured financial institution. The director may prescribe in rule, or by order allow, other types of investments that the director determines to have a safety substantially equivalent to other permissible investments.

Sec. 17. RCW 19.230.210 and 2010 c 73 s 10 are each amended to read as follows:

(1) Except to the extent otherwise limited by the director under RCW 19.230.200, the following investments are permissible for a money transmitter licensee under RCW 19.230.200:

(a) Cash((~~, time~~)) on hand. Time deposits, savings deposits, demand deposits, ((~~a~~)) certificates of deposit, or senior debt obligations of an insured depositary institution as defined in section 3 of the federal Deposit Insurance Act (12 U.S.C. Sec. 1813) or as defined under the federal Credit Union Act (12 U.S.C. Sec. 1781);

(b) Banker's acceptance or bill of exchange that is eligible for purchase upon endorsement by a member bank of the federal reserve system and is eligible for purchase by a federal reserve bank;

(c) An investment bearing a rating of one of the three highest grades as defined by a nationally recognized organization that rates securities;

(d) An investment security that is an obligation of the United States or a department, agency, or instrumentality thereof; an investment in an obligation

that is guaranteed fully as to principal and interest by the United States; or an investment in an obligation of a state or a governmental subdivision, agency, or instrumentality thereof;

(e) Receivables that are payable to a licensee from its authorized delegates, in the ordinary course of business, pursuant to contracts which are not past due or doubtful of collection, if the aggregate amount of receivables under this subsection (1)(e) does not exceed thirty percent of the total permissible investments of a licensee and the licensee does not hold, at one time, receivables under this subsection (1)(e) in any one person aggregating more than ten percent of the licensee's total permissible investments; and

(f) A share or a certificate issued by an open-end management investment company that is registered with the United States securities and exchange commission under the Investment Companies Act of 1940 (15 U.S.C. Sec. 80(a)(1) through (64), and whose portfolio is restricted by the management company's investment policy to investments specified in (a) through (d) of this subsection.

(2) The following investments are permissible under RCW 19.230.200, but only to the extent specified as follows:

(a) An interest-bearing bill, note, bond, or debenture of a person whose equity shares are traded on a national securities exchange or on a national over-the-counter market, if the aggregate of investments under this subsection (2)(a) does not exceed twenty percent of the total permissible investments of a licensee and the licensee does not, at one time, hold investments under this subsection (2)(a) in any one person aggregating more than ten percent of the licensee's total permissible investments;

(b) A share of a person traded on a national securities exchange or a national over-the-counter market or a share or a certificate issued by an open-end management investment company that is registered with the United States securities and exchange commission under the Investment Companies Act of 1940 (15 U.S.C. Sec. 80(a)(1) through (64), and whose portfolio is restricted by the management company's investment policy to shares of a person traded on a national securities exchange or a national over-the-counter market, if the aggregate of investments under this subsection (2)(b) does not exceed twenty percent of the total permissible investments of a licensee and the licensee does not, at one time, hold investments under this subsection (2)(b) in any one person aggregating more than ten percent of the licensee's total permissible investments;

(c) A demand-borrowing agreement made to a corporation or a subsidiary of a corporation whose securities are traded on a national securities exchange, if the aggregate of the amount of principal and interest outstanding under demand-borrowing agreements under this subsection (2)(c) does not exceed twenty percent of the total permissible investments of a licensee and the licensee does not, at one time, hold principal and interest outstanding under demand-borrowing agreements under this subsection (2)(c) with any one person aggregating more than ten percent of the licensee's total permissible investments; and

(d) Any other investment the director designates, to the extent specified in rule by the director.

(3) The aggregate of investments under subsection (2) of this section may not exceed fifty percent of the total permissible investments of a licensee.

(4) A licensee may not use any portion of a restricted asset as a permissible investment. Restricted assets include, but are not limited to, surety bonds or any other assets pledged to other persons or entities. The director may establish by rule other restricted assets.

Sec. 18. RCW 19.230.250 and 2003 c 287 s 27 are each amended to read as follows:

(1) If the director has reason to believe that a person has violated or is violating RCW 19.230.030 or 19.230.080, the director or the director's designee may conduct an examination or investigation as authorized under RCW 19.230.130.

(2) If as a result of such investigation or examination, the director finds that a person has violated RCW 19.230.030 or 19.230.080, the director may issue a temporary cease and desist order as authorized under RCW 19.230.260.

(3) If as a result of such an investigation or examination, the director finds that a person has violated RCW 19.230.030 or 19.230.080, the director may issue an order to prohibit the person from continuing to engage in providing money services, to compel the person to pay restitution to damaged parties, to impose civil money penalties on the person, which may include the costs and expenses to investigate and prosecute violations of this chapter, and to prohibit from participation in the affairs of any licensee or authorized delegate, or both, any executive officer, person in control, or employee of the person.

(4) The director may petition the superior court for the issuance of a temporary restraining order under the rules of civil procedure.

Sec. 19. RCW 19.230.290 and 2003 c 287 s 31 are each amended to read as follows:

The director may assess a civil penalty against a licensee, responsible individual, authorized delegate, or other person that violates this chapter or a rule adopted or an order issued under this chapter in an amount not to exceed one hundred dollars per violation per day for each day the violation is outstanding, plus this state's costs and expenses for the investigation and prosecution of the matter, including reasonable attorneys' fees.

Sec. 20. RCW 19.230.320 and 2010 c 73 s 11 are each amended to read as follows:

(1) The director shall establish fees by rule sufficient to cover the costs of administering this chapter. The director may establish different fees for each type of license authorized under this chapter. These fees may include:

(a) An annual assessment specified in rule by the director paid by each licensee on or before the annual assessment due date;

(b) A late fee for late payment of the annual assessment as specified in rule by the director;

(c) An hourly investigation fee to cover the costs of any investigation of the books and records of a licensee or other person subject to this chapter;

(d) A nonrefundable application fee to cover the costs of processing license applications made to the director under this chapter;

(e) An initial license fee to cover the period from the date of licensure to the end of the calendar year in which the license is initially granted; and

(f) A transaction fee or set of transaction fees to cover the administrative costs associated with processing changes in control, changes of address, and other administrative changes as specified in rule by the director.

(2) The director shall ensure that when an examination or investigation, or any part of the examination or investigation, of any licensee applicant or person subject to licensing under this chapter, requires travel and services outside this state by the director or designee, the licensee applicant or person subject to licensing under this chapter that is the subject of the examination or investigation shall pay the actual travel expenses incurred by the director or designee conducting the examination or investigation.

(3) All moneys, fees, and penalties collected under this chapter shall be deposited into the financial services regulation account.

(4) The director or designee may waive all or a portion of the fees and assessments under this chapter.

NEW SECTION. **Sec. 21.** A new section is added to chapter 19.230 RCW to read as follows:

(1) Virtual currency licensees must provide to any person seeking to use the licensee's products or services the disclosures required by subsection (2) of this section.

(2) As applicable, virtual currency licensees must make the following disclosures:

(a) A schedule of all fees and charges the licensee may assess on a transaction, how the fees and charges will be calculated if not set in advance and disclosed, and the timing of the fees and charges.

(b) Whether the product or service provided is insured or guaranteed by an agency of the United States, such as the federal deposit insurance corporation or the securities investor protection corporation or by private insurance against theft or loss, including cybertheft or theft by other means.

(c) A notice that the transfer of virtual currency or digital units is irrevocable and any exception to the irrevocability of transfer.

(d) A notice describing the licensee's liability for unauthorized, mistaken, or accidental transfers and, describing the user's responsibility for providing notice of such mistake to the licensee and of general error-resolution rights applicable to any transaction.

(3) Licensees must provide any additional disclosures the director may require as set forth in rule.

(4) Disclosures required by this section must be made separately from any other information provided by the licensee and in a clear and conspicuous manner.

Sec. 22. RCW 19.230.330 and 2014 c 206 s 1 are each amended to read as follows:

(1)(a) Every money transmitter licensee and its authorized delegates shall transmit the monetary equivalent of all money or equivalent value received from a customer for transmission, net of any fees, or issue instructions committing the money or its monetary equivalent, to the person designated by the customer within ten business days after receiving the money or equivalent value, unless otherwise ordered by the customer or when the transmission is for the payment of goods or services or unless the licensee or its authorized delegate has reason

to believe that a crime has occurred, is occurring, or may occur as a result of transmitting the money. For purposes of this subsection, money is considered to have been transmitted when it is available to the person designated by the customer and a reasonable effort has been made to inform this designated person that the money is available, whether or not the designated person has taken possession of the money. As used in this subsection, "monetary equivalent," when used in connection with a money transmission in which the customer provides the licensee or its authorized delegate with the money of one government, and the designated recipient is to receive the money of another government, means the amount of money, in the currency of the government that the designated recipient is to receive, as converted at the retail exchange rate offered by the licensee or its authorized delegate to the customer in connection with the transaction.

(b) A money transmitter licensee that accepts money or its equivalent from consumers purchasing goods or services from third-party merchants and transmits the money or its equivalent to those merchants selling the goods or services to the consumer must:

(i) Transmit the money or its equivalent to the merchant within the time frame agreed upon in the merchant's agreement with the money transmitter licensee; and

(ii) Conspicuously disclose to the merchant in the agreement the money transmitter licensee's authority to place a hold or delay in transmittal of consumer money or its equivalent for more than ten business days and the general circumstances under which the merchant may be subject to a hold or delay.

(2)(a) Every money transmitter licensee and its authorized delegates shall provide a receipt to the customer that clearly states the amount of money presented for transmission and the total of any fees charged by the licensee. If the rate of exchange for a money transmission to be paid in the currency of another country is fixed by the licensee for that transaction at the time the money transmission is initiated, then the receipt provided to the customer shall disclose the rate of exchange for that transaction, and the duration, if any, for the payment to be made at the fixed rate of exchange so specified. If the rate of exchange for a money transmission to be paid in the currency of another country is not fixed at the time the money transmission is sent, the receipt provided to the customer shall disclose that the rate of exchange for that transaction will be set at the time the recipient of the money transmission picks up the funds in the foreign country. The receipt shall also contain the licensee name, address, and phone number. As used in this section, "fees" does not include revenue that a licensee or its authorized delegate generates, in connection with a money transmission, in the conversion of the money of one government into the money of another government.

(b) Licensees acting as payment processors not excluded from this chapter do not have to comply with (a) of this subsection if they have no control over receipts issued by merchants or other parties having interactions with the consumer.

(3) Every money transmitter licensee and its authorized delegates shall refund to the customer all moneys received for transmittal within ten days of receipt of a written request for a refund unless any of the following occurs:

(a) The moneys have been transmitted and delivered to the person designated by the customer prior to receipt of the written request for a refund;

(b) Instructions have been given committing an equivalent amount of money to the person designated by the customer prior to receipt of a written request for a refund;

(c) The licensee or its authorized delegate has reason to believe that a crime has occurred, is occurring, or may potentially occur as a result of transmitting the money as requested by the customer or refunding the money as requested by the customer; or

(d) The licensee is otherwise barred by law from making a refund.

Passed by the Senate February 8, 2017.
Passed by the House April 7, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 31

[Senate Bill 5040]

UNIFORM BUSINESS ORGANIZATIONS CODE--FILINGS AND REPORTS

AN ACT Relating to making revisions to the uniform business organizations code; and amending RCW 23.95.235, 23.95.255, 23.95.530, 23B.01.570, and 25.05.500.

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

Sec. 1. RCW 23.95.235 and 2015 c 176 s 1208 are each amended to read as follows:

(1) On request of any person, the secretary of state shall issue a certificate of existence for a domestic entity or a certificate of registration for a registered foreign entity.

(2) A certificate under subsection (1) of this section must state:

(a) The domestic entity's name or the registered foreign entity's name used in this state;

(b) In the case of a domestic entity:

(i) That its public organic record has been filed and has taken effect;

(ii) The date the public organic record became effective;

(iii) The period of the entity's duration if the records of the secretary of state reflect that the entity's period of duration is less than perpetual; and

(iv) That the records of the secretary of state do not reflect that the entity has been dissolved;

(c) In the case of a registered foreign entity((,)):

(i) That it is registered to do business in this state;

(ii) The date the foreign entity registered to do business in this state; and

(iii) That the records of the secretary of state do not reflect that the foreign entity's registration to do business in the state has been terminated;

(d) That all fees, interest, and penalties owed to this state by the domestic or foreign entity and collected through the secretary of state have been paid, if:

(i) Payment is reflected in the records of the secretary of state; and

(ii) Nonpayment affects the existence or registration of the domestic or foreign entity;

(e) That the most recent annual report required by RCW 23.95.255 has been delivered to the secretary of state for filing;

(f) That a proceeding is not pending under RCW 23.95.610 as to a domestic entity or under RCW 23.95.550 as to a registered foreign entity; and

(g) Other facts reflected in the records of the secretary of state pertaining to the domestic or foreign entity which the person requesting the certificate reasonably requests.

(3) Subject to any qualification stated in the certificate, a certificate issued by the secretary of state under subsection (1) of this section may be relied upon as conclusive evidence of the facts stated in the certificate, and that as of the date of its issuance: (a) In the case of a domestic entity, it is in existence and duly formed or incorporated, as applicable; and (b) in the case of a foreign entity, it is registered and authorized to do business in this state.

(4) The terms "doing business" and "transacting business," and their variants such as "do business" and "transact business," are used interchangeably, and each has the same meaning as the other when used in this title and in Titles 23B, 24, and 25 RCW.

Sec. 2. RCW 23.95.255 and 2015 c 176 s 1212 are each amended to read as follows:

(1) A domestic entity other than a limited liability partnership or nonprofit corporation shall, within one hundred twenty days of the date on which its public organic record became effective, deliver to the secretary of state for filing an initial report that states the information required under subsection (2) of this section.

(2) A domestic entity or registered foreign entity shall deliver to the secretary of state for filing an annual report that states:

(a) The name of the entity and its jurisdiction of formation;

(b) The name and street and mailing addresses of the entity's registered agent in this state;

(c) The street and mailing addresses of the entity's principal office;

(d) In the case of a registered foreign entity, the street and mailing address of the entity's principal office in the state or country under the laws of which it is incorporated;

(e) The names of the entity's governors;

(f) A brief description of the nature of the entity's business; and

(g) ((~~In the case of a business corporation, the names and addresses of the chairperson of its board of directors, if any, president, secretary, and treasurer, or individuals, however designated, performing the functions of such officers; and~~

~~(h)~~)) The entity's unified business identifier number.

(3) Information in an initial or annual report must be current as of the date the report is executed by the entity.

(4) Annual reports must be delivered to the secretary of state on a date determined by the secretary of state and at such additional times as the entity elects.

(5) If an initial or annual report does not contain the information required by this section, the secretary of state promptly shall notify the reporting entity in a record and return the report for correction.

(6) If an initial or annual report contains the name or address of a registered agent that differs from the information shown in the records of the secretary of

state immediately before the annual report becomes effective, the differing information in the initial or annual report is considered a statement of change under RCW 23.95.430.

(7) The secretary of state shall send to each domestic entity and registered foreign entity, not less than thirty or more than ninety days prior to the expiration date of the entity's annual renewal, a notice that the entity's annual report must be filed as required by this chapter and that any applicable annual renewal fee must be paid, and stating that if the entity fails to file its annual report or pay the annual renewal fee it will be administratively dissolved. The notice may be sent by postal or ((~~electronic mail [email]~~)) email as elected by the entity, addressed to its registered agent within the state, or to an electronic address designated by the entity in a record retained by the secretary of state. Failure of the secretary of state to provide any such notice does not relieve a domestic entity or registered foreign entity from its obligations to file the annual report required by this chapter or to pay any applicable annual renewal fee. The option to receive the notice provided under this section by ((~~electronic mail [email]~~)) email may be selected only when the secretary of state makes the option available.

Sec. 3. RCW 23.95.530 and 2015 c 176 s 1507 are each amended to read as follows:

(1) A registered foreign entity may withdraw its registration by delivering a statement of withdrawal to the secretary of state for filing. The statement of withdrawal must be executed by the entity and state:

(a) The name of the entity and its jurisdiction of formation;

(b) That the entity is not doing business in this state and that it withdraws its registration to do business in this state;

(c) That the entity revokes the authority of its registered agent to accept service on its behalf in this state; and

(d) An address to which service of process may be made under subsection (3) of this section.

(2) For foreign corporations, the statement of withdrawal must be accompanied by a copy of a revenue clearance certificate issued pursuant to RCW 82.32.260.

(3) After the withdrawal of the registration of an entity, service of process in any action or proceeding based on a cause of action arising during the time the entity was registered to do business in this state may be made pursuant to RCW 23.95.450.

Sec. 4. RCW 23B.01.570 and 2015 c 176 s 2111 are each amended to read as follows:

In the event any domestic corporation((~~, foreign or domestic,~~)) fails to file a full and complete initial report under RCW 23.95.255, or in the event any corporation, foreign or domestic, does business in this state without having paid its annual corporate license fee and without having filed a substantially complete annual report under RCW 23.95.255 when either is due, there shall become due and owing the state of Washington a penalty as established by rule by the secretary under RCW 23.95.260.

A corporation organized under this title may at any time prior to its dissolution as provided in Article 6 of chapter 23.95 RCW, and a foreign corporation registered to do business in this state may at any time prior to the

termination of its registration as provided in RCW 23.95.550, pay to the state of Washington its current annual license fee, provided it also pays an amount equal to all previously unpaid annual license fees plus the penalty established by rule by the secretary under RCW 23.95.260.

Sec. 5. RCW 25.05.500 and 2015 c 176 s 5108 are each amended to read as follows:

(1) A partnership which is not a limited liability partnership on June 11, 1998, may become a limited liability partnership upon the approval of the terms and conditions upon which it becomes a limited liability partnership by the vote necessary to amend the partnership agreement except, in the case of a partnership agreement that expressly considers obligations to contribute to the partnership, the vote necessary to amend those provisions, and by delivering to the secretary of state for filing the applications required by subsection (2) of this section. A partnership which is a limited liability partnership on June 11, 1998, continues as a limited liability partnership under this chapter.

(2)(a) To become and to continue as a limited liability partnership, a partnership must deliver to the secretary of state for filing an application stating the name of the partnership; the address of its principal office; the name and address of a registered agent for service of process in this state which the partnership will be required to continuously maintain in accordance with Article 4 of chapter 23.95 RCW; the number of partners; a brief statement of the business in which the partnership engages; any other matters that the partnership determines to include; and that the partnership thereby applies for status as a limited liability partnership.

(b) A registered agent for service of process under (a) of this subsection may be any person authorized under Article 4 of chapter 23.95 RCW to serve as registered agent.

(3) The application must be accompanied by a fee for each partnership as established by the secretary of state under RCW 23.95.260.

(4) The secretary of state must register as a limited liability partnership any partnership that submits a completed application with the required fee.

(5) A partnership registered under this section must pay an annual fee, in each year following the year in which its application is filed, on a date and in an amount specified by the secretary of state under RCW 23.95.260. The fee must be accompanied by ((~~a notice, on a form provided by the secretary of state, of the number of partners currently in the partnership and of any material changes in the information contained in the partnership's application for registration~~)) an annual report pursuant to RCW 23.95.255(2).

(6) Registration is effective as specified in RCW 23.95.210, and remains effective until:

(a) It is voluntarily withdrawn by delivering to the secretary of state for filing a written withdrawal notice executed by a majority of the partners or by one or more partners or other persons authorized to execute a withdrawal notice; or

(b) Thirty days after receipt by the partnership of a notice from the secretary of state, which notice must be sent by first-class mail, postage prepaid, that the partnership has failed to make timely payment of the annual fee specified in subsection (5) of this section, unless the fee is paid within such a thirty-day period.

(7) The status of a partnership as a limited liability partnership, and the liability of the partners thereof, is not affected by: (a) Errors in the information stated in an application under subsection (2) of this section or a notice under subsection (6) of this section; or (b) changes after the filing of such an application or notice in the information stated in the application or notice.

Passed by the Senate March 1, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 32

[Engrossed Senate Bill 5042]

GROUP LIFE AND DISABILITY INSURANCE--FUNERAL BENEFITS

AN ACT Relating to authorizing funeral planning and funeral services as noninsurance benefits under group life and disability insurance policies; and amending RCW 48.24.280 and 48.21.380.

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

Sec. 1. RCW 48.24.280 and 2016 c 143 s 1 are each amended to read as follows:

(1) A life insurer may include the following noninsurance benefits as part of a policy or certificate of group life insurance, with the prior approval of the commissioner:

(a) Will preparation services;

(b) Financial planning and estate planning services;

(c) Probate and estate settlement services;

(d) Grief counseling; ((~~and~~))

(e) Funeral planning and funeral services, but it must be disclosed that this noninsurance benefit does not constitute an insurance funded prearrangement contract, pursuant to RCW 18.39.255; and

(f) Such other services as the commissioner may identify by rule.

(2) The commissioner may adopt rules to regulate the disclosure of noninsurance benefits permitted under this section, including but not limited to guidelines regarding the coverage provided under the policy or certificate of insurance.

(3) Those providing the services listed in subsection (1) of this section must be appropriately licensed.

(4) This section does not require the commissioner to approve any particular proposed noninsurance benefit. The commissioner may disapprove any proposed noninsurance benefit that the commissioner determines may tend to promote or facilitate the violation of any other section of this title.

(5) This section does not expand, limit, or otherwise affect the authority and ethical obligations of those who are authorized by the state supreme court to practice law in this state. This section does not limit the prohibition against the unauthorized practice of law under chapter 2.48 RCW.

(6) This section does not affect the application of chapter 21.20 RCW.

Sec. 2. RCW 48.21.380 and 2016 c 143 s 2 are each amended to read as follows:

(1) A disability insurer may include the following noninsurance benefits as part of a policy or certificate of group disability insurance, with the prior approval of the commissioner and where such benefits bear a reasonable relationship to the disability insurance with which they are intended to be offered:

(a) Will preparation services;

(b) Financial planning and estate planning services;

(c) Probate and estate settlement services;

(d) Grief counseling; ((~~and~~))

(e) Funeral planning and funeral services, but it must be disclosed that this noninsurance benefit does not constitute an insurance funded prearrangement contract, pursuant to RCW 18.39.255; and

(f) Such other services as the commissioner may identify by rule.

(2) The commissioner may adopt rules to regulate the disclosure of noninsurance benefits permitted under this section, including but not limited to guidelines regarding the coverage provided under the policy or certificate of insurance.

(3) Those providing the services listed in subsection (1) of this section must be appropriately licensed.

(4) This section does not require the commissioner to approve any particular proposed noninsurance benefit. The commissioner may disapprove any proposed noninsurance benefit that the commissioner determines may tend to promote or facilitate the violation of any other section of this title.

(5) This section does not expand, limit, or otherwise affect the authority and ethical obligations of those who are authorized by the state supreme court to practice law in this state. This section does not limit the prohibition against the unauthorized practice of law under chapter 2.48 RCW.

(6) This section does not affect the application of chapter 21.20 RCW.

(7) This section does not affect wellness programs as described in RCW 48.30.140(6).

Passed by the Senate March 1, 2017.

Passed by the House April 5, 2017.

Approved by the Governor April 17, 2017.

Filed in Office of Secretary of State April 17, 2017.

CHAPTER 33

[Senate Bill 5075]

SEED BUYERS AND DEALERS--DISPUTE RESOLUTION--MEDIATION

AN ACT Relating to dispute resolution between seed buyers and dealers; amending RCW 15.49.071 and 15.49.091; and repealing RCW 15.49.081, 15.49.101, and 15.49.111.

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

Sec. 1. RCW 15.49.071 and 2005 c 433 s 36 are each amended to read as follows:

(1) When a buyer is damaged by the failure of any seed covered by this chapter to produce or perform as represented by the required label, by warranty, or as a result of negligence, the buyer, as a prerequisite to maintaining a legal action against the dealer of such seed, shall have first provided for the

((~~arbitration~~)) mediation of the claim. Any statutory period of limitations with respect to such claim shall be tolled from the date ((~~arbitration~~)) mediation proceedings are instituted until ten days after the date on which the ((~~arbitration award becomes final~~)) mediation proceedings are concluded. Mediation proceedings are instituted from the date the buyer mails the dealer the buyer's complaint with its request to engage in mediation as provided under RCW 15.49.091.

(2) ((~~Similarly, no such claim may be asserted as a counterclaim or defense in any action brought by a dealer against a buyer until the buyer has first provided for arbitration of the claim. Upon the buyer's filing of a written notice of intention to assert such a claim as a counterclaim or defense in the action accompanied by a copy of the buyer's complaint in arbitration filed as provided in this chapter, the action shall be stayed, and any applicable statute of limitations shall be tolled with respect to such claim from the date arbitration proceedings are instituted until ten days after the arbitration award becomes final.~~

~~(3)~~)) Conspicuous language calling attention to the requirement for ((~~arbitration~~)) mediation under this section shall be referenced or included on the analysis label required under ((~~RCW 15.49.011 through 15.49.101~~)) this chapter.

(((~~(4) If the parties agree to submit the claim to arbitration and to be bound by the arbitration award, then the arbitration shall be subject to chapter 7.04A RCW, and RCW 15.49.081 through 15.49.111 will not apply to the arbitration. If the parties do not so agree, then the buyer may provide for mandatory arbitration by the arbitration committee under RCW 15.49.081 through 15.49.111. An award rendered in such mandatory arbitration shall not be binding upon the parties and any trial on any claim so arbitrated shall be de novo.~~

~~(5)~~)) (3) This section applies only to claims, or counterclaims, where the relief sought is, or includes, a monetary amount in excess of ((~~two~~)) five thousand dollars. All claims for ((~~two~~)) five thousand dollars or less ((~~shall~~)) may be commenced in either district court or small claims court.

(4) The mediation provisions under this section apply only to a dealer subject to this state's jurisdiction in relation to the buyer's claims.

Sec. 2. RCW 15.49.091 and 1989 c 354 s 79 are each amended to read as follows:

(1) To submit a claim ((~~to mandatory arbitration~~)) for mediation, the buyer shall make and file ((~~with the department~~)) a sworn complaint against the dealer alleging the damages sustained. The sworn complaint may take the form of a declaration or affidavit. The buyer shall send a copy of the complaint to the dealer by United States registered mail. ((~~The filing fee shall be submitted to the department with each complaint filed and may be recovered from the dealer or other seller upon recommendations of the arbitration committee.~~))

(2) Within twenty days after receipt of a copy of the complaint, the dealer shall file with the ((~~department~~)) buyer, by United States registered mail, the answer to the complaint. The answer shall agree to participate in mediation under chapter 7.07 RCW or shall state the dealer's grounds for refusing to engage in such mediation. Failure of a dealer to file a timely answer to the complaint and the request to engage in mediation shall be ((~~so~~)) documented for the record supporting the buyer's option to maintain a legal action for its claim against the dealer.

(3) ((~~The director shall, upon receipt of the answer, refer the complaint and answer to the arbitration committee for investigation, findings, and recommendations.~~)) The parties shall be equally responsible for the mediator's fees unless otherwise agreed between the parties before retaining the mediator.

(4) ((~~Any dealer may request an investigation by the arbitration committee for any dispute involving seed which may not otherwise be before the arbitration committee.~~)) The mediator must be selected by mutual agreement of the parties from mediators qualified to conduct mediations under chapter 7.07 RCW. The mediation must take place within the part of the state where the buyer conducts the buyer's operations unless otherwise agreed between the parties.

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

(1) RCW 15.49.081 (Arbitration—Filing fee—Rules) and 1989 c 354 s 78;

(2) RCW 15.49.101 (Investigation of complaint by arbitration committee) and 2010 c 8 s 6062 & 1989 c 354 s 80; and

(3) RCW 15.49.111 (Arbitration committee—Creation—Generally) and 2010 c 8 s 6063 & 1989 c 354 s 81.

Passed by the Senate March 1, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 34

[Substitute Senate Bill 5142]

EDUCATIONAL INTERPRETERS--PERFORMANCE STANDARDS

AN ACT Relating to educational interpreters; amending RCW 28A.410.271; creating a new section; and declaring an emergency.

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

Sec. 1. RCW 28A.410.271 and 2013 c 151 s 2 are each amended to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Educational interpreters" means school district employees, whether certificated or classified, providing sign language ((~~translation~~)) interpretation, transliteration, or both, and further explanation of concepts introduced by the teacher for students who are deaf, deaf-blind, or hard of hearing ((~~impaired~~)).

(b) "Educational interpreter assessment" means an assessment that includes both written assessment and performance assessment that is offered by a national organization of professional sign language interpreters and transliterators, and is designed to assess performance in more than one sign system or sign language.

(c) "Interpretation" means conveying one language in the form of another language.

(d) "Transliteration" means conveying one language in a different modality of the same language.

(2) The professional educator standards board shall:

(a) Adopt standards for educational interpreters and identify and publicize educational interpreter assessments that are available and meet the ((~~definition~~)) requirements in this section((~~. The board shall~~)); and

(b) Establish a performance standard for each educational interpreter assessment for the purposes of this section, defining what constitutes a minimum assessment result.

(3)(a) Except as otherwise provided by this section, by the beginning of the 2016-17 school year, educational interpreters who are employed by school districts must have successfully achieved the performance standard established by the professional educator standards board on one of the educational interpreter assessments identified by the board. Evaluations and assessments for educational interpreters for which the board has not established a performance standard may be obtained as supplemental demonstrations of professional proficiency but may not be used as evidence of compliance with this subsection (3)(a).

(b) An educational interpreter who has not successfully achieved the performance standard required by (a) of this subsection may provide or continue providing educational interpreter services to students for one calendar year after receipt of his or her most recent educational interpreter assessment results, or eighteen months after completing his or her most recent educational interpreter assessment, whichever period is longer, if he or she can demonstrate to the satisfaction of the employing school or school district, ongoing efforts to successfully achieve the required performance standard. In making a determination under this subsection (3)(b), the employing school or school district may consult with the professional educator standards board. For purposes of this subsection (3)(b), "educational interpreter" includes persons employed as educational interpreters before the 2016-17 school year.

(4) By December 31, 2013, the professional educator standards board shall recommend to the education committees of the house of representatives and the senate((~~,~~)) how to appropriately use the national interpreter certification and the educational interpreter performance assessment for educational interpreters in Washington public schools.

(5) The provisions of this section do not apply to educational interpreters employed to interpret a sign system or sign language, including nonsigning interpretation such as oral interpreting, computer-assisted real time captioning, and cued speech transliteration, for which ((~~no educational interpreter assessment has been identified by the professional educator standards board~~)) an educational interpreter assessment either does not exist or, as determined by the professional educator standards board, is not capable of being evaluated by the board for suitability as a performance standard in Washington.

NEW SECTION. **Sec. 2.** By December 1, 2017, the office of the superintendent of public instruction shall submit to the education committees of the house of representatives and the senate, a report evaluating the costs, associated timelines, and feasibility of conducting or contracting for a peer review of the educational signed skills evaluation. The report, and any associated recommendations, must be submitted in accordance with RCW 43.01.036.

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

Passed by the Senate March 1, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 35

[Senate Bill 5162]

WASTEWATER TREATMENT PLANT OPERATOR CERTIFICATION ACCOUNT

AN ACT Relating to creating the wastewater treatment plant operator certification account; adding a new section to chapter 70.95B RCW; and repealing RCW 70.95B.150.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 70.95B RCW to read as follows:

The wastewater treatment plant operator certification account is created in the state treasury. All fees paid pursuant to RCW 70.95B.095 and any other receipts realized in the administration of this chapter must be deposited into the account. Moneys in the account may be spent only after appropriation. Moneys from the account must be used by the department to carry out the purposes of the wastewater treatment plant operator certification program.

NEW SECTION. **Sec. 2.** RCW 70.95B.150 (Administration of chapter—Receipts—Payment to general fund) and 1973 c 139 s 15 are each repealed.

Passed by the Senate February 20, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 36

[Substitute Senate Bill 5185]

VOLUNTEER EMERGENCY WORKERS--CIVIL IMMUNITY--PROFESSIONAL OR TRADE ASSOCIATIONS

AN ACT Relating to immunity from liability for professional or trade associations providing emergency response volunteers; and amending RCW 38.52.180.

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

Sec. 1. RCW 38.52.180 and 2016 c 84 s 1 are each amended to read as follows:

(1) There shall be no liability on the part of anyone including any person, partnership, corporation, the state of Washington or any political subdivision thereof who owns or maintains any building or premises which have been designated by a local organization for emergency management as a shelter from destructive operations or attacks by enemies of the United States for any injuries sustained by any person while in or upon said building or premises, as a result of the condition of said building or premises or as a result of any act or omission, or

in any way arising from the designation of such premises as a shelter, when such person has entered or gone upon or into said building or premises for the purpose of seeking refuge therein during destructive operations or attacks by enemies of the United States or during tests ordered by lawful authority, except for an act of willful negligence by such owner or occupant or his or her servants, agents, or employees.

(2) All legal liability for damage to property or injury or death to persons (except an emergency worker, regularly enrolled and acting as such), caused by acts done or attempted during or while traveling to or from an emergency or disaster, search and rescue, or training or exercise authorized by the department in preparation for an emergency or disaster or search and rescue, under the color of this chapter in a bona fide attempt to comply therewith, except as provided in subsections (3), (4), and (5) of this section regarding covered volunteer emergency workers, shall be the obligation of the state of Washington. Suits may be instituted and maintained against the state for the enforcement of such liability, or for the indemnification of persons appointed and regularly enrolled as emergency workers while actually engaged in emergency management duties, or as members of any agency of the state or political subdivision thereof engaged in emergency management activity, or their dependents, for damage done to their private property, or for any judgment against them for acts done in good faith in compliance with this chapter: PROVIDED, That the foregoing shall not be construed to result in indemnification in any case of willful misconduct, gross negligence, or bad faith on the part of any agent of emergency management: PROVIDED, That should the United States or any agency thereof, in accordance with any federal statute, rule, or regulation, provide for the payment of damages to property and/or for death or injury as provided for in this section, then and in that event there shall be no liability or obligation whatsoever upon the part of the state of Washington for any such damage, death, or injury for which the United States government assumes liability.

(3) No act or omission by a covered volunteer emergency worker while engaged in a covered activity shall impose any liability for civil damages resulting from such an act or omission upon:

(a) The covered volunteer emergency worker;

(b) The supervisor or supervisors of the covered volunteer emergency worker;

(c) Any facility or their officers or employees;

(d) The employer of the covered volunteer emergency worker;

(e) The owner of the property or vehicle where the act or omission may have occurred during the covered activity;

(f) Any local organization that registered the covered volunteer emergency worker; ((~~and~~))

(g) The state or any state or local governmental entity; and

(h) Any professional or trade association of covered volunteer emergency workers.

(4) The immunity in subsection (3) of this section applies only when the covered volunteer emergency worker was engaged in a covered activity:

(a) Within the scope of his or her assigned duties;

(b) Under the direction of a local emergency management organization or the department, or a local law enforcement agency for search and rescue; and

(c) The act or omission does not constitute gross negligence or willful or wanton misconduct.

(5) For purposes of this section:

(a) "Covered volunteer emergency worker" means an emergency worker as defined in RCW 38.52.010 who (i) is not receiving or expecting compensation as an emergency worker from the state or local government, or (ii) is not a state or local government employee unless on leave without pay status.

(b) "Covered activity" means:

(i) Providing assistance or transportation authorized by the department during an emergency or disaster or search and rescue as defined in RCW 38.52.010, whether such assistance or transportation is provided at the scene of the emergency or disaster or search and rescue, at an alternative care site, at a hospital, or while in route to or from such sites or between sites; or

(ii) Participating in training or exercise authorized by the department in preparation for an emergency or disaster or search and rescue.

(6) Any requirement for a license to practice any professional, mechanical, or other skill shall not apply to any authorized emergency worker who shall, in the course of performing his or her duties as such, practice such professional, mechanical, or other skill during an emergency described in this chapter.

(7) The provisions of this section shall not affect the right of any person to receive benefits to which he or she would otherwise be entitled under this chapter, or under the workers' compensation law, or under any pension or retirement law, nor the right of any such person to receive any benefits or compensation under any act of congress.

(8) Any act or omission by a covered volunteer emergency worker while engaged in a covered activity using an off-road vehicle, nonhighway vehicle, or wheeled all-terrain vehicle does not impose any liability for civil damages resulting from such an act or omission upon the covered volunteer emergency worker or the worker's sponsoring organization.

Passed by the Senate March 1, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 37

[Senate Bill 5187]

COUNTY AUDITORS--VARIOUS CHANGES

AN ACT Relating to modernizing county auditor statutes; amending RCW 36.32.210, 36.72.075, 52.26.070, 68.50.040, and 70.94.120; and repealing RCW 36.32.310.

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

Sec. 1. RCW 36.32.210 and 2003 c 53 s 204 are each amended to read as follows:

((~~(1)~~)) Each board of county commissioners of the several counties of the state of Washington shall((~~, on the first Monday of March of each year,~~)) file with the auditor of the county a ((~~statement verified by oath showing for the twelve months period ending December 31st of the preceding year, the following:~~

~~(a) A~~)) full and complete inventory of all capitalized assets ((~~shall be~~)) kept in accordance with standards established by the state auditor. ((~~This inventory shall be segregated to show the following subheads:~~

~~(i) The assets, including equipment, on hand, together with a statement of the date when acquired, the amount paid therefor, the estimated life thereof and a sufficient description to fully identify such property;~~

~~(ii) All equipment of every kind or nature sold or disposed of in any manner during such preceding twelve months period, together with the name of the purchaser, the amount paid therefor, whether or not the same was sold at public or private sale, the reason for such disposal and a sufficient description to fully identify the same; and~~

~~(iii) All the equipment purchased during the period, together with the date of purchase, the amount paid therefor, whether or not the same was bought under competitive bidding, the price paid therefor and the probable life thereof, the reason for making the purchase and a sufficient description to fully identify such property; and~~

~~(b) The person to whom such money or any part thereof was paid and why so paid and the date of such payment.~~

~~(2) Inventories shall be filed with the county auditor as a public record and shall be open to the inspection of the public.~~

~~(3) Any county commissioner failing to file such statement or willfully making any false or incorrect statement therein or aiding or abetting in the making of any false or incorrect statement is guilty of a gross misdemeanor.~~

~~(4) It is the duty of the prosecuting attorney of each county to within three days from the calling to his or her attention of any violation to institute proceedings against such offending official and in addition thereto to prosecute appropriate action to remove such commissioner from office.~~

~~(5) Any taxpayer of such county is hereby authorized to institute the action in conjunction with or independent of the action of the prosecuting attorney.~~))

NEW SECTION. **Sec. 2.** RCW 36.32.310 (Compensation for extra services) and 2009 c 549 s 4067 & 1963 c 4 s 36.32.310 are each repealed.

Sec. 3. RCW 36.72.075 and 1977 c 34 s 2 are each amended to read as follows:

At its first April meeting, the county legislative authority shall let a contract to a legal newspaper qualified under this section to serve as the official county newspaper for the term of one year beginning on the first day of July following. If there be at least one legal newspaper published in the county, the contract shall be let to a legal newspaper published in the county. If there be no legal newspaper published in the county, the county legislative authority shall let the contract to a legal newspaper published in an adjacent county and having general circulation in the county.

When two or more legal newspapers are qualified under the provisions of this section to be the official county newspaper, the ((~~county auditor~~)) clerk of the county legislative authority shall advertise, at least five weeks before the meeting at which the county legislative authority shall let the contract for the official county newspaper, for bid proposals to be submitted by interested qualified legal newspapers. Advertisement of the opportunity to bid shall be mailed to all qualified legal newspapers and shall be published once in the

official county newspaper. The advertisement may designate the form which notices shall take, and may require that the successful bidder provide a bond for the correct and faithful performance of the contract.

The county legislative authority shall let the contract to the best and lowest responsible bidder, giving consideration to the question of circulation in awarding the contract, with a view to giving publication of notices the widest publicity.

Sec. 4. RCW 52.26.070 and 2006 c 200 s 5 are each amended to read as follows:

If the voters approve the plan, including creation of a regional fire protection service authority and imposition of taxes and benefit charges, if any, and the election results are certified, the authority is formed on the next January 1st or July 1st, whichever occurs first. ((~~The appropriate county election officials shall, within fifteen days of the final certification of the election results, publish a notice in a newspaper or newspapers of general circulation in the authority declaring the authority formed.~~)) A party challenging the procedure or the formation of a voter-approved authority must file the challenge in writing by serving the prosecuting attorney of each county within, or partially within, the regional fire protection service authority and the attorney general within thirty days after the final certification of the election. Failure to challenge within that time forever bars further challenge of the authority's valid formation.

Sec. 5. RCW 68.50.040 and 2012 c 117 s 314 are each amended to read as follows:

((~~Duplicate lists of~~)) All jewelry, moneys, papers, and other personal property of the deceased shall be ((~~made~~)) inventoried immediately upon ((~~finding the same~~)) being taken into custody by the coroner or his or her ((~~assistants~~)) appointees. The original of such lists shall be certified to by the coroner and kept as a public record at the county morgue ((~~and the duplicate thereof shall be forthwith duly certified to by the coroner and filed with the county auditor~~)).

Sec. 6. RCW 70.94.120 and 2012 c 117 s 406 are each amended to read as follows:

(1) The city selection committee of each county which is included within an authority shall meet within one month after the activation of such authority for the purpose of making its initial appointments to the board of such authority and thereafter whenever necessary for the purpose of making succeeding appointments. All meetings shall be held upon at least two weeks written notice ((~~given by the county auditor~~)) to each member of the city selection committee of each county and he or she shall give such notice upon request of any member of such committee. A similar notice shall be given to the general public by a publication of such notice in a newspaper of general circulation in such authority. The ((~~county auditor~~)) authority shall act as recording officer, maintain its records, and give appropriate notice of its proceedings and actions.

(2) As an alternative to meeting in accordance with subsection (1) of this section, the ((~~county auditor~~)) authority may administer the appointment process through the mail.

(a) At least four months prior to the expiration of the term of office, the ((~~county auditor~~)) authority must mail a request to each of the members of the

city selection committee seeking nominations to the office. The members of the selection committee ((~~have until the last day of the fourth month to return the nomination to the auditor or the auditor's designee~~)) shall return the nomination to the authority at its official address within fourteen days.

(b) If an unexpected vacancy occurs, the authority must, within thirty days after becoming aware of the vacancy, mail a request to each of the members of the city selection committee seeking nominations to the office. The members of the city selection committee shall return the nomination to the authority at its official address within fourteen days after the request was made.

(c) Within five business days of the close of the nomination period, the ((~~county auditor~~)) authority will mail ballots by certified mail to each of the members of the city selection committee, specifying the date by which to return the completed ballot which is the last day of the third month prior to the expiration of the term of office. Each mayor who chooses to participate in the balloting shall mark the choice for appointment, sign the ballot, and return the ballot to the ((~~county auditor~~)) authority. Each completed ballot shall be date-stamped upon receipt by the mayor or staff of the mayor of the city or town. The timely return of completed ballots by a majority of the members of each city selection committee constitutes a quorum and the common choice by a majority of the quorum constitutes a valid appointment.

(3) At least two weeks' written notice must be given by the ((~~county auditor~~)) authority to each member of the city selection committee prior to the nomination process. A similar notice shall be given to the general public by publication in a newspaper of general circulation in the authority. A single notice is sufficient for both the nomination process and the balloting process.

Passed by the Senate March 1, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 38

[Substitute Senate Bill 5207]

GPS DATA CORRESPONDING TO RESIDENTIAL ADDRESSES--PUBLIC RECORDS ACT EXEMPTION

AN ACT Relating to the public disclosure of global positioning system data corresponding to residential addresses of public employees and volunteers; and amending RCW 42.56.250.

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

Sec. 1. RCW 42.56.250 and 2014 c 106 s 1 are each amended to read as follows:

The following employment and licensing information is exempt from public inspection and copying under this chapter:

(1) Test questions, scoring keys, and other examination data used to administer a license, employment, or academic examination;

(2) All applications for public employment, including the names of applicants, resumes, and other related materials submitted with respect to an applicant;

(3) The following information held by any public agency in personnel records, public employment related records, volunteer rosters, or included in any mailing list of employees or volunteers of any public agency: Residential addresses, residential telephone numbers, personal wireless telephone numbers, personal ((~~electronic mail~~)) email addresses, social security numbers, driver's license numbers, identicard numbers, and emergency contact information of employees or volunteers of a public agency, and the names, dates of birth, residential addresses, residential telephone numbers, personal wireless telephone numbers, personal ((~~electronic mail~~)) email addresses, social security numbers, and emergency contact information of dependents of employees or volunteers of a public agency. For purposes of this subsection, "employees" includes independent provider home care workers as defined in RCW 74.39A.240;

(4) Information that identifies a person who, while an agency employee: (a) Seeks advice, under an informal process established by the employing agency, in order to ascertain his or her rights in connection with a possible unfair practice under chapter 49.60 RCW against the person; and (b) requests his or her identity or any identifying information not be disclosed;

(5) Investigative records compiled by an employing agency conducting an active and ongoing investigation of a possible unfair practice under chapter 49.60 RCW or of a possible violation of other federal, state, or local laws prohibiting discrimination in employment;

(6) Criminal history records checks for board staff finalist candidates conducted pursuant to RCW 43.33A.025;

(7) Except as provided in RCW 47.64.220, salary and benefit information for maritime employees collected from private employers under RCW 47.64.220(1) and described in RCW 47.64.220(2); ((~~and~~))

(8) Photographs and month and year of birth in the personnel files of employees and workers of criminal justice agencies as defined in RCW 10.97.030. The news media, as defined in RCW 5.68.010(5), shall have access to the photographs and full date of birth. For the purposes of this subsection, news media does not include any person or organization of persons in the custody of a criminal justice agency as defined in RCW 10.97.030; and

(9) The global positioning system data that would indicate the location of the residence of a public employee or volunteer using the global positioning system recording device.

Passed by the Senate February 15, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 39

[Senate Bill 5237]

WORKFORCE INVESTMENT ACT--REFERENCES

AN ACT Relating to updating workforce investment act references and making no substantive changes; amending RCW 28B.50.281, 28C.18.010, 28C.18.060, 28C.18.150, 28C.18.164, 50.20.250, 50.22.150, 50.62.030, and 74.15.020; and reenacting and amending RCW 28C.04.410 and 50.22.155.

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

Sec. 1. RCW 28B.50.281 and 2009 c 536 s 9 are each amended to read as follows:

(1) The state board shall work with the leadership team, the Washington state apprenticeship and training council, and the office of the superintendent of public instruction to jointly develop, by June 30, 2010, curricula and training programs, to include on-the-job training, classroom training, and safety and health training, for the development of the skills and qualifications identified by the department of community, trade, and economic development under section 7 of this act.

(2) The board shall target a portion of any federal stimulus funding received to ensure commensurate capacity for high employer-demand programs of study developed under this section. To that end, the state board must coordinate with the department, the leadership team, the workforce board, or another appropriate state agency in the application for and receipt of any funding that may be made available through the federal youthbuild program, workforce ((~~investment~~)) innovation and opportunity act, job corps, or other relevant federal programs.

(3) The board shall provide an interim report to the appropriate committees of the legislature by December 1, 2011, and a final report by December 1, 2013, detailing the effectiveness of, and any recommendations for improving, the worker training curricula and programs established in this section.

(4) Existing curricula and training programs or programs provided by community and technical colleges in the state developed under this section must be recognized as programs of study under RCW 28B.50.273.

(5) Subject to available funding, the board may grant enrollment priority to persons who qualify for a waiver under RCW 28B.15.522 and who enroll in curricula and training programs provided by community or technical colleges in the state that have been developed in accordance with this section.

(6) The college board may prioritize workforce training programs that lead to a credential, certificate, or degree in green economy jobs. For purposes of this section, green economy jobs include those in the primary industries of a green economy including clean energy, high-efficiency building, green transportation, and environmental protection. Prioritization efforts may include but are not limited to: (a) Prioritization of the use of high employer-demand funding for workforce training programs in green economy jobs, if the programs meet minimum criteria for identification as a high-demand program of study as defined by the state board for community and technical colleges, however any additional community and technical college high-demand funding authorized for the 2009-2011 fiscal biennium and thereafter may be subject to prioritization; (b) increased outreach efforts to public utilities, education, labor, government, and private industry to develop tailored, green job training programs; and (c) increased outreach efforts to target populations. Outreach efforts shall be conducted in partnership with local workforce development councils.

(7) The definitions in RCW 43.330.010 apply to this section and RCW 28B.50.282.

Sec. 2. RCW 28C.04.410 and 2009 c 554 s 1 are each reenacted and amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 28C.04.390 and 28C.04.420.

(1) "Applicant" means an educational institution which has made application for a job skills grant under RCW 28C.04.390 and 28C.04.420.

(2) "Business and industry" means a private corporation, institution, firm, person, group, or association concerned with commerce, trades, manufacturing, or the provision of services within the state, or a public or nonprofit hospital licensed by the department of social and health services.

(3) "College board" means the state board for community and technical colleges under chapter 28B.50 RCW.

(4) "Dislocated worker" means an individual who meets the definition of dislocated worker contained in P.L. ((~~105-220, Sec. 101 on July 25, 1999~~)) 113-128 Sec. 3.

(5) "Educational institution" means a public secondary or postsecondary institution, an independent institution, or a private career school or college within the state authorized by law to provide a program of skills training or education beyond the secondary school level. Any educational institution receiving a job skills grant under RCW 28C.04.420 shall be free of sectarian control or influence as set forth in Article IX, section 4 of the state Constitution.

(6) "Equipment" means tangible personal property which will further the objectives of the supported program and for which a definite value and evidence in support of the value have been provided by the donor.

(7) "Financial support" means any thing of value which is contributed by business, industry, and others to an educational institution which is reasonably calculated to support directly the development and expansion of a particular program under RCW 28C.04.390 and 28C.04.420 and represents an addition to any financial support previously or customarily provided to such educational institutions by the donor. "Financial support" includes, but is not limited to, funds, equipment, facilities, faculty, and scholarships for matriculating students and trainees.

(8) "Job skills grant" means funding that is provided to an educational institution by the college board for the development or significant expansion of a program under RCW 28C.04.390 and 28C.04.420.

(9) "Job skills program" means a program of skills training or education separate from and in addition to existing vocational education programs and which:

(a) Provides short-term training which has been designated for specific industries;

(b) Provides training for prospective employees before a new plant opens or when existing industry expands;

(c) Includes training and retraining for workers already employed by an existing industry or business where necessary to avoid dislocation or where upgrading of existing employees would create new vacancies for unemployed persons;

(d) Serves areas with high concentrations of economically disadvantaged persons and high unemployment;

(e) Promotes the growth of industry clusters;

(f) Serves areas where there is a shortage of skilled labor to meet job demands; or

(g) Promotes the location of new industry in areas affected by economic dislocation.

(10) "Technical assistance" means professional and any other assistance provided by business and industry to an educational institution, which is reasonably calculated to support directly the development and expansion of a particular program and which represents an addition to any technical assistance previously or customarily provided to the educational institutions by the donor.

Sec. 3. RCW 28C.18.010 and 2013 c 39 s 16 are each amended to read as follows:

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

(1) "Adult basic education" means instruction designed to achieve mastery of skills in reading, writing, oral communication, and computation at a level sufficient to allow the individual to function effectively as a parent, worker, and citizen in the United States, commensurate with that individual's actual ability level, and includes English as a second language and preparation and testing services for a high school equivalency certificate as provided in RCW 28B.50.536.

(2) "Board" means the workforce training and education coordinating board.

(3) "Director" means the director of the workforce training and education coordinating board.

(4) "Industry skill panel" means a regional partnership of business, labor, and education leaders that identifies skill gaps in a key economic cluster and enables the industry and public partners to respond to and be proactive in addressing workforce skill needs.

(5) "Training system" means programs and courses of secondary vocational education, technical college programs and courses, community college vocational programs and courses, private career school and college programs and courses, employer-sponsored training, adult basic education programs and courses, programs and courses funded by the federal workforce ((~~investment~~)) innovation and opportunity act, programs and courses funded by the federal vocational act, programs and courses funded under the federal adult education act, publicly funded programs and courses for adult literacy education, and apprenticeships, and programs and courses offered by private and public nonprofit organizations that are representative of communities or significant segments of communities and provide job training or adult literacy services.

(6) "Vocational education" means organized educational programs offering a sequence of courses which are directly related to the preparation or retraining of individuals in paid or unpaid employment in current or emerging occupations requiring other than a baccalaureate or advanced degree. Such programs shall include competency-based applied learning which contributes to an individual's academic knowledge, higher-order reasoning, and problem-solving skills, work attitudes, general employability skills, and the occupational-specific skills necessary for economic independence as a productive and contributing member of society. Such term also includes applied technology education.

(7) "Workforce development council" means a local workforce ((~~investment~~)) development board as established in P.L. ((~~105-220 Sec. 117~~)) 113-128 Sec. 107.

(8) "Workforce skills" means skills developed through applied learning that strengthen and reinforce an individual's academic knowledge, critical thinking, problem solving, and work ethic and, thereby, develop the employability,

occupational skills, and management of home and work responsibilities necessary for economic independence.

Sec. 4. RCW 28C.18.060 and 2014 c 112 s 103 are each amended to read as follows:

The board, in cooperation with the operating agencies of the state training system and private career schools and colleges, shall:

(1) Concentrate its major efforts on planning, coordination evaluation, policy analysis, and recommending improvements to the state's training system;

(2) Advocate for the state training system and for meeting the needs of employers and the workforce for workforce education and training;

(3) Establish and maintain an inventory of the programs of the state training system, and related state programs, and perform a biennial assessment of the vocational education, training, and adult basic education and literacy needs of the state; identify ongoing and strategic education needs; and assess the extent to which employment, training, vocational and basic education, rehabilitation services, and public assistance services represent a consistent, integrated approach to meet such needs;

(4) Develop and maintain a state comprehensive plan for workforce training and education, including but not limited to, goals, objectives, and priorities for the state training system, and review the state training system for consistency with the state comprehensive plan. In developing the state comprehensive plan for workforce training and education, the board shall use, but shall not be limited to: Economic, labor market, and populations trends reports in office of financial management forecasts; joint office of financial management and employment security department labor force, industry employment, and occupational forecasts; the results of scientifically based outcome, net-impact and cost-benefit evaluations; the needs of employers as evidenced in formal employer surveys and other employer input; and the needs of program participants and workers as evidenced in formal surveys and other input from program participants and the labor community;

(5) In consultation with the student achievement council, review and make recommendations to the office of financial management and the legislature on operating and capital facilities budget requests for operating agencies of the state training system for purposes of consistency with the state comprehensive plan for workforce training and education;

(6) Provide for coordination among the different operating agencies and components of the state training system at the state level and at the regional level;

(7) Develop a consistent and reliable database on vocational education enrollments, costs, program activities, and job placements from publicly funded vocational education programs in this state;

(8)(a) Establish standards for data collection and maintenance for the operating agencies of the state training system in a format that is accessible to use by the board. The board shall require a minimum of common core data to be collected by each operating agency of the state training system;

(b) Develop requirements for minimum common core data in consultation with the office of financial management and the operating agencies of the training system;

(9) Establish minimum standards for program evaluation for the operating agencies of the state training system, including, but not limited to, the use of common survey instruments and procedures for measuring perceptions of program participants and employers of program participants, and monitor such program evaluation;

(10) Every two years administer scientifically based outcome evaluations of the state training system, including, but not limited to, surveys of program participants, surveys of employers of program participants, and matches with employment security department payroll and wage files. Every five years administer scientifically based net-impact and cost-benefit evaluations of the state training system;

(11) In cooperation with the employment security department, provide for the improvement and maintenance of quality and utility in occupational information and forecasts for use in training system planning and evaluation. Improvements shall include, but not be limited to, development of state-based occupational change factors involving input by employers and employees, and delineation of skill and training requirements by education level associated with current and forecasted occupations;

(12) Provide for the development of common course description formats, common reporting requirements, and common definitions for operating agencies of the training system;

(13) Provide for effectiveness and efficiency reviews of the state training system;

(14) In cooperation with the student achievement council, facilitate transfer of credit policies and agreements between institutions of the state training system, and encourage articulation agreements for programs encompassing two years of secondary workforce education and two years of postsecondary workforce education;

(15) In cooperation with the student achievement council, facilitate transfer of credit policies and agreements between private training institutions and institutions of the state training system;

(16) Develop policy objectives for the workforce ((~~investment~~)) innovation and opportunity act, P.L. ((~~105-220~~)) 113-128, or its successor; develop coordination criteria for activities under the act with related programs and services provided by state and local education and training agencies; and ensure that entrepreneurial training opportunities are available through programs of each local workforce ((~~investment~~)) development board in the state;

(17) Make recommendations to the commission of student assessment, the state board of education, and the superintendent of public instruction, concerning basic skill competencies and essential core competencies for K-12 education. Basic skills for this purpose shall be reading, writing, computation, speaking, and critical thinking, essential core competencies for this purpose shall be English, math, science/technology, history, geography, and critical thinking. The board shall monitor the development of and provide advice concerning secondary curriculum which integrates vocational and academic education;

(18) Establish and administer programs for marketing and outreach to businesses and potential program participants;

(19) Facilitate the location of support services, including but not limited to, child care, financial aid, career counseling, and job placement services, for

students and trainees at institutions in the state training system, and advocate for support services for trainees and students in the state training system;

(20) Facilitate private sector assistance for the state training system, including but not limited to: Financial assistance, rotation of private and public personnel, and vocational counseling;

(21) Facilitate the development of programs for school-to-work transition that combine classroom education and on-the-job training, including entrepreneurial education and training, in industries and occupations without a significant number of apprenticeship programs;

(22) Include in the planning requirements for local workforce ((~~investment~~)) development boards a requirement that the local workforce ((~~investment~~)) development boards specify how entrepreneurial training is to be offered through the one-stop system required under the workforce ((~~investment~~)) innovation and opportunity act, P.L. ((~~105-220~~)) 113-128, or its successor;

(23) Encourage and assess progress for the equitable representation of racial and ethnic minorities, women, and people with disabilities among the students, teachers, and administrators of the state training system. Equitable, for this purpose, shall mean substantially proportional to their percentage of the state population in the geographic area served. This function of the board shall in no way lessen more stringent state or federal requirements for representation of racial and ethnic minorities, women, and people with disabilities;

(24) Participate in the planning and policy development of governor set-aside grants under P.L. 97-300, as amended;

(25) Administer veterans' programs, licensure of private vocational schools, the job skills program, and the Washington award for vocational excellence;

(26) Allocate funding from the state job training trust fund;

(27) Work with the director of commerce to ensure coordination among workforce training priorities and economic development and entrepreneurial development efforts, including but not limited to assistance to industry clusters;

(28) Conduct research into workforce development programs designed to reduce the high unemployment rate among young people between approximately eighteen and twenty-four years of age. In consultation with the operating agencies, the board shall advise the governor and legislature on policies and programs to alleviate the high unemployment rate among young people. The research shall include disaggregated demographic information and, to the extent possible, income data for adult youth. The research shall also include a comparison of the effectiveness of programs examined as a part of the research conducted in this subsection in relation to the public investment made in these programs in reducing unemployment of young adults. The board shall report to the appropriate committees of the legislature by November 15, 2008, and every two years thereafter. Where possible, the data reported to the legislative committees should be reported in numbers and in percentages;

(29) Adopt rules as necessary to implement this chapter.

The board may delegate to the director any of the functions of this section.

Sec. 5. RCW 28C.18.150 and 2009 c 151 s 8 are each amended to read as follows:

(1) Workforce development councils, in partnership with local elected officials, shall develop and maintain a local unified plan for the workforce development system including, but not limited to, the local plan required by P.L.

((~~105-220, Title I~~)) 113-128 Sec. 108. The unified plan shall include a strategic plan that assesses local employment opportunities and skill needs, the present and future workforce, the current workforce development system, information on financial resources, diversity, goals, objectives, and strategies for the local workforce development system, and a system-wide financial strategy for implementing the plan. Local workforce development councils shall submit their strategic plans to the board for review and to the governor for approval.

(2) The strategic plan shall clearly articulate the connection between workforce and economic development efforts in the local area including the area industry clusters and the strategic clusters the community is targeting for growth. The plan shall include, but is not limited to:

(a) Data on current and projected employment opportunities in the local area;

(b) Identification of workforce investment needs of existing businesses and businesses considering location in the region, with special attention to industry clusters;

(c) Identification of educational, training, employment, and support service needs of job seekers and workers in the local area, including individuals with disabilities and other underrepresented talent sources;

(d) Analysis of the industry demand, potential labor force supply, and educational, employment, and workforce support available to businesses and job seekers in the region; and

(e) Collaboration with associate development organizations in regional planning efforts involving combined strategies around workforce development and economic development policies and programs. Combined planning efforts shall include, but not be limited to, assistance to industry clusters in the area.

(3) The board shall work with workforce development councils to develop implementation and funding strategies for purposes of this section.

Sec. 6. RCW 28C.18.164 and 2010 1st sp.s. c 24 s 4 are each amended to read as follows:

(1) Opportunity internship consortia may apply to the board to offer an opportunity internship program.

(a) The board, in consultation with the Washington state apprenticeship and training council, may select those consortia that demonstrate the strongest commitment and readiness to implement a high quality opportunity internship program for low-income high school students. The board shall place a priority on consortia with demonstrated experience working with similar populations of students and demonstrated capacity to assist a large number of students through the progression of internship or preapprenticeship, high school graduation, postsecondary education, and retention in a high-demand occupation. The board shall place a priority on programs that emphasize secondary career and technical education and nonbaccalaureate postsecondary education; however, programs that target four-year postsecondary degrees are eligible to participate.

(b)(i) Except as provided in (b)(ii) of this subsection (1), the board shall enter into a contract with each consortium selected to participate in the program. No more than ten consortia per year shall be selected to participate in the program, and to the extent possible, the board shall assure a geographic distribution of consortia in regions across the state emphasizing a variety of

targeted industries. Each consortium may select no more than one hundred low-income high school students per year to participate in the program.

(ii) For fiscal years 2011 through 2013, the board shall enter into a contract with each consortium selected to participate in the program. No more than twelve consortia per year shall be selected to participate in the program, and to the extent possible, the board shall assure a geographic distribution of consortia in regions across the state emphasizing a variety of targeted industries. No more than five thousand low-income high school students per year may be selected to participate in the program.

(2) Under the terms of an opportunity internship program contract, an opportunity internship consortium shall commit to the following activities which shall be conducted using existing federal, state, local, or private funds available to the consortium:

(a) Identify high-demand occupations in targeted industries for which opportunity internships or preapprenticeships shall be developed and provided;

(b) Develop and implement the components of opportunity internships, including paid or unpaid internships or preapprenticeships of at least ninety hours in length in high-demand occupations with employers in the consortium, mentoring and guidance for students who participate in the program, assistance with applications for postsecondary programs and financial aid, and a guarantee of a job interview with a participating employer for all opportunity internship graduates who successfully complete a postsecondary program of study;

(c) Once the internship or preapprenticeship components have been developed, conduct outreach efforts to inform low-income high school students about high-demand occupations, the opportunity internship program, options for postsecondary programs of study, and the incentives and opportunities provided to students who participate in the program;

(d) Obtain appropriate documentation of the low-income status of students who participate in the program;

(e) Maintain communication with opportunity internship graduates of the consortium who enroll in postsecondary programs of study; and

(f) Submit an annual report to the board on the progress of and participation in the opportunity internship program of the consortium.

(3) Opportunity internship consortia are encouraged to:

(a) Provide paid opportunity internships or preapprenticeships, including during the summer months to encourage students to stay enrolled in high school;

(b) Work with high schools to offer opportunity internships as approved worksite learning experiences where students can earn high school credit;

(c) Designate the local workforce development council as fiscal agent for the opportunity internship program contract;

(d) Work with area high schools to incorporate the opportunity internship program into comprehensive guidance and counseling programs such as the navigation 101 program; and

(e) Coordinate the opportunity internship program with other workforce development and postsecondary education programs, including opportunity grants, the college bound scholarship program, federal workforce ((~~investment~~)) innovation and opportunity act initiatives, and college access challenge grants.

(4) The board shall seek federal funds that may be used to support the opportunity internship program, including providing the incentive payments under RCW 28C.18.168.

Sec. 7. RCW 50.20.250 and 2012 c 40 s 2 are each amended to read as follows:

(1) The legislature finds that the establishment of a self-employment assistance program would assist unemployed individuals and create new businesses and job opportunities in Washington state. The department must inform all individuals eligible under the terms of RCW 50.20.010 of the availability of self-employment assistance and entrepreneurial training programs and of the training provisions of RCW 50.20.043 which would allow them to pursue commissioner-approved training. In addition, when individuals are identified as likely to exhaust benefits under RCW 50.20.011, and when individuals are otherwise eligible for commissioner-approved training under RCW 50.20.043, the department must inform such individuals of the opportunity to enroll in commissioner-approved self-employment assistance programs.

(2) An unemployed individual is eligible to participate in a self-employment assistance program if it has been determined that he or she:

(a) Is otherwise eligible for regular benefits as defined in RCW 50.22.010;

(b) Has been identified as likely to exhaust regular unemployment benefits under a profiling system established by the commissioner as defined in P.L. 103-152 or is otherwise eligible for commissioner-approved training under RCW 50.20.043; and

(c) Is enrolled in a self-employment assistance program that is approved by the commissioner, and includes entrepreneurial training, business counseling, technical assistance, and requirements to engage in activities relating to the establishment of a business and becoming self-employed.

(3) Individuals participating in a self-employment assistance program approved by the commissioner are eligible to receive their regular unemployment benefits.

(a) The requirements of RCW 50.20.010 and 50.20.080 relating to availability for work, active search for work, and refusal to accept suitable work are not applicable to an individual in the self-employment assistance program for the first fifty-two weeks of the individual's participation in the program. However, enrollment in a self-employment assistance program does not entitle the enrollee to any benefit payments he or she would not be entitled to had he or she not enrolled in the program.

(b) An individual who meets the requirements of this section is considered to be "unemployed" under RCW 50.04.310 and 50.20.010.

(4) An individual who fails to participate in his or her approved self-employment assistance program as prescribed by the commissioner is disqualified from continuation in the program.

(5) The commissioner must take all steps necessary in carrying out this section to assure collaborative involvement of interested parties in program development, and to ensure that the self-employment assistance programs meet all federal criteria for withdrawal from the unemployment fund. The commissioner may approve, as self-employment assistance programs, existing self-employment training programs available through community colleges, workforce ((~~investment~~)) development boards, or other organizations and is not

obligated by this section to expend any departmental funds for the operation of self-employment assistance programs, unless specific funding is provided to the department for that purpose through federal or state appropriations.

(6) The commissioner may adopt rules as necessary to implement this section.

Sec. 8. RCW 50.22.150 and 2009 c 353 s 4 are each amended to read as follows:

(1) This section applies to claims with an effective date before April 5, 2009.

(2) Subject to availability of funds, training benefits are available for an individual who is eligible for or has exhausted entitlement to unemployment compensation benefits and who:

(a) Is a dislocated worker as defined in RCW 50.04.075;

(b) Except as provided under subsection (3) of this section, has demonstrated, through a work history, sufficient tenure in an occupation or in work with a particular skill set. This screening will take place during the assessment process;

(c) Is, after assessment of demand for the individual's occupation or skills in the individual's labor market, determined to need job-related training to find suitable employment in his or her labor market. Beginning July 1, 2001, the assessment of demand for the individual's occupation or skill sets must be substantially based on declining occupation or skill sets identified in local labor market areas by the local workforce development councils, in cooperation with the employment security department and its labor market information division, under subsection (11) of this section;

(d) Develops an individual training program that is submitted to the commissioner for approval within sixty days after the individual is notified by the employment security department of the requirements of this section;

(e) Enters the approved training program by ninety days after the date of the notification, unless the employment security department determines that the training is not available during the ninety-day period, in which case the individual enters training as soon as it is available; and

(f) Is enrolled in training approved under this section on a full-time basis as determined by the educational institution, and is making satisfactory progress in the training as certified by the educational institution.

(3) Until June 30, 2002, the following individuals who meet the requirements of subsection (2) of this section may, without regard to the tenure requirements under subsection (2)(b) of this section, receive training benefits as provided in this section:

(a) An exhaustee who has base year employment in the aerospace industry assigned the standard industrial classification code "372" or the North American industry classification system code "336411";

(b) An exhaustee who has base year employment in the forest products industry, determined by the department, but including the industries assigned the major group standard industrial classification codes "24" and "26" or any equivalent codes in the North American industry classification system code, and the industries involved in the harvesting and management of logs, transportation of logs and wood products, processing of wood products, and the manufacturing and distribution of wood processing and logging equipment; or

(c) An exhaustee who has base year employment in the fishing industry assigned the standard industrial classification code "0912" or any equivalent codes in the North American industry classification system code.

(4) An individual is not eligible for training benefits under this section if he or she:

(a) Is a standby claimant who expects recall to his or her regular employer;

(b) Has a definite recall date that is within six months of the date he or she is laid off; or

(c) Is unemployed due to a regular seasonal layoff which demonstrates a pattern of unemployment consistent with the provisions of RCW 50.20.015. Regular seasonal layoff does not include layoff due to permanent structural downsizing or structural changes in the individual's labor market.

(5) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Educational institution" means an institution of higher education as defined in RCW 28B.10.016 or an educational institution as defined in RCW 28C.04.410, including equivalent educational institutions in other states.

(b) "Sufficient tenure" means earning a plurality of wages in a particular occupation or using a particular skill set during the base year and at least two of the four twelve-month periods immediately preceding the base year.

(c) "Training benefits" means additional benefits paid under this section.

(d) "Training program" means:

(i) An education program determined to be necessary as a prerequisite to vocational training after counseling at the educational institution in which the individual enrolls under his or her approved training program; or

(ii) A vocational training program at an educational institution:

(A) That is targeted to training for a high-demand occupation. Beginning July 1, 2001, the assessment of high-demand occupations authorized for training under this section must be substantially based on labor market and employment information developed by local workforce development councils, in cooperation with the employment security department and its labor market information division, under subsection (11) of this section;

(B) That is likely to enhance the individual's marketable skills and earning power; and

(C) That meets the criteria for performance developed by the workforce training and education coordinating board for the purpose of determining those training programs eligible for funding under Title I of P.L. ((~~105-220~~)) 113-128.

"Training program" does not include any course of education primarily intended to meet the requirements of a baccalaureate or higher degree, unless the training meets specific requirements for certification, licensing, or for specific skills necessary for the occupation.

(6) Benefits shall be paid as follows:

(a)(i) Except as provided in (a)(iii) of this subsection, for exhaustees who are eligible under subsection (2) of this section, the total training benefit amount shall be fifty-two times the individual's weekly benefit amount, reduced by the total amount of regular benefits and extended benefits paid, or deemed paid, with respect to the benefit year; or

(ii) For exhaustees who are eligible under subsection (3) of this section, for claims filed before June 30, 2002, the total training benefit amount shall be

seventy-four times the individual's weekly benefit amount, reduced by the total amount of regular benefits and extended benefits paid, or deemed paid, with respect to the benefit year; or

(iii) For exhaustees eligible under subsection (2) of this section from industries listed under subsection (3)(a) of this section, for claims filed on or after June 30, 2002, but before January 5, 2003, the total training benefit amount shall be seventy-four times the individual's weekly benefit amount, reduced by the total amount of regular benefits and extended benefits paid, or deemed paid, with respect to the benefit year.

(b) The weekly benefit amount shall be the same as the regular weekly amount payable during the applicable benefit year and shall be paid under the same terms and conditions as regular benefits. The training benefits shall be paid before any extended benefits but not before any similar federally funded program.

(c) Training benefits are not payable for weeks more than two years beyond the end of the benefit year of the regular claim.

(7) The requirement under RCW 50.22.010(10) relating to exhausting regular benefits does not apply to an individual otherwise eligible for training benefits under this section when the individual's benefit year ends before his or her training benefits are exhausted and the individual is eligible for a new benefit year. These individuals will have the option of remaining on the original claim or filing a new claim.

(8)(a) Except as provided in (b) of this subsection, individuals who receive training benefits under this section or under any previous additional benefits program for training are not eligible for training benefits under this section for five years from the last receipt of training benefits under this section or under any previous additional benefits program for training.

(b) With respect to claims that are filed before January 5, 2003, an individual in the aerospace industry assigned the standard industrial code "372" or the North American industry classification system code "336411" who received training benefits under this section, and who had been making satisfactory progress in a training program but did not complete the program, is eligible, without regard to the five-year limitation of this section and without regard to the requirement of subsection (2)(b) of this section, if applicable, to receive training benefits under this section in order to complete that training program. The total training benefit amount that applies to the individual is seventy-four times the individual's weekly benefit amount, reduced by the total amount of regular benefits paid, or deemed paid, with respect to the benefit year in which the training program resumed and, if applicable, reduced by the amount of training benefits paid, or deemed paid, with respect to the benefit year in which the training program commenced.

(9) An individual eligible to receive a trade readjustment allowance under chapter 2 of Title II of the Trade Act of 1974, as amended, shall not be eligible to receive benefits under this section for each week the individual receives such trade readjustment allowance. An individual eligible to receive emergency unemployment compensation, so called, under any federal law, shall not be eligible to receive benefits under this section for each week the individual receives such compensation.

(10) All base year employers are interested parties to the approval of training and the granting of training benefits.

(11) By July 1, 2001, each local workforce development council, in cooperation with the employment security department and its labor market information division, must identify high-demand occupations and occupations in declining employer demand. For the purposes of RCW 50.22.130 through 50.22.150 and section 9, chapter 2, Laws of 2000, "high-demand occupation" means an occupation with a substantial number of current or projected employment opportunities. Local workforce development councils must use state and locally developed labor market information. Thereafter, each local workforce development council shall update this information annually or more frequently if needed.

(12) The commissioner shall adopt rules as necessary to implement this section.

Sec. 9. RCW 50.22.155 and 2011 c 4 s 9 and 2011 c 3 s 2 are each reenacted and amended to read as follows:

(1) With respect to claims with an effective date on or after April 5, 2009, and before July 1, 2012:

(a) Subject to availability of funds, training benefits are available for an individual who is eligible for or has exhausted entitlement to unemployment compensation benefits when:

(i) The individual is a dislocated worker as defined in RCW 50.04.075 and, after assessment of the individual's labor market, occupation, or skills, is determined to need job-related training to find suitable employment in the individual's labor market. The assessment of demand for the individual's occupation or skill sets must be substantially based on declining occupation or skill sets and high-demand occupations identified in local labor market areas by the local workforce development councils in cooperation with the employment security department and its labor market information division; or

(ii) For claims with an effective date on or after September 7, 2009, the individual:

(A) Earned an average hourly wage in the individual's base year that is less than one hundred thirty percent of the state minimum wage and, after assessment, it is determined that the individual's earning potential will be enhanced through vocational training. The individual's average hourly wage is calculated by dividing the total wages paid by the total hours worked in the individual's base year;

(B) Served in the United States military or the Washington national guard during the twelve-month period prior to the application date, was honorably discharged from military service or the Washington national guard and, after assessment, is determined to need job-related training to find suitable employment in the individual's labor market;

(C) Is currently serving in the Washington national guard and, after assessment, is determined to need job-related training to find suitable employment in the individual's labor market; or

(D) Is disabled due to an injury or illness and, after assessment, is determined to be unable to return to his or her previous occupation and to need job-related training to find suitable employment in the individual's labor market.

(b)(i) The individual must develop an individual training program that is submitted to the commissioner for approval within ninety days after the individual is notified by the employment security department of the requirements of this section;

(ii) The individual must enter the approved training program by one hundred twenty days after the date of the notification, unless the employment security department determines that the training is not available during the one hundred twenty days, in which case the individual enters training as soon as it is available;

(iii) The department may waive the deadlines established under this subsection for reasons deemed by the commissioner to be good cause.

(c) The individual must be enrolled in training approved under this section on a full-time basis as determined by the educational institution, except that less than full-time training may be approved when the individual has a physical, mental, or emotional disability that precludes enrollment on a full-time basis.

(d) The individual must make satisfactory progress in the training as defined by the commissioner and certified by the educational institution.

(e) An individual is not eligible for training benefits under this section if he or she:

(i) Is a standby claimant who expects recall to his or her regular employer; or

(ii) Has a definite recall date that is within six months of the date he or she is laid off.

(f) The following definitions apply throughout this subsection (1) unless the context clearly requires otherwise.

(i) "Educational institution" means an institution of higher education as defined in RCW 28B.10.016 or an educational institution as defined in RCW 28C.04.410, including equivalent educational institutions in other states.

(ii) "High-demand occupation" means an occupation with a substantial number of current or projected employment opportunities.

(iii) "Training benefits" means additional benefits paid under this section.

(iv) "Training program" means:

(A) An education program determined to be necessary as a prerequisite to vocational training after counseling at the educational institution in which the individual enrolls under his or her approved training program; or

(B) A vocational training program at an educational institution that:

(I) Is targeted to training for a high-demand occupation;

(II) Is likely to enhance the individual's marketable skills and earning power; and

(III) Meets the criteria for performance developed by the workforce training and education coordinating board for the purpose of determining those training programs eligible for funding under Title I of P.L. ((~~105-220~~)) 113-128.

"Training program" does not include any course of education primarily intended to meet the requirements of a baccalaureate or higher degree, unless the training meets specific requirements for certification, licensing, or for specific skills necessary for the occupation.

(g) Benefits shall be paid as follows:

(i) The total training benefit amount shall be fifty-two times the individual's weekly benefit amount, reduced by the total amount of regular benefits and extended benefits paid, or deemed paid, with respect to the benefit year.

(ii) The weekly benefit amount shall be the same as the regular weekly amount payable during the applicable benefit year and shall be paid under the same terms and conditions as regular benefits.

(iii) Training benefits shall be paid before any extended benefits but not before any similar federally funded program. Effective July 3, 2011, training benefits shall be paid after any federally funded program.

(iv) Training benefits are not payable for weeks more than two years beyond the end of the benefit year of the regular claim. However, training benefits are not payable for weeks more than three years beyond the end of the benefit year of the regular claim when individuals are eligible for benefits in accordance with RCW 50.22.010 (2)((~~(c)~~)) (b) or (3)((~~(c)~~)) (b).

(h) The requirement under RCW 50.22.010(10) relating to exhausting regular benefits does not apply to an individual otherwise eligible for training benefits under this section when the individual's benefit year ends before his or her training benefits are exhausted and the individual is eligible for a new benefit year. These individuals will have the option of remaining on the original claim or filing a new claim.

(i) Individuals who receive training benefits under RCW 50.22.150 or this section are not eligible for training benefits under this section for five years from the last receipt of training benefits.

(j) An individual eligible to receive a trade readjustment allowance under chapter 2, Title II of the trade act of 1974, as amended, shall not be eligible to receive benefits under this section for each week the individual receives such trade readjustment allowance.

(k) An individual eligible to receive emergency unemployment compensation under any federal law shall not be eligible to receive benefits under this section for each week the individual receives such compensation.

(l) All base year employers are interested parties to the approval of training and the granting of training benefits.

(m) Each local workforce development council, in cooperation with the employment security department and its labor market information division, must identify occupations and skill sets that are declining and high-demand occupations and skill sets. Each local workforce development council shall update this information annually or more frequently if needed.

(2) With respect to claims with an effective date on or after July 1, 2012:

(a) Training benefits are available for an individual who is eligible for or has exhausted entitlement to unemployment compensation benefits when:

(i) The individual is a dislocated worker as defined in RCW 50.04.075 and, after assessment of the individual's labor market, occupation, or skills, is determined to need job-related training to find suitable employment in the individual's labor market. The assessment of demand for the individual's occupation or skill sets must be substantially based on declining occupation or skill sets and high-demand occupations identified in local labor market areas by the local workforce development councils in cooperation with the employment security department and its labor market information division; or

(ii) Subject to the availability of funds as specified in RCW 50.22.140, the individual:

(A) Earned an average hourly wage in the individual's base year that is less than one hundred thirty percent of the state minimum wage and, after assessment, it is determined that the individual's earning potential will be enhanced through vocational training. The individual's average hourly wage is calculated by dividing the total wages paid by the total hours worked in the individual's base year;

(B) Served in the United States military or the Washington national guard during the twelve-month period prior to the application date, was honorably discharged from military service or the Washington national guard and, after assessment, is determined to need job-related training to find suitable employment in the individual's labor market;

(C) Is currently serving in the Washington national guard and, after assessment, is determined to need job-related training to find suitable employment in the individual's labor market; or

(D) Is disabled due to an injury or illness and, after assessment, is determined to be unable to return to his or her previous occupation and to need job-related training to find suitable employment in the individual's labor market.

(b)(i) Except for an individual eligible under (a)(i) of this subsection, the individual must develop an individual training plan that is submitted to the commissioner for approval within ninety days after the individual is notified by the employment security department of the requirements of this section;

(ii) Except for an individual eligible under (a)(i) of this subsection, the individual must enroll in the approved training program by one hundred twenty days after the date of the notification, unless the employment security department determines that the training is not available during the one hundred twenty days, in which case the individual enters training as soon as it is available;

(iii) An individual eligible under (a)(i) of this subsection must submit an individual training plan and enroll in the approved training program prior to the end of the individual's benefit year;

(iv) The department may waive the deadlines established under (b)(i) and (ii) of this subsection for reasons deemed by the commissioner to be good cause.

(c) Except for an individual eligible under (a)(i) of this subsection, the individual must be enrolled in training approved under this section on a full-time basis as determined by the educational institution, except that less than full-time training may be approved when the individual has a physical, mental, or emotional disability that precludes enrollment on a full-time basis.

(d) The individual must make satisfactory progress in the training as defined by the commissioner and certified by the educational institution.

(e) An individual is not eligible for training benefits under this section if he or she:

(i) Is a standby claimant who expects recall to his or her regular employer; or

(ii) Has a definite recall date that is within six months of the date he or she is laid off.

(f) The following definitions apply throughout this subsection (2) unless the context clearly requires otherwise:

(i) "Educational institution" means an institution of higher education as defined in RCW 28B.10.016 or an educational institution as defined in RCW 28C.04.410, including equivalent educational institutions in other states.

(ii) "High-demand occupation" means an occupation with a substantial number of current or projected employment opportunities.

(iii) "Training benefits" means additional benefits paid under this section.

(iv) "Training program" means:

(A) An education program determined to be necessary as a prerequisite to vocational training after counseling at the educational institution in which the individual enrolls under his or her approved training program; or

(B) A vocational training program at an educational institution that:

(I) Is targeted to training for a high-demand occupation;

(II) Is likely to enhance the individual's marketable skills and earning power; and

(III) Meets the criteria for performance developed by the workforce training and education coordinating board for the purpose of determining those training programs eligible for funding under Title I of P.L. ((~~105-220~~)) 113-128.

"Training program" does not include any course of education primarily intended to meet the requirements of a baccalaureate or higher degree, unless the training meets specific requirements for certification, licensing, or for specific skills necessary for the occupation.

(g) Available benefits shall be paid as follows:

(i) The total training benefit amount shall be fifty-two times the individual's weekly benefit amount, reduced by the total amount of regular benefits paid, or deemed paid, with respect to the benefit year.

(ii) The weekly benefit amount shall be the same as the regular weekly amount payable during the applicable benefit year and shall be paid under the same terms and conditions as regular benefits.

(iii) Training benefits shall be paid after any federally funded program.

(iv) Training benefits are not payable for weeks more than two years beyond the end of the benefit year of the regular claim. However, training benefits are not payable for weeks more than three years beyond the end of the benefit year of the regular claim when individuals are eligible for benefits in accordance with RCW 50.22.010 (2)(((~~(c)~~))) (b) or (3)(((~~(c)~~))) (b).

(h) The requirement under RCW 50.22.010(10) relating to exhausting regular benefits does not apply to an individual otherwise eligible for training benefits under this section when the individual's benefit year ends before his or her training benefits are exhausted and the individual is eligible for a new benefit year. These individuals will have the option of remaining on the original claim or filing a new claim.

(i) Except for individuals eligible under (a)(i) of this subsection, individuals who receive training benefits under RCW 50.22.150 or this section are not eligible for training benefits under this section for five years from the last receipt of training benefits.

(j) An individual eligible to receive a trade readjustment allowance under chapter 2, Title II of the trade act of 1974, as amended, shall not be eligible to receive benefits under this section for each week the individual receives such trade readjustment allowance.

(k) An individual eligible to receive emergency unemployment compensation under any federal law shall not be eligible to receive benefits under this section for each week the individual receives such compensation.

(l) All base year employers are interested parties to the approval of training and the granting of training benefits.

(m) Each local workforce development council, in cooperation with the employment security department and its labor market information division, must identify occupations and skill sets that are declining and high-demand occupations and skill sets. Each local workforce development council shall update this information annually or more frequently if needed.

(3) The commissioner shall adopt rules as necessary to implement this section.

Sec. 10. RCW 50.62.030 and 2012 c 40 s 4 are each amended to read as follows:

(1) Job service resources must be used to assist with the reemployment of unemployed workers using the most efficient and effective means of service delivery. The job service program of the employment security department may undertake any program or activity for which funds are available and which furthers the goals of this chapter. These programs and activities must include, but are not limited to:

(a) Giving older unemployed workers and the long-term unemployed the highest priority for all services made available under this section. The employment security department must make the services provided under this chapter available to the older unemployed workers and the long-term unemployed as soon as they register under the employment assistance program;

(b) Supplementing basic employment services, with special job search and claimant placement assistance designed to assist unemployment insurance claimants to obtain employment;

(c) Providing employment services, such as recruitment, screening, and referral of qualified workers, to agricultural areas where these services have in the past contributed to positive economic conditions for the agricultural industry; and

(d) Providing otherwise unobtainable information and analysis to the legislature and program managers about issues related to employment and unemployment.

(2) Individuals who are eligible for services under the federal workforce ((~~investment~~)) innovation and opportunity act, P.L. ((~~105-220~~)) 113-128 or its successor((~~,~~)), must be provided the opportunity to enroll in self-employment assistance or entrepreneurial training programs to prepare them for self-employment on the same basis as they are provided the opportunity to enroll in other training programs funded under the federal workforce ((~~investment~~)) innovation and opportunity act. The department must work with local workforce development councils to ensure that the contracting process with training providers is efficient and that the number of entrepreneurial training providers on the state's eligible training provider list is sufficient to meet demand. Each local workforce development council must:

(a) Notify all individuals eligible for services under the workforce ((~~investment~~)) innovation and opportunity act of the availability of self-employment assistance and entrepreneurial training; and

(b) Establish and implement a plan for expending workforce ((~~investment~~)) innovation and opportunity act funds on self-employment assistance and entrepreneurial training at a rate that is commensurate with either the demand for such services or the rate of self-employment within the council's workforce development area.

Sec. 11. RCW 74.15.020 and 2016 c 166 s 1 are each amended to read as follows:

The definitions in this section apply throughout this chapter and RCW 74.13.031 unless the context clearly requires otherwise.

(1) "Agency" means any person, firm, partnership, association, corporation, or facility which receives children, expectant mothers, or persons with developmental disabilities for control, care, or maintenance outside their own homes, or which places, arranges the placement of, or assists in the placement of children, expectant mothers, or persons with developmental disabilities for foster care or placement of children for adoption, and shall include the following irrespective of whether there is compensation to the agency or to the children, expectant mothers, or persons with developmental disabilities for services rendered:

(a) "Child-placing agency" means an agency which places a child or children for temporary care, continued care, or for adoption;

(b) "Community facility" means a group care facility operated for the care of juveniles committed to the department under RCW 13.40.185. A county detention facility that houses juveniles committed to the department under RCW 13.40.185 pursuant to a contract with the department is not a community facility;

(c) "Crisis residential center" means an agency which is a temporary protective residential facility operated to perform the duties specified in chapter 13.32A RCW, in the manner provided in RCW ((~~74.13.032 through 74.13.036~~)) 43.185C.295 through 43.185C.310;

(d) "Emergency respite center" is an agency that may be commonly known as a crisis nursery, that provides emergency and crisis care for up to seventy-two hours to children who have been admitted by their parents or guardians to prevent abuse or neglect. Emergency respite centers may operate for up to twenty-four hours a day, and for up to seven days a week. Emergency respite centers may provide care for children ages birth through seventeen, and for persons eighteen through twenty with developmental disabilities who are admitted with a sibling or siblings through age seventeen. Emergency respite centers may not substitute for crisis residential centers or HOPE centers, or any other services defined under this section, and may not substitute for services which are required under chapter 13.32A or 13.34 RCW;

(e) "Foster-family home" means an agency which regularly provides care on a twenty-four hour basis to one or more children, expectant mothers, or persons with developmental disabilities in the family abode of the person or persons under whose direct care and supervision the child, expectant mother, or person with a developmental disability is placed;

(f) "Group-care facility" means an agency, other than a foster-family home, which is maintained and operated for the care of a group of children on a twenty-four hour basis;

(g) "HOPE center" means an agency licensed by the secretary to provide temporary residential placement and other services to street youth. A street

youth may remain in a HOPE center for thirty days while services are arranged and permanent placement is coordinated. No street youth may stay longer than thirty days unless approved by the department and any additional days approved by the department must be based on the unavailability of a long-term placement option. A street youth whose parent wants him or her returned to home may remain in a HOPE center until his or her parent arranges return of the youth, not longer. All other street youth must have court approval under chapter 13.34 or 13.32A RCW to remain in a HOPE center up to thirty days;

(h) "Maternity service" means an agency which provides or arranges for care or services to expectant mothers, before or during confinement, or which provides care as needed to mothers and their infants after confinement;

(i) "Resource and assessment center" means an agency that provides short-term emergency and crisis care for a period up to seventy-two hours, excluding Saturdays, Sundays, and holidays to children who have been removed from their parent's or guardian's care by child protective services or law enforcement;

(j) "Responsible living skills program" means an agency licensed by the secretary that provides residential and transitional living services to persons ages sixteen to eighteen who are dependent under chapter 13.34 RCW and who have been unable to live in his or her legally authorized residence and, as a result, the minor lived outdoors or in another unsafe location not intended for occupancy by the minor. Dependent minors ages fourteen and fifteen may be eligible if no other placement alternative is available and the department approves the placement;

(k) "Service provider" means the entity that operates a community facility.

(2) "Agency" shall not include the following:

(a) Persons related to the child, expectant mother, or person with developmental disability in the following ways:

(i) Any blood relative, including those of half-blood, and including first cousins, second cousins, nephews or nieces, and persons of preceding generations as denoted by prefixes of grand, great, or great-great;

(ii) Stepfather, stepmother, stepbrother, and stepsister;

(iii) A person who legally adopts a child or the child's parent as well as the natural and other legally adopted children of such persons, and other relatives of the adoptive parents in accordance with state law;

(iv) Spouses of any persons named in (a)(i), (ii), or (iii) of this subsection (2), even after the marriage is terminated;

(v) Relatives, as named in (a)(i), (ii), (iii), or (iv) of this subsection (2), of any half sibling of the child; or

(vi) Extended family members, as defined by the law or custom of the Indian child's tribe or, in the absence of such law or custom, a person who has reached the age of eighteen and who is the Indian child's grandparent, aunt or uncle, brother or sister, brother-in-law or sister-in-law, niece or nephew, first or second cousin, or stepparent who provides care in the family abode on a twenty-four-hour basis to an Indian child as defined in 25 U.S.C. Sec. 1903(4);

(b) Persons who are legal guardians of the child, expectant mother, or persons with developmental disabilities;

(c) Persons who care for a neighbor's or friend's child or children, with or without compensation, where the parent and person providing care on a twenty-

four-hour basis have agreed to the placement in writing and the state is not providing any payment for the care;

(d) A person, partnership, corporation, or other entity that provides placement or similar services to exchange students or international student exchange visitors or persons who have the care of an exchange student in their home;

(e) A person, partnership, corporation, or other entity that provides placement or similar services to international children who have entered the country by obtaining visas that meet the criteria for medical care as established by the United States citizenship and immigration services, or persons who have the care of such an international child in their home;

(f) Schools, including boarding schools, which are engaged primarily in education, operate on a definite school year schedule, follow a stated academic curriculum, accept only school-age children and do not accept custody of children;

(g) Hospitals licensed pursuant to chapter 70.41 RCW when performing functions defined in chapter 70.41 RCW, nursing homes licensed under chapter 18.51 RCW and assisted living facilities licensed under chapter 18.20 RCW;

(h) Licensed physicians or lawyers;

(i) Facilities approved and certified under chapter 71A.22 RCW;

(j) Any agency having been in operation in this state ten years prior to June 8, 1967, and not seeking or accepting moneys or assistance from any state or federal agency, and is supported in part by an endowment or trust fund;

(k) Persons who have a child in their home for purposes of adoption, if the child was placed in such home by a licensed child-placing agency, an authorized public or tribal agency or court or if a replacement report has been filed under chapter 26.33 RCW and the placement has been approved by the court;

(l) An agency operated by any unit of local, state, or federal government or an agency licensed by an Indian tribe pursuant to RCW 74.15.190;

(m) A maximum or medium security program for juvenile offenders operated by or under contract with the department;

(n) An agency located on a federal military reservation, except where the military authorities request that such agency be subject to the licensing requirements of this chapter;

(o) A host home program, and host home, operated by a tax exempt organization for youth not in the care of or receiving services from the department, if that program: (i) Recruits and screens potential homes in the program, including performing background checks on individuals over the age of eighteen residing in the home through the Washington state patrol or equivalent law enforcement agency and performing physical inspections of the home; (ii) screens and provides case management services to youth in the program; (iii) obtains a notarized permission slip or limited power of attorney from the parent or legal guardian of the youth authorizing the youth to participate in the program and the authorization is updated every six months when a youth remains in a host home longer than six months; (iv) obtains insurance for the program through an insurance provider authorized under Title 48 RCW; (v) provides mandatory reporter and confidentiality training; and (vi) registers with the secretary of state as provided in RCW 24.03.550. A host home is a private home that volunteers to host youth in need of temporary placement

that is associated with a host home program. Any host home program that receives local, state, or government funding shall report the following information to the office of homeless youth prevention and protection programs annually by December 1st of each year: The number of children the program served, why the child was placed with a host home, and where the child went after leaving the host home, including but not limited to returning to the parents, running away, reaching the age of majority, or becoming a dependent of the state. A host home program shall not receive more than one hundred thousand dollars per year of public funding, including local, state, and federal funding. A host home shall not receive any local, state, or government funding.

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

(4) "Juvenile" means a person under the age of twenty-one who has been sentenced to a term of confinement under the supervision of the department under RCW 13.40.185.

(5) "Performance-based contracts" or "contracting" means the structuring of all aspects of the procurement of services around the purpose of the work to be performed and the desired results with the contract requirements set forth in clear, specific, and objective terms with measurable outcomes. Contracts may also include provisions that link the performance of the contractor to the level and timing of the reimbursement.

(6) "Probationary license" means a license issued as a disciplinary measure to an agency that has previously been issued a full license but is out of compliance with licensing standards.

(7) "Requirement" means any rule, regulation, or standard of care to be maintained by an agency.

(8) "Secretary" means the secretary of social and health services.

(9) "Street youth" means a person under the age of eighteen who lives outdoors or in another unsafe location not intended for occupancy by the minor and who is not residing with his or her parent or at his or her legally authorized residence.

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

(11) "Transitional living services" means at a minimum, to the extent funds are available, the following:

(a) Educational services, including basic literacy and computational skills training, either in local alternative or public high schools or in a high school equivalency program that leads to obtaining a high school equivalency degree;

(b) Assistance and counseling related to obtaining vocational training or higher education, job readiness, job search assistance, and placement programs;

(c) Counseling and instruction in life skills such as money management, home management, consumer skills, parenting, health care, access to community resources, and transportation and housing options;

(d) Individual and group counseling; and

(e) Establishing networks with federal agencies and state and local organizations such as the United States department of labor, employment and training administration programs including the workforce ((~~investment~~))

innovation and opportunity act which administers private industry councils and the job corps; vocational rehabilitation; and volunteer programs.

Passed by the Senate February 28, 2017.
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CHAPTER 40

[Substitute Senate Bill 5241]

HOMELESS AND DEPENDENT YOUTH--SCHOOL DISTRICT PROCEDURES

AN ACT Relating to the educational success of youth who are homeless or in foster care; and amending RCW 28A.320.192.

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

Sec. 1. RCW 28A.320.192 and 2012 c 163 s 7 are each amended to read as follows:

(1) In order to eliminate barriers and facilitate the on-time grade level progression and graduation of students who are homeless as described in RCW 28A.300.542 or dependent pursuant to chapter 13.34 RCW, school districts must incorporate the ((~~following~~)) procedures((~~:~~)) in this section.

(((~~(1)~~))) (2) School districts must waive specific courses required for graduation if similar coursework has been satisfactorily completed in another school district or must provide reasonable justification for denial. Should a waiver not be granted to a student who would qualify to graduate from the sending school district, the receiving school district must ((~~use best efforts to~~)) provide an alternative means of acquiring required coursework so that graduation may occur on time.

(((~~(2)~~))) (3) School districts ((~~are encouraged to~~)) must consolidate partial credit, unresolved, or incomplete coursework and provide opportunities for credit accrual ((~~through local classroom hours, correspondence courses, or the portable assisted study sequence units designed for migrant high school students~~)) in a manner that eliminates academic and nonacademic barriers for the student.

(4) For students who have been unable to complete an academic course and receive full credit due to withdrawal or transfer, school districts must grant partial credit for coursework completed before the date of withdrawal or transfer and the receiving school must accept those credits, apply them to the student's academic progress or graduation or both, and allow the student to earn credits regardless of the student's date of enrollment in the receiving school.

(((~~(3)~~))) (5) Should a student who is transferring at the beginning or during the student's junior or senior year be ineligible to graduate from the receiving school district after all alternatives have been considered, the sending and receiving districts must ensure the receipt of a diploma from the sending district if the student meets the graduation requirements of the sending district.

(6) The superintendent of public instruction shall adopt and distribute to all school districts lawful and reasonable rules prescribing the substantive and procedural obligations of school districts to implement these provisions.

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CHAPTER 41

[Senate Bill 5244]

AUTO DEALER BUSHING PERIOD--COMMUNICATION METHODS

AN ACT Relating to the means of communication between a buyer or lessee and an auto dealer during the "bushing" period; and amending RCW 46.70.180.

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

Sec. 1. RCW 46.70.180 and 2012 c 74 s 8 are each amended to read as follows:

Each of the following acts or practices is unlawful:

(1) To cause or permit to be advertised, printed, displayed, published, distributed, broadcasted, televised, or disseminated in any manner whatsoever, any statement or representation with regard to the sale, lease, or financing of a vehicle which is false, deceptive, or misleading, including but not limited to the following:

(a) That no down payment is required in connection with the sale of a vehicle when a down payment is in fact required, or that a vehicle may be purchased for a smaller down payment than is actually required;

(b) That a certain percentage of the sale price of a vehicle may be financed when such financing is not offered in a single document evidencing the entire security transaction;

(c) That a certain percentage is the amount of the service charge to be charged for financing, without stating whether this percentage charge is a monthly amount or an amount to be charged per year;

(d) That a new vehicle will be sold for a certain amount above or below cost without computing cost as the exact amount of the factory invoice on the specific vehicle to be sold;

(e) That a vehicle will be sold upon a monthly payment of a certain amount, without including in the statement the number of payments of that same amount which are required to liquidate the unpaid purchase price.

(2)(a)(i) To incorporate within the terms of any purchase and sale or lease agreement any statement or representation with regard to the sale, lease, or financing of a vehicle which is false, deceptive, or misleading, including but not limited to terms that include as an added cost to the selling price or capitalized cost of a vehicle an amount for licensing or transfer of title of that vehicle which is not actually due to the state, unless such amount has in fact been paid by the dealer prior to such sale.

(ii) However, an amount not to exceed one hundred fifty dollars per vehicle sale or lease may be charged by a dealer to recover administrative costs for collecting motor vehicle excise taxes, licensing and registration fees and other agency fees, verifying and clearing titles, transferring titles, perfecting, releasing, or satisfying liens or other security interests, and other administrative and documentary services rendered by a dealer in connection with the sale or

lease of a vehicle and in carrying out the requirements of this chapter or any other provisions of state law.

(b) A dealer may charge the documentary service fee in (a) of this subsection under the following conditions:

(i) The documentary service fee is disclosed in writing to a prospective purchaser or lessee before the execution of a purchase and sale or lease agreement;

(ii) The dealer discloses 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 and that is bold faced, capitalized, underlined, or otherwise set out from the surrounding material so as to be conspicuous. The dealer shall 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;

(iii) The documentary service fee is separately designated from the selling price or capitalized cost of the vehicle and from any other taxes, fees, or charges; and

(iv) Dealers disclose in any advertisement that a documentary service fee in an amount up to one hundred fifty dollars may be added to the sale price or the capitalized cost.

For the purposes of this subsection (2), the term "documentary service fee" means the optional amount charged by a dealer to provide the services specified in (a) of this subsection.

(3) To set up, promote, or aid in the promotion of a plan by which vehicles are to be sold or leased to a person for a consideration and upon further consideration that the purchaser or lessee agrees to secure one or more persons to participate in the plan by respectively making a similar purchase and in turn agreeing to secure one or more persons likewise to join in said plan, each purchaser or lessee being given the right to secure money, credits, goods, or something of value, depending upon the number of persons joining the plan.

(4) To commit, allow, or ratify any act of "bushing" which is defined as follows: Entering into a written contract, written purchase order or agreement, retail installment sales agreement, note and security agreement, or written lease agreement, hereinafter collectively referred to as contract or lease, signed by the prospective buyer or lessee of a vehicle, which:

(a) Is subject to any conditions or the dealer's or his or her authorized representative's future acceptance, and the dealer fails or refuses within the "bushing" period, which is four calendar days, exclusive of Saturday, Sunday, or legal holiday, and prior to any further negotiations with said buyer or lessee to inform the buyer or lessee either: (i) That the dealer unconditionally accepts the contract or lease, having satisfied, removed, or waived all conditions to acceptance or performance, including, but not limited to, financing, assignment, or lease approval; or (ii) that the dealer rejects the contract or lease, thereby automatically voiding the contract or lease, as long as such voiding does not negate commercially reasonable contract or lease provisions pertaining to the return of the subject vehicle and any physical damage, excessive mileage after the demand for return of the vehicle, and attorneys' fees authorized by law, and tenders the refund of any initial payment or security made or given by the buyer

or lessee, including, but not limited to, any down payment, and tenders return of the trade-in vehicle, key, other trade-in, or certificate of title to a trade-in. Tender may be conditioned on return of the subject vehicle if previously delivered to the buyer or lessee.

The provisions of this subsection (4)(a) do not impair, prejudice, or abrogate the rights of a dealer to assert a claim against the buyer or lessee for misrepresentation or breach of contract and to exercise all remedies available at law or in equity, including those under chapter 62A.9A RCW, if the dealer, bank, or other lender or leasing company discovers that approval of the contract or financing or approval of the lease was based upon material misrepresentations made by the buyer or lessee, including, but not limited to, misrepresentations regarding income, employment, or debt of the buyer or lessee, as long as the dealer, or his or her staff, has not, with knowledge of the material misrepresentation, aided, assisted, encouraged, or participated, directly or indirectly, in the misrepresentation. A dealer shall not be in violation of this subsection (4)(a) if the buyer or lessee made a material misrepresentation to the dealer, as long as the dealer, or his or her staff, has not, with knowledge of the material misrepresentation, aided, assisted, encouraged, or participated, directly or indirectly, in the misrepresentation.

((~~When~~)) A dealer may inform((~~s~~)) a buyer or lessee under this subsection (4)(a) regarding the unconditional acceptance or rejection of the contract, lease, or financing ((~~by an electronic mail message, the dealer must also transmit the communication by any additional means~~)) by sending an email message to the buyer's or lessee's supplied email address, by phone call, by leaving a voice message or sending a text message to a phone number provided by the buyer or lessee, by in-person oral communication, by mailing a letter by first-class mail if the buyer or lessee expresses a preference for a letter or declines to provide an email address and a phone number capable of receiving a free text message, or by another means agreed to by the buyer or lessee or approved by the department, effective upon the execution, mailing, or sending of the communication and before expiration of the "bushing" period;

(b) Permits the dealer to renegotiate a dollar amount specified as trade-in allowance on a vehicle delivered or to be delivered by the buyer or lessee as part of the purchase price or lease, for any reason except:

(i) Failure to disclose that the vehicle's certificate of title has been branded for any reason, including, but not limited to, status as a rebuilt vehicle as provided in RCW 46.12.540 and 46.12.560; or

(ii) Substantial physical damage or latent mechanical defect occurring before the dealer took possession of the vehicle and which could not have been reasonably discoverable at the time of the taking of the order, offer, or contract; or

(iii) Excessive additional miles or a discrepancy in the mileage. "Excessive additional miles" means the addition of five hundred miles or more, as reflected on the vehicle's odometer, between the time the vehicle was first valued by the dealer for purposes of determining its trade-in value and the time of actual delivery of the vehicle to the dealer. "A discrepancy in the mileage" means (A) a discrepancy between the mileage reflected on the vehicle's odometer and the stated mileage on the signed odometer statement; or (B) a discrepancy between

the mileage stated on the signed odometer statement and the actual mileage on the vehicle; or

(c) Fails to comply with the obligation of any written warranty or guarantee given by the dealer requiring the furnishing of services or repairs within a reasonable time.

(5) To commit any offense relating to odometers, as such offenses are defined in RCW 46.37.540, 46.37.550, 46.37.560, and 46.37.570. A violation of this subsection is a class C felony punishable under chapter 9A.20 RCW.

(6) For any vehicle dealer or vehicle salesperson to refuse to furnish, upon request of a prospective purchaser or lessee, for vehicles previously registered to a business or governmental entity, the name and address of the business or governmental entity.

(7) To commit any other offense under RCW 46.37.423, 46.37.424, or 46.37.425.

(8) To commit any offense relating to a dealer's temporary license permit, including but not limited to failure to properly complete each such permit, or the issuance of more than one such permit on any one vehicle. However, a dealer may issue a second temporary permit on a vehicle if the following conditions are met:

(a) The lienholder fails to deliver the vehicle title to the dealer within the required time period;

(b) The dealer has satisfied the lien; and

(c) The dealer has proof that payment of the lien was made within two calendar days, exclusive of Saturday, Sunday, or a legal holiday, after the sales contract has been executed by all parties and all conditions and contingencies in the sales contract have been met or otherwise satisfied.

(9) For a dealer, salesperson, or mobile home manufacturer, having taken an instrument or cash "on deposit" from a purchaser or lessee prior to the delivery of the bargained-for vehicle, to commingle the "on deposit" funds with assets of the dealer, salesperson, or mobile home manufacturer instead of holding the "on deposit" funds as trustee in a separate trust account until the purchaser or lessee has taken delivery of the bargained-for vehicle. Delivery of a manufactured home shall be deemed to occur in accordance with RCW 46.70.135(5). Failure, immediately upon receipt, to endorse "on deposit" instruments to such a trust account, or to set aside "on deposit" cash for deposit in such trust account, and failure to deposit such instruments or cash in such trust account by the close of banking hours on the day following receipt thereof, shall be evidence of intent to commit this unlawful practice: PROVIDED, HOWEVER, That a motor vehicle dealer may keep a separate trust account which equals his or her customary total customer deposits for vehicles for future delivery. For purposes of this section, "on deposit" funds received from a purchaser of a manufactured home means those funds that a seller requires a purchaser to advance before ordering the manufactured home, but does not include any loan proceeds or moneys that might have been paid on an installment contract.

(10) For a dealer or manufacturer to fail to comply with the obligations of any written warranty or guarantee given by the dealer or manufacturer requiring the furnishing of goods and services or repairs within a reasonable period of time, or to fail to furnish to a purchaser or lessee, all parts which attach to the manufactured unit including but not limited to the undercarriage, and all items

specified in the terms of a sales or lease agreement signed by the seller and buyer or lessee.

(11) For a vehicle dealer to pay to or receive from any person, firm, partnership, association, or corporation acting, either directly or through a subsidiary, as a buyer's agent for consumers, any compensation, fee, purchase moneys or funds that have been deposited into or withdrawn out of any account controlled or used by any buyer's agent, gratuity, or reward in connection with the purchase, sale, or lease of a new motor vehicle.

(12) For a buyer's agent, acting directly or through a subsidiary, to pay to or to receive from any motor vehicle dealer any compensation, fee, gratuity, or reward in connection with the purchase, sale, or lease of a new motor vehicle. In addition, it is unlawful for any buyer's agent to engage in any of the following acts on behalf of or in the name of the consumer:

(a) Receiving or paying any purchase moneys or funds into or out of any account controlled or used by any buyer's agent;

(b) Signing any vehicle purchase orders, sales contracts, leases, odometer statements, or title documents, or having the name of the buyer's agent appear on the vehicle purchase order, sales contract, lease, or title; or

(c) Signing any other documentation relating to the purchase, sale, lease, or transfer of any new motor vehicle.

It is unlawful for a buyer's agent to use a power of attorney obtained from the consumer to accomplish or effect the purchase, sale, lease, or transfer of ownership documents of any new motor vehicle by any means which would otherwise be prohibited under (a) through (c) of this subsection. However, the buyer's agent may use a power of attorney for physical delivery of motor vehicle license plates to the consumer.

Further, it is unlawful for a buyer's agent to engage in any false, deceptive, or misleading advertising, disseminated in any manner whatsoever, including but not limited to making any claim or statement that the buyer's agent offers, obtains, or guarantees the lowest price on any motor vehicle or words to similar effect.

(13) For a buyer's agent to arrange for or to negotiate the purchase, or both, of a new motor vehicle through an out-of-state dealer without disclosing in writing to the customer that the new vehicle would not be subject to chapter 19.118 RCW. This subsection also applies to leased vehicles. In addition, it is unlawful for any buyer's agent to fail to have a written agreement with the customer that: (a) Sets forth the terms of the parties' agreement; (b) discloses to the customer the total amount of any fees or other compensation being paid by the customer to the buyer's agent for the agent's services; and (c) further discloses whether the fee or any portion of the fee is refundable.

(14) Being a manufacturer, other than a motorcycle manufacturer governed by chapter 46.93 RCW, to:

(a) Coerce or attempt to coerce any vehicle dealer to order or accept delivery of any vehicle or vehicles, parts or accessories, or any other commodities which have not been voluntarily ordered by the vehicle dealer: PROVIDED, That recommendation, endorsement, exposition, persuasion, urging, or argument are not deemed to constitute coercion;

(b) Cancel or fail to renew the franchise or selling agreement of any vehicle dealer doing business in this state without fairly compensating the dealer at a fair

going business value for his or her capital investment which shall include but not be limited to tools, equipment, and parts inventory possessed by the dealer on the day he or she is notified of such cancellation or termination and which are still within the dealer's possession on the day the cancellation or termination is effective, if: (i) The capital investment has been entered into with reasonable and prudent business judgment for the purpose of fulfilling the franchise; and (ii) the cancellation or nonrenewal was not done in good faith. Good faith is defined as the duty of each party to any franchise to act in a fair and equitable manner towards each other, so as to guarantee one party freedom from coercion, intimidation, or threats of coercion or intimidation from the other party: PROVIDED, That recommendation, endorsement, exposition, persuasion, urging, or argument are not deemed to constitute a lack of good faith;

(c) Encourage, aid, abet, or teach a vehicle dealer to sell or lease vehicles through any false, deceptive, or misleading sales or financing practices including but not limited to those practices declared unlawful in this section;

(d) Coerce or attempt to coerce a vehicle dealer to engage in any practice forbidden in this section by either threats of actual cancellation or failure to renew the dealer's franchise agreement;

(e) Refuse to deliver any vehicle publicly advertised for immediate delivery to any duly licensed vehicle dealer having a franchise or contractual agreement for the retail sale or lease of new and unused vehicles sold or distributed by such manufacturer within sixty days after such dealer's order has been received in writing unless caused by inability to deliver because of shortage or curtailment of material, labor, transportation, or utility services, or by any labor or production difficulty, or by any cause beyond the reasonable control of the manufacturer;

(f) To provide under the terms of any warranty that a purchaser or lessee of any new or unused vehicle that has been sold or leased, distributed for sale or lease, or transferred into this state for resale or lease by the vehicle manufacturer may only make any warranty claim on any item included as an integral part of the vehicle against the manufacturer of that item.

Nothing in this section may be construed to impair the obligations of a contract or to prevent a manufacturer, distributor, representative, or any other person, whether or not licensed under this chapter, from requiring performance of a written contract entered into with any licensee hereunder, nor does the requirement of such performance constitute a violation of any of the provisions of this section if any such contract or the terms thereof requiring performance, have been freely entered into and executed between the contracting parties. This paragraph and subsection (14)(b) of this section do not apply to new motor vehicle manufacturers governed by chapter 46.96 RCW.

(15) Unlawful transfer of an ownership interest in a motor vehicle as defined in RCW 19.116.050.

(16) To knowingly and intentionally engage in collusion with a registered owner of a vehicle to repossess and return or resell the vehicle to the registered owner in an attempt to avoid a suspended license impound under chapter 46.55 RCW. However, compliance with chapter 62A.9A RCW in repossessing, selling, leasing, or otherwise disposing of the vehicle, including providing redemption rights to the debtor, is not a violation of this section.

(17)(a) For a dealer to enter into a new motor vehicle sales contract without disclosing in writing to a buyer of the new motor vehicle, or to a dealer in the case of an unregistered motor vehicle, any known damage and repair to the new motor vehicle if the damage exceeds five percent of the manufacturer's suggested retail price as calculated at the dealer's authorized warranty rate for labor and parts, or one thousand dollars, whichever amount is greater. A manufacturer or new motor vehicle dealer is not required to disclose to a dealer or buyer that glass, tires, bumpers, or cosmetic parts of a new motor vehicle were damaged at any time if the damaged item has been replaced with original or comparable equipment. A replaced part is not part of the cumulative damage required to be disclosed under this subsection.

(b) A manufacturer is required to provide the same disclosure to a dealer of any known damage or repair as required in (a) of this subsection.

(c) If disclosure of any known damage or repair is not required under this section, 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.

(d) As used in this section:

(i) "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.

(ii) "Manufacturer's suggested retail price" means the retail price of the new motor vehicle suggested by the manufacturer, and includes the retail delivered price suggested by the manufacturer for each accessory or item of optional equipment physically attached to the new motor vehicle at the time of delivery to the new motor vehicle dealer that is not included within the retail price suggested by the manufacturer for the new motor vehicle.

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CHAPTER 42

[Substitute Senate Bill 5277]

DISQUALIFICATION OF JUDGES

AN ACT Relating to disqualification of judges; and amending RCW 4.12.040 and 4.12.050.

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

Sec. 1. RCW 4.12.040 and 2009 c 332 s 19 are each amended to read as follows:

(1) No judge of a superior court of the state of Washington shall sit to hear or try any action or proceeding ((~~when it shall be established as hereinafter provided that said judge is prejudiced against any party or attorney, or the interest of any party or attorney appearing in such cause~~)) if that judge has been disqualified pursuant to RCW 4.12.050. In such case the presiding judge in judicial districts where there is more than one judge shall forthwith transfer the action to another department of the same court, or call in a judge from some other court. In all judicial districts where there is only one judge, a certified copy

of the ((~~motion and affidavit~~)) notice of disqualification filed in the cause shall be transmitted by the clerk of the superior court to the clerk of the superior court designated by the chief justice of the supreme court. Upon receipt the clerk of said superior court shall transmit the forwarded ((~~affidavit~~)) notice to the presiding judge who shall direct a visiting judge to hear and try such action as soon as convenient and practical.

(2) The presiding judge in judicial districts where there is more than one judge, or the presiding judge of judicial districts where there is only one judge, may send a case for trial to another court if the convenience of witnesses or the ends of justice will not be interfered with by such a course and the action is of such a character that a change of venue may be ordered: PROVIDED, That in criminal prosecutions the case shall not be sent for trial to any court outside the county unless the accused shall waive his or her right to a trial by a jury of the county in which the offense is alleged to have been committed.

(3) This section does not apply to water right adjudications filed under chapter 90.03 or 90.44 RCW. Disqualification of judges in water right adjudications is governed by RCW 90.03.620.

Sec. 2. RCW 4.12.050 and 2009 c 332 s 20 are each amended to read as follows:

(1) Any party to or any attorney appearing in any action or proceeding in a superior court((~~, may establish such prejudice by motion, supported by affidavit that the judge before whom the action is pending is prejudiced against such party or attorney, so that such party or attorney cannot, or believes that he or she cannot, have a fair and impartial trial before such judge: PROVIDED, That such motion and affidavit is filed and called to the attention of the judge before he or she shall have made any ruling whatsoever in the case, either on the motion of the party making the affidavit, or on the motion of any other party to the action, of the hearing of which the party making the affidavit has been given notice, and before the judge presiding has made any order or ruling involving discretion, but the arrangement of the calendar, the setting of an action, motion or proceeding down for hearing or trial, the arraignment of the accused in a criminal action or the fixing of bail, shall not be construed as a ruling or order involving discretion within the meaning of this proviso; and in any event, in counties where there is but one resident judge, such motion and affidavit shall be filed not later than the day on which the case is called to be set for trial: AND PROVIDED FURTHER, That notwithstanding the filing of such motion and affidavit, if the parties shall, by stipulation in writing agree, such judge may hear argument and rule upon any preliminary motions, demurrers, or other matter thereafter presented: AND PROVIDED FURTHER, That no party or attorney shall be permitted to make more than one such application in any action or proceeding under this section and RCW 4.12.040.~~)) may disqualify a judge from hearing the matter, subject to these limitations:

(a) Notice of disqualification must be filed and called to the attention of the judge before the judge has made any discretionary ruling in the case.

(b) In counties with only one resident judge, the notice of disqualification must be filed not later than the day on which the case is called to be set for trial.

(c) A judge who has been disqualified under this section may decide such issues as the parties agree in writing or on the record in open court.

(d) No party or attorney is permitted to disqualify more than one judge in any matter under this section and RCW 4.12.040.

(2) Even though they may involve discretion, the following actions by a judge do not cause the loss of the right to file a notice of disqualification against that judge: Arranging the calendar, setting a date for a hearing or trial, ruling on an agreed continuance, issuing an arrest warrant, presiding over criminal preliminary proceedings under CrR 3.2.1, arraigning the accused, fixing bail, and presiding over juvenile detention and release hearings under JuCR 7.3 and 7.4.

(3) This section does not apply to water right adjudications filed under chapter 90.03 or 90.44 RCW. Disqualification of judges in water right adjudications is governed by RCW 90.03.620.

Passed by the Senate February 28, 2017.
Passed by the House April 6, 2017.
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CHAPTER 43

[Substitute Senate Bill 5343]

TOW TRUCK OPERATORS--NOTICES AND RELEASE OF INFORMATION

AN ACT Relating to notice sent by and certain release of information affecting registered tow truck operators; and amending RCW 46.55.110 and 46.52.130.

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

Sec. 1. RCW 46.55.110 and 2002 c 279 s 11 are each amended to read as follows:

(1) When an unauthorized vehicle is impounded, the impounding towing operator shall notify the legal and registered owners of the impoundment of the unauthorized vehicle and the owners of any other items of personal property registered or titled with the department. The notification shall be sent by first-class mail within twenty-four hours after the impoundment to the last known registered and legal owners of the vehicle, and the owners of any other items of personal property registered or titled with the department, as provided by the law enforcement agency, and shall inform the owners of the identity of the person or agency authorizing the impound. The notification shall include the name of the impounding tow firm, its address, and telephone number. The notice shall also include the location, time of the impound, and by whose authority the vehicle was impounded. The notice shall also include the written notice of the right of redemption and opportunity for a hearing to contest the validity of the impoundment pursuant to RCW 46.55.120.

(2) In addition, if a suspended license impound has been ordered, the notice must state the length of the impound, the requirement of the posting of a security deposit to ensure payment of the costs of removal, towing, and storage, notification that if the security deposit is not posted the vehicle will immediately be processed and sold at auction as an abandoned vehicle, and the requirements set out in RCW 46.55.120(1)((~~(b)~~)) (c) regarding the payment of the costs of removal, towing, and storage as well as providing proof of satisfaction of any penalties, fines, or forfeitures before redemption. The notice must also state that

the registered owner is ineligible to purchase the vehicle at the abandoned vehicle auction, if held.

(3) In the case of an abandoned vehicle, or other item of personal property registered or titled with the department, within twenty-four hours after receiving information on the legal and registered owners from the department through the abandoned vehicle report, the tow truck operator shall send by ((~~certified~~)) first-class mail((~~, with return receipt requested,~~)) a notice of custody and sale to the legal and registered owners and of the penalties for the traffic infraction littering—abandoned vehicle. The tow truck operator shall obtain a certificate of mailing from the United States postal service when notice is mailed.

(4) If the date on which a notice required by subsection (3) of this section is to be mailed falls upon a Saturday, Sunday, or a postal holiday, the notice may be mailed on the next day that is neither a Saturday, Sunday, nor a postal holiday.

(5) No notices need be sent to the legal or registered owners of an impounded vehicle or other item of personal property registered or titled with the department, if the vehicle or personal property has been redeemed.

Sec. 2. RCW 46.52.130 and 2015 2nd sp.s. c 3 s 12 are each amended to read as follows:

Upon a proper request, the department may furnish an abstract of a person's driving record as permitted under this section.

(1) **Contents of abstract of driving record.** An abstract of a person's driving record, whenever possible, must include:

(a) An enumeration of motor vehicle accidents in which the person was driving, including:

(i) The total number of vehicles involved;

(ii) Whether the vehicles were legally parked or moving;

(iii) Whether the vehicles were occupied at the time of the accident; and

(iv) Whether the accident resulted in a fatality;

(b) Any reported convictions, forfeitures of bail, or findings that an infraction was committed based upon a violation of any motor vehicle law;

(c) The status of the person's driving privilege in this state; and

(d) Any reports of failure to appear in response to a traffic citation or failure to respond to a notice of infraction served upon the named individual by an arresting officer.

(2) **Release of abstract of driving record.** An abstract of a person's driving record may be furnished to the following persons or entities:

(a) **Named individuals.** (i) An abstract of the full driving record maintained by the department may be furnished to the individual named in the abstract.

(ii) Nothing in this section prevents a court from providing a copy of the driver's abstract to the individual named in the abstract or that named individual's attorney, provided that the named individual has a pending or open infraction or criminal case in that court. A pending case includes criminal cases that have not reached a disposition by plea, stipulation, trial, or amended charge. An open infraction or criminal case includes cases on probation, payment agreement or subject to, or in collections. Courts may charge a reasonable fee for the production and copying of the abstract for the individual.

(b) **Employers or prospective employers.** (i)(A) An abstract of the full driving record maintained by the department may be furnished to an employer or prospective employer or an agent acting on behalf of an employer or prospective

employer of the named individual for purposes related to driving by the individual as a condition of employment or otherwise at the direction of the employer.

(B) Release of an abstract of the driving record of an employee or prospective employee requires a statement signed by: (I) The employee or prospective employee that authorizes the release of the record; and (II) the employer attesting that the information is necessary for employment purposes related to driving by the individual as a condition of employment or otherwise at the direction of the employer. If the employer or prospective employer authorizes an agent to obtain this information on their behalf, this must be noted in the statement. The statement must also note that any information contained in the abstract related to an adjudication that is subject to a court order sealing the juvenile record of an employee or prospective employee may not be used by the employer or prospective employer, or an agent authorized to obtain this information on their behalf, unless required by federal regulation or law. The employer or prospective employer must afford the employee or prospective employee an opportunity to demonstrate that an adjudication contained in the abstract is subject to a court order sealing the juvenile record.

(C) Upon request of the person named in the abstract provided under this subsection, and upon that same person furnishing copies of court records ruling that the person was not at fault in a motor vehicle accident, the department must indicate on any abstract provided under this subsection that the person was not at fault in the motor vehicle accident.

(D) No employer or prospective employer, nor any agent of an employer or prospective employer, may use information contained in the abstract related to an adjudication that is subject to a court order sealing the juvenile record of an employee or prospective employee for any purpose unless required by federal regulation or law. The employee or prospective employee must furnish a copy of the court order sealing the juvenile record to the employer or prospective employer, or the agent of the employer or prospective employer, as may be required to ensure the application of this subsection.

(ii) In addition to the methods described in (b)(i) of this subsection, the director may enter into a contractual agreement with an employer or its agent for the purpose of reviewing the driving records of existing employees for changes to the record during specified periods of time. The department shall establish a fee for this service, which must be deposited in the highway safety fund. The fee for this service must be set at a level that will not result in a net revenue loss to the state. Any information provided under this subsection must be treated in the same manner and is subject to the same restrictions as driving record abstracts.

(c) **Volunteer organizations.** (i) An abstract of the full driving record maintained by the department may be furnished to a volunteer organization or an agent for a volunteer organization for which the named individual has submitted an application for a position that would require driving by the individual at the direction of the volunteer organization.

(ii) Release of an abstract of the driving record of a prospective volunteer requires a statement signed by: (A) The prospective volunteer that authorizes the release of the record; and (B) the volunteer organization attesting that the information is necessary for purposes related to driving by the individual at the direction of the volunteer organization. If the volunteer organization authorizes

an agent to obtain this information on their behalf, this must be noted in the statement.

(d) **Transit authorities.** An abstract of the full driving record maintained by the department may be furnished to an employee or agent of a transit authority checking prospective volunteer vanpool drivers for insurance and risk management needs.

(e) **Insurance carriers.** (i) An abstract of the driving record maintained by the department covering the period of not more than the last three years may be furnished to an insurance company or its agent:

(A) That has motor vehicle or life insurance in effect covering the named individual;

(B) To which the named individual has applied; or

(C) That has insurance in effect covering the employer or a prospective employer of the named individual.

(ii) The abstract provided to the insurance company must:

(A) Not contain any information related to actions committed by law enforcement officers or firefighters, as both terms are defined in RCW 41.26.030, or by Washington state patrol officers, while driving official vehicles in the performance of their occupational duty, or by registered tow truck operators as defined in RCW 46.55.010 in the performance of their occupational duties while at the scene of a roadside impound or recovery so long as they are not issued a citation. This does not apply to any situation where the vehicle was used in the commission of a misdemeanor or felony;

(B) Include convictions under RCW 46.61.5249 and 46.61.525, except that the abstract must report the convictions only as negligent driving without reference to whether they are for first or second degree negligent driving; and

(C) Exclude any deferred prosecution under RCW 10.05.060, except that if a person is removed from a deferred prosecution under RCW 10.05.090, the abstract must show the deferred prosecution as well as the removal.

(iii) Any policy of insurance may not be canceled, nonrenewed, denied, or have the rate increased on the basis of information regarding an accident included in the abstract of a driving record, unless the policyholder was determined to be at fault.

(iv) Any insurance company or its agent, for underwriting purposes relating to the operation of commercial motor vehicles, may not use any information contained in the abstract relative to any person's operation of motor vehicles while not engaged in such employment. Any insurance company or its agent, for underwriting purposes relating to the operation of noncommercial motor vehicles, may not use any information contained in the abstract relative to any person's operation of commercial motor vehicles.

(v) The director may enter into a contractual agreement with an insurance company or its agent for the limited purpose of reviewing the driving records of existing policyholders for changes to the record during specified periods of time. The department shall establish a fee for this service, which must be deposited in the highway safety fund. The fee for this service must be set at a level that will not result in a net revenue loss to the state. Any information provided under this subsection must be treated in the same manner and is subject to the same restrictions as driving record abstracts.

(f) **Alcohol/drug assessment or treatment agencies.** An abstract of the driving record maintained by the department covering the period of not more than the last five years may be furnished to an alcohol/drug assessment or treatment agency approved by the department of social and health services to which the named individual has applied or been assigned for evaluation or treatment, for purposes of assisting employees in making a determination as to what level of treatment, if any, is appropriate, except that the abstract must:

(i) Also include records of alcohol-related offenses, as defined in RCW 46.01.260(2), covering a period of not more than the last ten years; and

(ii) Indicate whether an alcohol-related offense was originally charged as a violation of either RCW 46.61.502 or 46.61.504.

(g) **Attorneys—City attorneys, county prosecuting attorneys, and named individual's attorney of record.** An abstract of the full driving record maintained by the department, including whether a recorded violation is an alcohol-related offense, as defined in RCW 46.01.260(2), that was originally charged as a violation of either RCW 46.61.502 or 46.61.504, may be furnished to city attorneys, county prosecuting attorneys, or the named individual's attorney of record. City attorneys, county prosecuting attorneys, or the named individual's attorney of record may provide the driving record to alcohol/drug assessment or treatment agencies approved by the department of social and health services to which the named individual has applied or been assigned for evaluation or treatment.

(h) **State colleges, universities, or agencies, or units of local government.** An abstract of the full driving record maintained by the department may be furnished to (i) state colleges, universities, or agencies for employment and risk management purposes or (ii) units of local government authorized to self-insure under RCW 48.62.031 for employment and risk management purposes.

(i) **Superintendent of public instruction.** An abstract of the full driving record maintained by the department may be furnished to the superintendent of public instruction for review of public school bus driver records. The superintendent or superintendent's designee may discuss information on the driving record with an authorized representative of the employing school district for employment and risk management purposes.

(3) **Release to third parties prohibited.** Any person or entity receiving an abstract of a person's driving record under subsection (2)(b) through (i) of this section shall use the abstract exclusively for his, her, or its own purposes or as otherwise expressly permitted under this section, and shall not divulge any information contained in the abstract to a third party.

(4) **Fee.** The director shall collect a thirteen dollar fee for each abstract of a person's driving record furnished by the department. Fifty percent of the fee must be deposited in the highway safety fund, and fifty percent of the fee must be deposited according to RCW 46.68.038.

(5) **Violation.** (a) Any negligent violation of this section is a gross misdemeanor.

(b) Any intentional violation of this section is a class C felony.

(6) Effective July 1, 2019, the contents of a driving abstract pursuant to this section shall not include any information related to sealed juvenile records unless that information is required by federal law or regulation.

Passed by the Senate March 3, 2017.

Passed by the House April 5, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 44

[Substitute Senate Bill 5374]

STATE EMPLOYEE WHISTLEBLOWER PROTECTION--AVAILABILITY

AN ACT Relating to state employee whistleblower protection; and amending RCW 42.40.010 and 42.40.020.

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

Sec. 1. RCW 42.40.010 and 1995 c 403 s 508 are each amended to read as follows:

It is the policy of the legislature that employees should be encouraged to disclose, to the extent not expressly prohibited by law, improper governmental actions, and it is the intent of the legislature to protect the rights of state employees making these disclosures, regardless of whether an investigation is initiated under RCW 42.40.040. It is also the policy of the legislature that employees should be encouraged to identify rules warranting review or provide information to the rules review committee, and it is the intent of the legislature to protect the rights of these employees.

Sec. 2. RCW 42.40.020 and 2008 c 266 s 2 are each amended to read as follows:

As used in this chapter, the terms defined in this section shall have the meanings indicated unless the context clearly requires otherwise.

(1) "Auditor" means the office of the state auditor.

(2) "Employee" means any individual employed or holding office in any department or agency of state government.

(3) "Good faith" means the individual providing the information or report of improper governmental activity has a reasonable basis in fact for reporting or providing the information. An individual who knowingly provides or reports, or who reasonably ought to know he or she is providing or reporting, malicious, false, or frivolous information, or information that is provided with reckless disregard for the truth, or who knowingly omits relevant information is not acting in good faith.

(4) "Gross mismanagement" means the exercise of management responsibilities in a manner grossly deviating from the standard of care or competence that a reasonable person would observe in the same situation.

(5) "Gross waste of funds" means to spend or use funds or to allow funds to be used without valuable result in a manner grossly deviating from the standard of care or competence that a reasonable person would observe in the same situation.

(6)(a) "Improper governmental action" means any action by an employee undertaken in the performance of the employee's official duties:

(i) Which is a gross waste of public funds or resources as defined in this section;

(ii) Which is in violation of federal or state law or rule, if the violation is not merely technical or of a minimum nature;

(iii) Which is of substantial and specific danger to the public health or safety;

(iv) Which is gross mismanagement; ((~~or~~))

(v) Which prevents the dissemination of scientific opinion or alters technical findings without scientifically valid justification, unless state law or a common law privilege prohibits disclosure. This provision is not meant to preclude the discretion of agency management to adopt a particular scientific opinion or technical finding from among differing opinions or technical findings to the exclusion of other scientific opinions or technical findings. Nothing in this subsection prevents or impairs a state agency's or public official's ability to manage its public resources or its employees in the performance of their official job duties. This subsection does not apply to de minimis, technical disagreements that are not relevant for otherwise improper governmental activity. Nothing in this provision requires the auditor to contract or consult with external experts regarding the scientific validity, invalidity, or justification of a finding or opinion; or

(vi) Which violates the administrative procedure act or analogous provisions of law that prohibit ex parte communication regarding cases or matters pending in which an agency is party between the agency's employee and a presiding officer, hearing officer, or an administrative law judge. The availability of other avenues for addressing ex parte communication by agency employees does not bar an investigation by the auditor.

(b) "Improper governmental action" does not include personnel actions, for which other remedies exist, including but not limited to employee grievances, complaints, appointments, promotions, transfers, assignments, reassignments, reinstatements, restorations, reemployments, performance evaluations, reductions in pay, dismissals, suspensions, demotions, violations of the state civil service law, alleged labor agreement violations, reprimands, claims of discriminatory treatment, or any action which may be taken under chapter 41.06 RCW, or other disciplinary action except as provided in RCW 42.40.030.

(7) "Public official" means the attorney general's designee or designees; the director, or equivalent thereof in the agency where the employee works; an appropriate number of individuals designated to receive whistleblower reports by the head of each agency; or the executive ethics board.

(8) "Substantial and specific danger" means a risk of serious injury, illness, peril, or loss, to which the exposure of the public is a gross deviation from the standard of care or competence which a reasonable person would observe in the same situation.

(9) "Use of official authority or influence" includes threatening, taking, directing others to take, recommending, processing, or approving any personnel action such as an appointment, promotion, transfer, assignment including but not limited to duties and office location, reassignment, reinstatement, restoration, reemployment, performance evaluation, determining any material changes in pay, provision of training or benefits, tolerance of a hostile work environment, or any adverse action under chapter 41.06 RCW, or other disciplinary action.

(10)(a) "Whistleblower" means:

(i) An employee who in good faith reports alleged improper governmental action to the auditor or other public official, as defined in subsection (7) of this section((~~, initiating an investigation by the auditor under RCW 42.40.040~~)); or

(ii) An employee who is perceived by the employer as reporting, whether they did or not, alleged improper governmental action to the auditor or other public official, as defined in subsection (7) of this section((~~, initiating an investigation by the auditor under RCW 42.40.040~~)).

(b) For purposes of the provisions of this chapter and chapter 49.60 RCW relating to reprisals and retaliatory action, the term "whistleblower" also means:

(i) An employee who in good faith provides information to the auditor or other public official, as defined in subsection (7) of this section, ((~~in connection with an investigation under RCW 42.40.040~~)) and an employee who is believed to have reported asserted improper governmental action to the auditor or other public official, as defined in subsection (7) of this section, or to have provided information to the auditor or other public official, as defined in subsection (7) of this section, ((~~in connection with an investigation under RCW 42.40.040~~)) but who, in fact, has not reported such action or provided such information; or

(ii) An employee who in good faith identifies rules warranting review or provides information to the rules review committee, and an employee who is believed to have identified rules warranting review or provided information to the rules review committee but who, in fact, has not done so.

Passed by the Senate February 23, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 45

[Senate Bill 5413]

PHYSICIAN LIMITED LICENSES--ELIGIBILITY FOR FULL LICENSURE--NOMINATION--RENEWAL

AN ACT Relating to physician limited licenses; and amending RCW 18.71.095.

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

Sec. 1. RCW 18.71.095 and 2001 c 114 s 1 are each amended to read as follows:

The commission may, without examination, issue a limited license to persons who possess the qualifications set forth herein:

(1) The commission may, upon the written request of the secretary of the department of social and health services or the secretary of corrections, issue a limited license to practice medicine in this state to persons who have been accepted for employment by the department of social and health services or the department of corrections as physicians; who are licensed to practice medicine in another state of the United States or in the country of Canada or any province or territory thereof; and who meet all of the qualifications for licensure set forth in RCW 18.71.050.

Such license shall permit the holder thereof to practice medicine only in connection with patients, residents, or inmates of the state institutions under the control and supervision of the secretary of the department of social and health services or the department of corrections.

(2) The commission may issue a limited license to practice medicine in this state to persons who have been accepted for employment by a county or city

health department as physicians; who are licensed to practice medicine in another state of the United States or in the country of Canada or any province or territory thereof; and who meet all of the qualifications for licensure set forth in RCW 18.71.050.

Such license shall permit the holder thereof to practice medicine only in connection with his or her duties in employment with the city or county health department.

(3) Upon receipt of a completed application showing that the applicant meets all of the requirements for licensure set forth in RCW 18.71.050 except for completion of two years of postgraduate medical training, and that the applicant has been appointed as a resident physician in a program of postgraduate clinical training in this state approved by the commission, the commission may issue a limited license to a resident physician. Such license shall permit the resident physician to practice medicine only in connection with his or her duties as a resident physician and shall not authorize the physician to engage in any other form of practice. Each resident physician shall practice medicine only under the supervision and control of a physician licensed in this state, but such supervision and control shall not be construed to necessarily require the personal presence of the supervising physician at the place where services are rendered.

(4)(a) Upon nomination by the dean of ((~~the~~)) an accredited school of medicine ((~~at the University~~)) in the state of Washington or the chief executive officer of a hospital or other appropriate health care facility licensed in the state of Washington, the commission may issue a limited license to a physician applicant invited to serve as a teaching-research member of the institution's instructional staff if the sponsoring institution and the applicant give evidence that he or she has graduated from a recognized medical school and has been licensed or otherwise privileged to practice medicine at his or her location of origin. Such license shall permit the recipient to practice medicine only within the confines of the instructional program specified in the application and shall terminate whenever the holder ceases to be involved in that program, or at the end of one year, whichever is earlier. Upon request of the applicant and the institutional authority, the license may be renewed. The holder of a teaching research license under this subsection (4)(a) is eligible for full licensure if the following conditions are met:

(i) If the applicant has not graduated from a school of medicine located in any state, territory, or possession of the United States, the District of Columbia, or the Dominion of Canada, the applicant must satisfactorily pass the certification process by the educational commission for foreign medical graduates;

(ii) The applicant has successfully completed the exam requirements set forth by the commission by rule;

(iii) The applicant has the ability to read, write, speak, understand, and be understood in the English language at a level acceptable for performing competent medical care in all practice settings;

(iv) The applicant has continuously held a position of associate professor or higher at an accredited Washington state medical school for no less than three years; and

(v) The applicant has had no disciplinary action taken in the previous five years.

(b) Upon nomination by the dean of ((~~the~~)) an accredited school of medicine ((~~of the University~~)) in the state of Washington or the chief executive officer of any hospital or appropriate health care facility licensed in the state of Washington, the commission may issue a limited license to an applicant selected by the sponsoring institution to be enrolled in one of its designated departmental or divisional fellowship programs provided that the applicant shall have graduated from a recognized medical school and has been granted a license or other appropriate certificate to practice medicine in the location of the applicant's origin. Such license shall permit the holder only to practice medicine within the confines of the fellowship program to which he or she has been appointed and, upon the request of the applicant and the sponsoring institution, the license may be renewed by the commission ((~~for no more than a total of two years~~)).

All persons licensed under this section shall be subject to the jurisdiction of the commission to the same extent as other members of the medical profession, in accordance with this chapter and chapter 18.130 RCW.

Persons applying for licensure and renewing licenses pursuant to this section shall comply with administrative procedures, administrative requirements, and fees determined as provided in RCW 43.70.250 and 43.70.280. Any person who obtains a limited license pursuant to this section may apply for licensure under this chapter, but shall submit a new application form and comply with all other licensing requirements of this chapter.

Passed by the Senate March 2, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 46

[Substitute House Bill 1420]

THEATRICAL WRESTLING

AN ACT Relating to theatrical wrestling; amending RCW 67.08.100 and 67.08.160; reenacting and amending RCW 67.08.002; adding a new section to chapter 67.08 RCW; and creating a new section.

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

Sec. 1. RCW 67.08.002 and 2012 c 99 s 1 are each reenacted and amended to read as follows:

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

(1) "Amateur" means a person who has never received nor competed for any purse or other article of value, either for expenses of training or for participating in an event, other than a prize of fifty dollars in value or less.

(2) "Amateur event" means an event in which all the participants are "amateurs" and which is registered and sanctioned by:

(a) United States Amateur Boxing, Inc.;

(b) Washington Interscholastic Activities Association;

(c) National Collegiate Athletic Association;

(d) Amateur Athletic Union;

(e) Golden Gloves of America;

(f) Any similar organization nationally recognized by the United States Olympic Committee;

(g) United Full Contact Federation and any similar amateur sanctioning organization, recognized and licensed by the department as exclusively or primarily dedicated to advancing the sport of amateur mixed martial arts, as those sports are defined in this section and where the promoter, officials, and participants are licensed under this chapter; or

(h) Local affiliate of any organization identified in (a) through (f) of this subsection.

(3) "Boxing" means the sport of attack and defense which uses the contestants fists and where the contestants compete with the intent not to injure or disable an opponent, but to win by decision, knockout, or technical knockout, but does not include professional wrestling.

(4) "Chiropractor" means a person licensed under chapter 18.25 RCW as a doctor of chiropractic or under the laws of any jurisdiction in which that person resides.

(5) "Combative fighting," also known as "toughman fighting," "toughwoman fighting," "badman fighting," and "so you think you're tough," means a contest, exhibition, or match between contestants who use their fists, with or without gloves, or their feet, or both, and which allows contestants that are not trained in the sport to compete and the object is to defeat an opponent or to win by decision, knockout, or technical knockout.

(6) "Department" means the department of licensing.

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

(8) "Elimination tournament" means any contest in which contestants compete in a series of matches until not more than one contestant remains in any weight category. The term does not include any event that complies with the provisions of RCW 67.08.015(2).

(9) "Event" includes, but is not limited to, a professional boxing, wrestling, or martial arts or an amateur mixed martial arts contest, sparring, fisticuffs, match, show, or exhibition.

(10) "Event chiropractor" means the chiropractor licensed under RCW 67.08.100 and who is operating in a supporting role to the event physician who is responsible for the activities described in RCW 67.08.090.

(11) "Event physician" means the physician licensed under RCW 67.08.100 and who is responsible for the activities described in RCW 67.08.090.

(12) "Face value" means the dollar value of a ticket or order, which value must reflect the dollar amount that the customer is required to pay or, for a complimentary ticket, would have been required to pay to purchase a ticket with equivalent seating priority, in order to view the event.

(13) "Gross receipts" means the amount received from the face value of all tickets sold and complimentary tickets redeemed.

(14) "Kickboxing" means a type of boxing in which blows are delivered with the fist and any part of the leg below the hip, including the foot and where

the contestants compete with the intent not to injure or disable an opponent, but to win by decision, knockout, or technical knockout.

(15) "Martial arts" means a type of boxing including sumo, judo, karate, kung fu, tae kwon do, pankration, muay thai, or other forms of full-contact martial arts or self-defense conducted on a full-contact basis where weapons are not used and the participants utilize kicks, punches, blows, or other techniques with the intent not to injure or disable an opponent, but to defeat an opponent or win by decision, knockout, technical knockout, or submission.

(16) "Mixed martial arts" means a combative sporting contest, the rules of which allow two mixed martial arts competitors to attempt to achieve dominance over one another by utilizing a variety of techniques including, but not limited to, striking, grappling, and the application of submission holds. "Mixed martial arts" is a type of martial arts that does not include martial arts such as tae kwon do, karate, judo, sumo, jujitsu, and kung fu.

(17) "No holds barred fighting," also known as "frontier fighting" and "extreme fighting," means a contest, exhibition, or match between contestants where any part of the contestant's body may be used as a weapon or any means of fighting may be used with the specific purpose to intentionally injure the other contestant in such a manner that they may not defend themselves and a winner is declared. Rules may or may not be used.

(18) "Physician" means a person licensed under chapter 18.57, 18.36A, or 18.71 RCW as a physician or a person holding an osteopathic or allopathic physician license under the laws of any jurisdiction in which the person resides.

(19) "Professional" means a person who has received or competed for any purse or other articles of value greater than fifty dollars, either for the expenses of training or for participating in an event.

(20) "Promoter" means a person, and includes any officer, director, employee, or stockholder of a corporate promoter, who produces, arranges, stages, holds, or gives an event in this state involving a professional boxing, martial arts, or wrestling event or amateur mixed martial arts event, or shows or causes to be shown in this state a closed circuit telecast of a match involving professional or amateur mixed martial arts participants whether or not the telecast originates in this state.

(21) "Theatrical wrestling" means the performance of sports entertainment in which:

(a) Two or more participants work together in a performance of mock combat in a ring for the purpose of entertainment; and

(b)(i) The outcome is predetermined; and/or

(ii) The participants do not necessarily strive to win.

(22) "Theatrical wrestling school" means a facility that offers training in theatrical wrestling.

(23) "Training facility" means a facility that:

(a) Offers training in one or more of the mixed martial arts; and

(b) Holds exhibitions in which all the participants are amateurs and where an admission fee is charged.

(((~~(22)~~))) (24) "Wrestling exhibition," ((~~or~~)) "wrestling show," ((~~means a form of sports entertainment in which the participants display their skills in a physical struggle against each other in the ring and either the outcome may be predetermined or the participants do not necessarily strive to win, or both~~)) or

"wrestling event" means a demonstration of theatrical wrestling presented to the public.

NEW SECTION. **Sec. 2.** A new section is added to chapter 67.08 RCW to read as follows:

(1) A theatrical wrestling school may hold wrestling shows at the school facility for training purposes and may charge an admission fee without a promoter license.

(2) A theatrical wrestling school may hold a limited number of wrestling shows for training purposes off the school premises and may charge a fee without a promoter license.

(3) Any wrestling show presented by a theatrical wrestling school must feature at least eighty percent amateur participants and must have an ambulance or paramedical unit or an emergency medical technician licensed under RCW 18.73.081 at the event location.

(4) The department must promulgate rules to implement this section.

Sec. 3. RCW 67.08.100 and 2012 c 99 s 6 are each amended to read as follows:

(1) The department upon receipt of a properly completed application and payment of a nonrefundable fee, may grant an annual license to an applicant for the following: (a) Promoter; (b) manager; (c) boxer; (d) second; (e) wrestling participant; (f) inspector; (g) judge; (h) timekeeper; (i) announcer; (j) event physician; (k) event chiropractor; (l) referee; (m) matchmaker; (n) kickboxer; (o) martial arts participant; (p) training facility; ((~~and~~)) (q) amateur sanctioning organization; and (r) theatrical wrestling school.

(2) The application for the following types of licenses ((~~shall~~)) includes a physical performed by a physician, as defined in RCW 67.08.002, which was performed by the physician with a time period preceding the application as specified by rule: (a) Boxer; (b) wrestling participant; (c) kickboxer; (d) martial arts participant; and (e) referee.

(3) An applicant for the following types of licenses for the sports of boxing, kickboxing, and martial arts ((~~shall~~)) must provide annual proof of certification as having adequate experience, skill, and training from an organization approved by the department, including, but not limited to, the association of boxing commissions, the international boxing federation, the international boxing organization, the Washington state association of professional ring officials, the world boxing association, the world boxing council, or the world boxing organization for boxing officials, and the united full contact federation for kickboxing and martial arts officials: (a) Judge; (b) referee; (c) inspector; (d) timekeeper; or (e) other officials deemed necessary by the department.

(4) No person ((~~shall~~)) may participate or serve in any of the above capacities unless licensed as provided in this chapter.

(5) The referees, judges, timekeepers, event physicians, chiropractors, and inspectors for any boxing, kickboxing, or martial arts event ((~~shall~~)) must be designated by the department from among licensed officials.

(6) The referee for any wrestling event ((~~shall~~)) must be provided by the promoter and ((~~shall~~)) must be licensed as a wrestling participant.

(7) The department ((~~shall~~)) must immediately suspend the license or certificate of a person who has been certified pursuant to RCW 74.20A.320 by

the department of social and health services as a person who is not in compliance with a support order. If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license or certificate ((~~shall be~~)) is automatic upon the department's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order.

(8) The director ((~~shall~~)) must suspend the license of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license may not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure during the suspension, reinstatement is automatic upon receipt of the notice and payment of any reinstatement fee the director may impose.

(9) A person may not be issued a license if the person has an unpaid fine outstanding to the department.

(10) A person may not be issued a license unless they are at least eighteen years of age.

(11)(a) This section ((~~shall~~)) does not apply to:

(i) Contestants or participants in events at which only amateurs are engaged in contests ((~~and/or~~));

(ii) Wrestling participants engaged in training or a wrestling show at a theatrical wrestling school; and

(iii) Fraternal organizations and/or veterans' organizations chartered by congress or the defense department, excluding any recognized amateur sanctioning body recognized by the department.

(b) Upon request of the department, a promoter, contestant, or participant ((~~shall~~)) must provide sufficient information to reasonably determine whether this chapter applies.

Sec. 4. RCW 67.08.160 and 1999 c 282 s 10 are each amended to read as follows:

(1) A promoter ((~~shall~~)) must have an ambulance or paramedical unit present at the event location.

NEW SECTION. **Sec. 5.** (1) The legislature finds that theatrical wrestling, like circus arts, is an art form that promotes the economic and cultural vitality of the state of Washington. Theatrical wrestling has a long history in Washington, and while large-scale professional wrestling companies have dominated the field in recent years, independent theatrical wrestling again has the potential to thrive in this state. Legislation and rule making should reflect the economic and cultural potential of theatrical wrestling.

(2) The legislature further finds that theatrical wrestling can be safe for both participants and spectators. Safety requirements aimed at more dangerous and daring forms of sport and entertainment are unduly burdensome on theatrical

wrestling promoters. Additionally, it is important to adequately train the next generation of theatrical wrestlers to foster safety and skill in theatrical wrestling.

(3) The legislature finds that a theatrical wrestling school license will create opportunity for a new generation of luchadores, faces, and heels to create economic and cultural vitality in Washington. Finally, reducing the medical personnel requirement for wrestling shows will preserve the safety of participants and spectators while fostering the ability of independent theatrical wrestling promoters to build an audience in Washington and create new artistic opportunities for Washington residents.

(4) The legislature finds that Washington is ready to rumble.

Passed by the House March 3, 2017.
Passed by the Senate March 31, 2017.
Approved by the Governor April 17, 2017.
Filed in Office of Secretary of State April 17, 2017.

CHAPTER 47

[Substitute House Bill 1010]

DEPARTMENT OF ECOLOGY--INTERAGENCY AGREEMENTS--ANNUAL REPORT

AN ACT Relating to directing the department of ecology to submit an annual report to the legislature detailing the department's participation in interagency agreements; amending RCW 43.21A.150; and creating a new section.

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

NEW SECTION. **Sec. 1.** The legislature finds that department of ecology pursues its mission of environmental protection within a complicated framework of national, state, and local authorities and responsibilities, and that the department of ecology's roles within this framework are not always readily intelligible to the public. Furthermore, the legislature finds that promoting the transparency of department of ecology activities will bolster the understanding and trust in the agency held by legislators and the Washingtonians they represent. Therefore, it is the intent of the legislature to require the department of ecology to maintain a list of the department's participation in interagency agreements on its web site for the purposes of improving public understanding of the extent and implications of those agreements.

Sec. 2. RCW 43.21A.150 and 1970 ex.s. c 62 s 15 are each amended to read as follows:

(1) The director, whenever it is lawful and feasible to do so, shall consult and cooperate with the federal government, as well as with other states and Canadian provinces, in the study and control of environmental problems. On behalf of the department, the director is authorized to accept, receive, disburse, and administer grants or other funds or gifts from any source, including private individuals or agencies, the federal government, and other public agencies, for the purpose of carrying out the provisions of this chapter.

(2)(a) Beginning December 31, 2017, the director must list on the department's web site information regarding the current interagency agreements to which the department is a party or in which the department is a participant.

(b) The list must identify each agreement, the type of agreement, parties to the agreement, the effective date of the agreement, and a brief description of the

agreement. The list must include all interagency agreements involving the department and other state agencies, local governments, special purpose districts, the federal government and federal government agencies, and the agencies of other states.

(c) For the initial list, the department must by December 31, 2017, list all grant agreements and federal agreements where information is readily extractable from the department's data systems. For those data systems that, because of their age, require programming support to extract and format data for publishing to the internet, the department must complete listing the required information according to the following schedule:

(i) By June 30, 2018, all contract, loan, and grant agreements;

(ii) By December 31, 2018, all agreements pertaining to funds receivable for work performed by the department, leases, and nonfinancial interagency agreements.

(d) Beginning December 1, 2018, the department must annually update the web site to include new interagency agreements that the department has entered into and must identify the agreements that have been updated within the past year.

(e) For the purposes of this section, the term "interagency agreement" includes but is not limited to memoranda of understanding, grant contracts, and advisory or nonbinding agreements.

(f) For purposes of this section, the information posted on the department's web site is considered to function as a report to the legislature because the report acts as a mechanism of keeping the legislature apprised of the department's interagency agreements.

Passed by the House February 28, 2017.
Passed by the Senate April 4, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 48

[House Bill 1018]

AIRPORT AID GRANT PROGRAM--MAXIMUM AMOUNT

AN ACT Relating to modifying the maximum amount for grants provided to airports and air navigation facilities; amending RCW 47.68.090; and creating a new section.

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

NEW SECTION. **Sec. 1.** The legislature finds that the Washington state department of transportation airport investment study identified total statewide airport preservation and capital needs and included a list of recommended changes. One of the recommendations is to increase the maximum amount authorized by the airport aid program per grant to airports. This change can help smaller airports use the state grant to match federal funding.

Sec. 2. RCW 47.68.090 and 2011 c 51 s 1 are each amended to read as follows:

(1) The department of transportation may make available its engineering and other technical services, with or without charge, to any municipality or

person desiring them in connection with the planning, acquisition, construction, improvement, maintenance, or operation of airports or air navigation facilities.

(2)(a) The department may render financial assistance by grant or loan, or both, to the following entities out of appropriations made by the legislature for the following purposes:

(i) Any municipality or municipalities acting jointly in the planning, acquisition, construction, improvement, maintenance, or operation of an airport owned or controlled, or to be owned or controlled by such municipality or municipalities;

(ii) Any Indian tribe recognized as such by the federal government or such tribes acting jointly in the planning, acquisition, construction, improvement, maintenance, or operation of an airport, owned or controlled, or to be owned or controlled by such tribe or tribes, and to be held available for the general use of the public; or

(iii) Any person or persons acting jointly in the planning, acquisition, construction, improvement, maintenance, or operation of an airport, owned or controlled, or to be owned or controlled by such person or persons, and to be held available for the general use of the public.

(b) Such financial assistance may be furnished in connection with federal or other financial aid for the same purposes: PROVIDED, That no grant or loan, or both, shall be in excess of ((~~two~~)) seven hundred fifty thousand dollars((~~, or five hundred thousand dollars during the 2009-2011 fiscal biennium,~~)) for any one project: PROVIDED FURTHER, That no grant or loan, or both, shall be granted unless the municipality or municipalities acting jointly, the tribe or tribes acting jointly, or the person or persons acting jointly shall from their own funds match any funds made available by the department upon such ratio as the department may prescribe.

(c) The department must establish, by rule, criteria for administering financial assistance to any entity.

(3) The department is authorized to act as agent of any municipality or municipalities acting jointly, any tribe or tribes acting jointly, or any person or persons acting jointly upon the request of such municipality or municipalities, tribe or tribes, or person or persons in accepting, receiving, receipting for, and disbursing federal moneys, and other moneys public or private, made available to finance, in whole or in part, the planning, acquisition, construction, improvement, maintenance, or operation of an airport or air navigation facility; and if requested by such municipality or municipalities, tribe or tribes, or person or persons, may act as its or their agent in contracting for and supervising such planning, acquisition, construction, improvement, maintenance, or operation; and all municipalities, tribes, and persons are authorized to designate the department as their agent for the foregoing purposes. The department, as principal on behalf of the state, and any municipality on its own behalf, may enter into any contracts, with each other or with the United States or with any person, which may be required in connection with a grant or loan of federal moneys for airport or air navigation facility purposes. All federal moneys accepted under this section shall be accepted and transferred or expended by the department upon such terms and conditions as are prescribed by the United States. All moneys received by the department pursuant to this section shall be deposited in the state treasury, and, unless otherwise prescribed by the authority

from which such moneys were received, shall be kept in separate funds designated according to the purposes for which the moneys were made available, and held by the state in trust for such purposes. All such moneys are hereby appropriated for the purposes for which the same were made available, to be disbursed or expended in accordance with the terms and conditions upon which they were made available: PROVIDED, That any landing fee or charge imposed by any Indian tribe or tribes for the privilege of use of an airport facility planned, acquired, constructed, improved, maintained, or operated with financial assistance from the department pursuant to this section must apply equally to tribal and nontribal members: PROVIDED FURTHER, That in the event any municipality or municipalities, Indian tribe or tribes, or person or persons, or any distributor of aircraft fuel as defined by RCW ((~~82.42.020~~)) 82.42.010 which operates in any airport facility which has received financial assistance pursuant to this section, fails to collect the aircraft fuel excise tax as specified in chapter 82.42 RCW, all funds or value of technical assistance given or paid to such municipality or municipalities, Indian tribe or tribes, or person or persons under the provisions of this section shall revert to the department, and shall be due and payable to the department immediately.

Passed by the House February 1, 2017.
Passed by the Senate April 7, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 49

[Substitute House Bill 1027]

SURPLUS LINE INSURANCE BROKERS--LICENSING REQUIREMENTS

AN ACT Relating to surplus line broker licensing; amending RCW 48.15.070 and 48.15.073; and providing an effective date.

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

Sec. 1. RCW 48.15.070 and 2010 c 18 s 1 are each amended to read as follows:

Any individual while a resident of this state, or any firm, corporation, or other business entity that has in its employ a qualified individual who is a resident of this state and who is authorized to exercise the powers of the firm or corporation, deemed by the commissioner to be competent and trustworthy, and while maintaining an office at a designated location in this state, may be licensed as a surplus line broker in accordance with this section.

(1) An applicant and a licensee for a resident surplus line broker license must have and maintain a license from the commissioner as a resident insurance producer with property and casualty lines of authority.

(2) Each applicant for a resident surplus line broker's license must pass the required examination and pay the required fee when applying for a license.

(3) If a nonresident that is licensed as a resident surplus line broker in another state moves to this state and wishes to become licensed as a resident surplus line broker in this state, then the examination requirement is waived if the application is received by the commissioner within ninety days of the cancellation of the surplus line broker's resident license in the other state.

(4) Application to the commissioner for the license must be made on forms furnished by the commissioner. As part of, or in connection with, this application, the applicant must furnish information concerning his or her identity, including fingerprints for submission to the Washington state patrol, the federal bureau of investigation, and any governmental agency or entity authorized to receive this information for a state and national criminal history background check; personal history; experience; business records; purposes; and other pertinent information, as the commissioner may reasonably require. If in the process of verifying fingerprints, business records, or other information, the commissioner's office incurs fees or charges from another governmental agency or from a business firm, the amount of the fees or charges must be paid to the commissioner's office by the applicant.

(((~~(2)~~))) (5) Every resident surplus line broker licensed under this chapter must maintain a bond in favor of the state of Washington in the penal sum of twenty thousand dollars, with authorized corporate sureties approved by the commissioner, conditioned that the licensee will conduct business under the license in accordance with the provisions of this chapter and that the licensee will promptly remit the taxes provided by RCW 48.15.120. The licensee must maintain such bond in force for as long as the license remains in effect.

(((~~(3)~~))) (6) Every resident surplus line broker licensed under this chapter must maintain in force while so licensed a bond in favor of the people of the state of Washington or a named insured such that the people of the state are covered by the bond, executed by an authorized corporate surety approved by the commissioner, in the amount of two thousand five hundred dollars, or five percent of the premiums from placement of coverage with surplus line insurers in the previous calendar year, whichever is greater, but not to exceed one hundred thousand dollars total aggregate liability. The bond may be continuous in form, and total aggregate liability on the bond may be limited to the required amount of the bond. The bond must be contingent on the accounting by the resident surplus line broker to any person requesting the broker to obtain insurance, for moneys or premiums collected in connection therewith. A bond issued in accordance with RCW 48.17.250 or with this subsection will satisfy the requirements of both RCW 48.17.250 and this subsection if the limit of liability is not less than the greater of the requirement of RCW 48.17.250 or the requirement of this subsection.

(((~~(4)~~))) (7) Authorized surplus line brokers of a business entity may meet the requirements of subsection (((~~(3)~~))) (6) of this section with a bond in the name of the business entity, continuous in form, and in the amount set forth in subsection (((~~(3)~~))) (6) of this section.

(((~~(5)~~))) (8) Surplus line brokers may meet the requirements of this section with a bond in the name of an association. The association must have been in existence for five years, have common membership, and have been formed for a purpose other than obtaining a bond. An individual surplus line broker remains responsible for assuring that a bond is in effect and is for the correct amount.

(((~~(6)~~))) (9) Members of an association may meet the requirements of subsection (((~~(3)~~))) (6) of this section with a bond in the name of the association that is continuous in form and in the amounts set forth in subsection (((~~(3)~~))) (6) of this section for each participating member.

((~~(7)~~)) (10) The surety may cancel the bond and be released from further liability thereunder upon thirty days' written notice in advance to the principal. The cancellation does not affect any liability incurred or accrued under the bond before the termination of the thirty-day period.

((~~(8)~~)) (11) Failure to have and maintain the bonds required under subsections ((~~(2)~~)) (5) and ((~~(3)~~)) (6) of this section is grounds for revocation of a license under RCW 48.15.140.

((~~(9)~~)) (12) If a party injured under the terms of the bond required under subsection ((~~(3)~~)) (6) of this section requests the surplus line broker to provide the name of the surety and the bond number, the surplus line broker must provide the information within three working days after receiving the request.

((~~(10)~~)) (13) All records relating to the bonds required by this section must be kept available and open to the inspection of the commissioner at any business time.

((~~(11)~~)) (14) A surplus line broker's license expires if not timely renewed. Surplus line broker licenses are valid for the time period established by the commissioner unless suspended or revoked at an earlier date.

((~~(12)~~)) (15) Subject to the right of the commissioner to suspend, revoke, or refuse to renew any surplus line broker's license as provided in this title, the license may be renewed into another like period by filing with the commissioner by any means acceptable to the commissioner on or before the expiration date a request, by or on behalf of the licensee, for the renewal accompanied by payment of the renewal fee as specified in RCW 48.14.010.

((~~(13)~~)) (16) If the request and fee for renewal of a surplus line broker's license are filed with the commissioner prior to expiration of the existing license, the licensee may continue to act under the license, unless sooner revoked or suspended, until the issuance of a renewal license, or until the expiration of fifteen days after the commissioner has refused to renew the license and has mailed notification of the refusal to the licensee. If the request and fee for the license are not received by the expiration date, the authority conferred by the license ends on the expiration date.

((~~(14)~~)) (17) If the request for renewal of a surplus line broker's license and payment of the fee are not received by the commissioner prior to the expiration date, the applicant for renewal must pay to the commissioner in addition to the renewal fee, a surcharge as follows:

(a) For the first thirty days or part thereof of delinquency, the surcharge is fifty percent of the renewal fee; and

(b) For the next thirty days or part thereof of delinquency, the surcharge is one hundred percent of the renewal fee.

((~~(15)~~)) (18) If the request for renewal of a surplus line broker's license and payment of the renewal fee are not received by the commissioner after sixty days but prior to twelve months after the expiration date, the application must be for reinstatement of the license and the applicant for reinstatement must pay to the commissioner the license fee and a surcharge of two hundred percent of the license fee.

((~~(16)~~)) (19) Subsections ((~~(14)~~)) (17) and ((~~(15)~~)) (18) of this section do not exempt any person from any penalty provided by law for transacting business without a valid and subsisting license.

(((~~(17)~~))) (20) An individual surplus line broker who allows his or her license to lapse may, within twelve months after the expiration date, reinstate the same license without the necessity of passing a written examination.

(((~~(18)~~))) (21) For the purposes of this section, a "qualified individual" is a natural person who has met all the requirements that must be met by an individual surplus line broker.

(((~~(19)~~))) (22) The commissioner may require any documents reasonably necessary to verify the information contained in an application and may, from time to time, require any licensed surplus line broker to produce the information called for in an application for license.

Sec. 2. RCW 48.15.073 and 2010 c 18 s 2 are each amended to read as follows:

(1) The commissioner may license a nonresident person as a surplus line broker ((~~a person who is otherwise qualified under this code but~~)) who is not a resident of this state((~~, if by the laws of the state or province of his or her residence or domicile a similar privilege is extended to residents of this state~~)) if the person's resident state issues nonresident surplus line broker licenses to residents of this state on the same basis.

(2) A ((~~person under subsection (1) of this section must meet the same qualifications as any other person seeking to be licensed as a surplus line broker under this chapter, except for residency, and is not required to submit fingerprints with the license application for a background check~~)) nonresident that holds a surplus line broker's license, or the equivalent, in the applicant's home state, and that license is in good standing is deemed qualified and meets the minimum standards of this state for licensing as a nonresident surplus line broker. ((~~A person granted~~))

(3) Once a person has been issued a nonresident surplus line broker's license by the commissioner, the licensee must fulfill all the same responsibilities as ((~~any other~~)) a resident surplus line broker, except for bonding, and is subject to the (a) commissioner's supervision as though resident in this state and (b) rules adopted under this chapter.

(((~~(3)~~))) (4) A nonresident surplus line broker's license expires if not timely renewed. A nonresident surplus line broker's license is valid for the time period established by the commissioner unless suspended or revoked at an earlier date. The request and fee for the renewal of the license is the same as the renewal and fee requirements for a resident surplus line broker licensed under RCW 48.15.070.

(((~~(4)~~))) (5) Each licensed nonresident surplus line broker, by application for and issuance of a license, is deemed to have appointed the commissioner as the surplus line broker's attorney to receive service of legal process issued against the surplus line broker in this state upon causes of action arising within this state. Service upon the commissioner as attorney constitutes effective legal service upon the surplus line broker.

(a) The appointment of the commissioner as attorney is irrevocable, binds any successor in interest or to the assets or liabilities of the surplus line broker, and remains in effect for as long as there could be any cause of action against the surplus line broker arising out of the surplus line broker's insurance transactions in this state.

(b) Service of legal process must be accomplished and processed in the manner prescribed in RCW 48.02.200.

NEW SECTION. **Sec. 3.** This act takes effect January 1, 2018.

Passed by the House February 2, 2017.
Passed by the Senate March 31, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 50

[Substitute House Bill 1036]
TOW TRUCK OPERATORS--RECORDS--ELECTRONIC

AN ACT Relating to business practices of registered tow truck operators by authorizing electronic records creation and storage; and amending RCW 46.55.150 and 46.55.160.

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

Sec. 1. RCW 46.55.150 and 1989 c 111 s 14 are each amended to read as follows:

(1) The registered tow truck operator shall keep a transaction file on each vehicle, which shall be kept for a minimum of three years. The transaction file shall contain as a minimum those of the following items that are required at the time the vehicle is redeemed or becomes abandoned and is sold at a public auction:

((~~(1)~~)) (a) A signed impoundment authorization as required by RCW 46.55.080;

((~~(2)~~)) (b) A record of the twenty-four hour written impound notice to a law enforcement agency;

((~~(3)~~)) (c) A copy of the impoundment notification to registered and legal owners, sent within twenty-four hours of impoundment, that advises the owners of the address of the impounding firm, a twenty-four hour telephone number, and the name of the person or agency under whose authority the vehicle was impounded;

((~~(4)~~)) (d) A copy of the abandoned vehicle report that was sent to and returned by the department;

((~~(5)~~)) (e) A copy and proof of mailing of the notice of custody and sale sent by the registered tow truck operator to the owners advising them they have fifteen days to redeem the vehicle before it is sold at public auction;

((~~(6)~~)) (f) A copy of the published notice of public auction;

((~~(7)~~)) (g) A copy of the affidavit of sale showing the sales date, purchaser, amount of the lien, and sale price;

((~~(8)~~)) (h) A record of the two highest bid offers on the vehicle, with the names, addresses, and telephone numbers of the two bidders;

((~~(9)~~)) (i) A copy of the notice of opportunity for hearing given to those who redeem vehicles;

((~~(10)~~)) (j) An itemized invoice of charges against the vehicle.

((~~The transaction file shall be kept for a minimum of three years.~~))

(2)(a) The transaction file kept under subsection (1) of this section may be created and stored electronically. If the tow truck operator elects to store records electronically, the method of electronic records storage shall utilize software

developed for that business purpose. This method of storage may include the use of cloud storage or another acceptable method that makes storage, retrieval, and access to the records reliable and available during normal business hours for audit or inspection by the department of licensing, the Washington state patrol, or any law enforcement agency with jurisdiction.

(b) Any electronic record created for each tow transaction must be maintained in an electronic folder labeled with the date the towing service was performed. The electronic folders must be maintained in chronological order.

Sec. 2. RCW 46.55.160 and 1985 c 377 s 16 are each amended to read as follows:

Records, including any electronic records, equipment, and facilities of a registered tow truck operator shall be available during normal business hours for audit or inspection by the department of licensing, the Washington state patrol, or any law enforcement agency having jurisdiction.

Passed by the House February 28, 2017.
Passed by the Senate April 4, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 51

[House Bill 1071]

PAWNBROKERS--FEES AND INTEREST RATES--EXPIRATION

AN ACT Relating to repealing an expiration date for legislation enacted in 2015 regarding pawnbroker fees and interest rates; and repealing 2015 c 294 s 2 (uncodified).

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

NEW SECTION. **Sec. 1.** 2015 c 294 s 2 (uncodified) is repealed.

Passed by the House February 16, 2017.
Passed by the Senate April 7, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 52

[House Bill 1107]

HIGHER EDUCATION BRANCH CAMPUSES--RENAMING

AN ACT Relating to eliminating the term "branch" as an identifying factor for extensions of the public institutions of higher education; and amending RCW 28B.12.030, 28B.15.0139, 28B.45.010, 28B.45.012, 28B.45.014, 28B.45.020, 28B.45.0201, 28B.45.030, 28B.45.040, 28B.45.080, 28B.50.820, 34.05.514, 44.28.816, 43.41.393, 43.88D.010, and 84.14.010.

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

Sec. 1. RCW 28B.12.030 and 2012 c 229 s 519 are each amended to read as follows:

As used in this chapter, the following words and terms shall have the following meanings, unless the context shall clearly indicate another or different meaning or intent:

(1) The term "needy student" shall mean a student enrolled or accepted for enrollment at a postsecondary institution who, according to a system of need analysis approved by the office of student financial assistance, demonstrates a financial inability, either parental, familial, or personal, to bear the total cost of education for any semester or quarter.

(2) The term "eligible institution" shall mean any postsecondary institution in this state accredited by the Northwest Association of Schools and Colleges, or a ((~~branch~~)) campus of a member institution of an accrediting association recognized by rule of the student achievement council for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington, or any public technical college in the state.

Sec. 2. RCW 28B.15.0139 and 2009 c 158 s 2 are each amended to read as follows:

For the purposes of determining resident tuition rates, "resident student" includes a resident of Oregon, residing in Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington county, who meets the following conditions:

(1) The student is eligible to pay resident tuition rates under Oregon laws and has been domiciled in Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington county for at least ninety days immediately before enrollment at a community college located in Asotin, Benton, Clark, Columbia, Cowlitz, Franklin, Garfield, Klickitat, Pacific, Skamania, Wahkiakum, or Walla Walla county, Washington;

(2) The student is enrolled in courses located at the Tri-Cities or Vancouver ((~~branch~~)) campus of Washington State University for eight credits or less; or

(3) The student is currently domiciled in Washington and:

(a) Was eligible to pay resident tuition rates under Oregon laws; and

(b) Had been domiciled in Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington county for at least ninety days immediately before being domiciled in Washington.

Sec. 3. RCW 28B.45.010 and 1989 1st ex.s. c 7 s 1 are each amended to read as follows:

The legislature finds that the benefits of higher education should be more widely available to the citizens of the state of Washington. The legislature also finds that a citizen's place of residence can restrict that citizen's access to educational opportunity at the upper-division and graduate level.

Because most of the state-supported baccalaureate universities are located in areas removed from major metropolitan areas, the legislature finds that many of the state's citizens, especially those citizens residing in the central Puget Sound area, the Tri-Cities, Spokane, Vancouver, and Yakima, have insufficient and inequitable access to upper-division baccalaureate and graduate education.

This lack of sufficient educational opportunities in urban areas makes it difficult or impossible for place-bound individuals, who are unable to relocate, to complete a baccalaureate or graduate degree. It also exacerbates the difficulty

financially needy students have in attending school, since many of those students need to work, and work is not always readily available in some communities where the baccalaureate institutions of higher education are located.

The lack of sufficient educational opportunities in metropolitan areas also affects the economy of the underserved communities. Businesses benefit from access to the research and teaching capabilities of institutions of higher education. The absence of these institutions from some of the state's major urban centers prevents beneficial interaction between businesses in these communities and the state's universities.

The Washington state master plan for higher education, adopted by the higher education coordinating board, recognizes the need to expand upper-division and graduate educational opportunities in the state's large urban centers. The board has also attempted to provide a means for helping to meet future educational demand through a system of ((~~branch~~)) campuses in the state's major urban areas.

The legislature endorses the assignment of responsibility to serve these urban centers that the board has made to various institutions of higher education. The legislature also endorses the creation of ((~~branch~~)) campuses for the University of Washington and Washington State University.

The legislature recognizes that, among their other responsibilities, the state's comprehensive community colleges share with the four-year universities and colleges the responsibility of providing the first two years of a baccalaureate education. It is the intent of the legislature that the four-year institutions and the community colleges work as cooperative partners to ensure the successful and efficient operation of the state's system of higher education. The legislature further intends that the four-year institutions work cooperatively with the community colleges to ensure that ((~~branch~~)) the campuses created under this chapter are operated as models of a two plus two educational system.

Sec. 4. RCW 28B.45.012 and 2004 c 57 s 1 are each amended to read as follows:

(1) In 1989, the legislature created five ((~~branch~~)) campuses to be operated by the state's two public research universities. Located in growing urban areas, the ((~~branch~~)) campuses were charged with two missions:

(a) Increasing access to higher education by focusing on upper-division and graduate programs, targeting placebound students, and operating as models of a two plus two educational system in cooperation with the community colleges; and

(b) Promoting regional economic development by responding to demand for degrees from local businesses and supporting regional economies through research activities.

(2) Fifteen years later, the legislature finds that ((~~branch~~)) the campuses are responding to their original mission:

(a) ((~~Branch~~)) The campuses accounted for half of statewide upper-division and graduate public enrollment growth since 1990;

(b) ((~~Branch~~)) The campuses have grown steadily and enroll increasing numbers of transfer students each year;

(c) ((~~Branch~~)) The campuses enroll proportionately more older and part-time students than their main campuses and attract increasing proportions of students from nearby counties;

(d) Although the extent of their impact has not been measured, ((~~branch~~)) these campuses positively affect local economies and offer degree programs that roughly correspond with regional occupational projections; and

(e) The capital investments made by the state to support ((~~branch~~)) the campuses represent a significant benefit to regional economic development.

(3) However, the legislature also finds the policy landscape in higher education has changed since the original creation of the ((~~branch~~)) campuses. Demand for access to baccalaureate and graduate education is increasing rapidly. Economic development efforts increasingly recognize the importance of focusing on local and regional economic clusters and improving collaboration among communities, businesses, and colleges and universities. Each ((~~branch~~)) campus has evolved into a unique institution, and it is appropriate to assess the nature of this evolution to ensure the role and mission of each campus is aligned with the state's higher education goals and the needs of the region where the campus is located.

(4) Therefore, it is the legislature's intent to recognize the unique nature of Washington's higher education ((~~branch~~)) campuses created under this chapter, reaffirm the role and mission of each, and set the course for their continued future development.

(5) It is the further intent of the legislature that the campuses be identified by the following names: University of Washington Bothell, University of Washington Tacoma, Washington State University Tri-Cities, and Washington State University Vancouver.

Sec. 5. RCW 28B.45.014 and 2012 c 229 s 531 are each amended to read as follows:

(1) The primary mission of the higher education ((~~branch~~)) campuses created under this chapter remains to expand access to baccalaureate and graduate education in underserved urban areas of the state in collaboration with community and technical colleges. The top priority for each of the campuses is to expand courses and degree programs for transfer and graduate students. New degree programs should be driven by the educational needs and demands of students and the community, as well as the economic development needs of local businesses and employers.

(2) ((~~Branch~~)) The campuses created under this chapter shall collaborate with the community and technical colleges in their region to develop articulation agreements, dual admissions policies, and other partnerships to ensure that ((~~branch~~)) the campuses serve as innovative models of a two plus two educational system. Other possibilities for collaboration include but are not limited to joint development of curricula and degree programs, colocation of instruction, and arrangements to share faculty.

(3) In communities where a private postsecondary institution is located, representatives of the private institution may be invited to participate in the conversation about meeting the baccalaureate and graduate needs in underserved urban areas of the state.

(4) However, the legislature recognizes there are alternative models for achieving this primary mission. Some campuses may have additional missions in response to regional needs and demands. At selected ((~~branch~~)) campuses, an innovative combination of instruction and research targeted to support regional economic development may be appropriate to meet the region's needs for both

access and economic viability. Other campuses should focus on becoming models of a two plus two educational system through continuous improvement of partnerships and agreements with community and technical colleges. Still other campuses may be best suited to transition to a four-year university ((~~or be removed from designation as a branch campus entirely~~)).

(5) The legislature recognizes that size, mix of degree programs, and proportion of lower versus upper-division and graduate enrollments are factors that affect costs at ((~~branch~~)) the campuses. However over time, the legislature intends that ((~~branch~~)) the campuses be funded more similarly to regional universities.

(6) Research universities are authorized to develop doctoral degree programs at their ((~~branch~~)) campuses.

(7) The student achievement council shall monitor and evaluate growth of the ((~~branch~~)) campuses and periodically report and make recommendations to the higher education committees of the legislature to ensure the campuses continue to follow the priorities established under this chapter.

Sec. 6. RCW 28B.45.020 and 2013 c 23 s 54 are each amended to read as follows:

(1) The University of Washington is responsible for ensuring the expansion of baccalaureate and graduate educational programs in the central Puget Sound area under rules or guidelines adopted by the student achievement council and in accordance with proportionality agreements emphasizing access for transfer students developed with the state board for community and technical colleges. The University of Washington shall meet that responsibility through the operation of at least two ((~~branch~~)) campuses. One ((~~branch~~)) campus shall be located in the Tacoma area. Another ((~~branch~~)) campus shall be collocated with Cascadia Community College in the Bothell-Woodinville area.

(2) At the University of Washington Tacoma, a top priority is expansion of upper-division capacity for transfer students and graduate capacity and programs. Beginning in the fall of 2006, the campus may offer lower division courses linked to specific majors in fields not addressed at local community colleges. The campus shall admit lower division students through coadmission or coenrollment agreements with a community college, or through direct transfer for students who have accumulated approximately one year of transferable college credits. In addition to offering lower division courses linked to specific majors as addressed above, the campus may also directly admit first-year students and sophomores.

(3) At the University of Washington Bothell, a top priority is expansion of upper-division capacity for transfer students and graduate capacity and programs. The campus shall also seek additional opportunities to collaborate with and maximize its colocation with Cascadia Community College. Beginning in the fall of 2006, the campus may offer lower division courses linked to specific majors in fields not addressed at local community colleges. The campus may admit lower division students through coadmission or coenrollment agreements with a community college, or through direct transfer for students who have accumulated approximately one year of transferable college credits. In addition to offering lower division courses linked to specific majors as addressed above, the campus may also directly admit first-year students and sophomores.

Sec. 7. RCW 28B.45.0201 and 2011 c 118 s 2 are each amended to read as follows:

The legislature finds that population growth in north King and south Snohomish counties has created a need to expand higher education and workforce training programs for the people living and working in those areas. In keeping with the recommendations of the higher education coordinating board, the legislature intends to help address those education and training needs through the creation of Cascadia Community College, expansion of educational opportunities at Lake Washington Institute of Technology, and support of the University of Washington's ((~~branch~~)) campus at Bothell-Woodinville. It is further the intention of the legislature, in keeping with the higher education coordinating board recommendations, that the Cascadia Community College and the University of Washington ((~~branch~~)) Bothell-Woodinville campus be collocated, and that the new community college and the University of Washington's ((~~branch~~)) Bothell-Woodinville campus work in partnership to ensure that properly prepared students from community colleges and other institutions are able to transfer smoothly to the ((~~branch~~)) Bothell-Woodinville campus.

The legislature further finds that a governing board for Cascadia Community College needs to be appointed and confirmed as expeditiously as possible. The legislature intends to work cooperatively with the governor to facilitate the appointment and confirmation of trustees for the college.

Sec. 8. RCW 28B.45.030 and 2013 c 23 s 55 are each amended to read as follows:

(1) Washington State University is responsible for providing baccalaureate and graduate level higher education programs to the citizens of the Tri-Cities area, under rules or guidelines adopted by the student achievement council and in accordance with proportionality agreements emphasizing access for transfer students developed with the state board for community and technical colleges. Washington State University shall meet that responsibility through the operation of a ((~~branch~~)) campus in the Tri-Cities area. The ((~~branch~~)) Tri-Cities campus shall replace and supersede the Tri-Cities university center. All land, facilities, equipment, and personnel of the Tri-Cities university center shall be transferred from the University of Washington to Washington State University.

(2) Beginning in the fall of 2007, the Washington State University Tri-Cities ((~~branch~~)) campus may directly admit first-year students and sophomore students.

Sec. 9. RCW 28B.45.040 and 2013 c 23 s 56 are each amended to read as follows:

(1) Washington State University is responsible for providing baccalaureate and graduate level higher education programs to the citizens of the southwest Washington area, under rules or guidelines adopted by the student achievement council and in accordance with proportionality agreements emphasizing access for transfer students developed with the state board for community and technical colleges. Washington State University shall meet that responsibility through the operation of a ((~~branch~~)) campus in the southwest Washington area.

(2) Washington State University Vancouver shall expand upper-division capacity for transfer students and graduate capacity and programs and continue

to collaborate with local community colleges on coadmission and coenrollment programs. In addition, beginning in the fall of 2006, the campus may admit lower division students directly. By simultaneously admitting first-year students and sophomores, increasing transfer enrollment, coadmitting transfer students, and expanding graduate and professional programs, the campus shall develop into a four-year institution serving the southwest Washington region.

Sec. 10. RCW 28B.45.080 and 2012 c 229 s 535 are each amended to read as follows:

The state board for community and technical colleges and the student achievement council shall adopt performance measures to ensure a collaborative partnership between the community and technical colleges and the ((~~branch~~)) campuses created under this chapter. The partnership shall be one in which the community and technical colleges prepare students for transfer to the upper-division programs of the ((~~branch~~)) campuses and the ((~~branch~~)) campuses work with community and technical colleges to enable students to transfer and obtain degrees efficiently.

Sec. 11. RCW 28B.50.820 and 2012 c 229 s 538 are each amended to read as follows:

(1) One strategy to accomplish expansion of baccalaureate capacity in underserved regions of the state is to allocate state funds for student enrollment to a community and technical college and authorize the college to enter into agreements with a state university, regional university, or state college as defined in RCW 28B.10.016, to offer baccalaureate degree programs.

(2) Subject to legislative appropriation for the purpose described in this section, the college board shall select and allocate funds to three community or technical colleges for the purpose of entering into an agreement with one or more state universities, regional universities, or the state college to offer baccalaureate degree programs on the college campus.

(3) The college board shall select the community or technical college based on analysis of gaps in service delivery, capacity, and student and employer demand for programs. Before taking effect, the agreement under this section must be approved by the student achievement council.

(4) Students enrolled in programs under this section are considered students of the state university, regional university, ((~~branch campus,~~)) or state college for all purposes including tuition and reporting of state-funded enrollments.

Sec. 12. RCW 34.05.514 and 2008 c 128 s 16 are each amended to read as follows:

(1) Except as provided in subsections (2) through (4) of this section, proceedings for review under this chapter shall be instituted by paying the fee required under RCW 36.18.020 and filing a petition in the superior court, at the petitioner's option, for (a) Thurston county, (b) the county of the petitioner's residence or principal place of business, or (c) in any county where the property owned by the petitioner and affected by the contested decision is located.

(2) For proceedings involving institutions of higher education, the petition shall be filed either in the county in which the principal office of the institution involved is located or in the county of ((~~a branch~~)) an institution's campus if the action involves such ((~~branch~~)) campus.

(3) For proceedings conducted by the pollution control hearings board pursuant to chapter 43.21B RCW or as otherwise provided in RCW 90.03.210(2) involving decisions of the department of ecology on applications for changes or transfers of water rights that are the subject of a general adjudication of water rights that is being litigated actively under chapter 90.03 or 90.44 RCW, the petition must be filed with the superior court conducting the adjudication, to be consolidated by the court with the general adjudication. A party to the adjudication shall be a party to the appeal under this chapter only if the party files or is served with a petition for review to the extent required by this chapter.

(4) For proceedings involving appeals of examinations or evaluation exercises of the board of pilotage commissioners under chapter 88.16 RCW, the petition must be filed either in Thurston county or in the county in which the board maintains its principal office.

Sec. 13. RCW 44.28.816 and 2014 c 162 s 3 are each amended to read as follows:

(1) During calendar year 2018, the joint committee shall complete a systemic performance audit of the tuition-setting authority in RCW 28B.15.067 granted to the governing boards of the state universities, regional universities, and The Evergreen State College. The audit must include a separate analysis of ((~~both~~)) the authority granted in RCW 28B.15.067(((~~(3) and the authority in RCW 28B.15.067(4)~~))) (5). The purpose of the audit is to evaluate the impact of institutional tuition-setting authority on student access, affordability, and completion.

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

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

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

(c) Changes in time and credits to degree;

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

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

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

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

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

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

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

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

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

Washington and Washington State University shall be disaggregated by ((~~branch~~)) campus.

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

(6) This section expires December 31, 2018.

Sec. 14. RCW 43.41.393 and 2015 3rd sp.s. c 1 s 215 are each amended to read as follows:

The office, in conjunction with the K-20 network users, shall maintain a technical plan of the K-20 telecommunications system and ongoing system enhancements. The office shall ensure that the technical plan adheres to the goals and objectives established under RCW 43.105.054. The technical plan shall provide for:

(1) A telecommunications backbone connecting educational service districts, the main campuses of public baccalaureate institutions, all of the ((~~branch~~)) campuses of public research institutions, and the main campuses of community colleges and technical colleges.

(2)(a) Connection to the K-20 network by entities that include, but need not be limited to: School districts, public higher education off-campus and extension centers, and ((~~branch~~)) campuses of community colleges and technical colleges, as prioritized by the chief information officer; (b) distance education facilities and components for entities listed in this subsection and subsection (1) of this section; and (c) connection for independent nonprofit institutions of higher education, provided that:

(i) The office and each independent nonprofit institution of higher education to be connected agree in writing to terms and conditions of connectivity. The terms and conditions shall ensure, among other things, that the provision of K-20 services does not violate Article VIII, section 5 of the state Constitution and that the institution shall adhere to K-20 network policies; and

(ii) The office determines that inclusion of the independent nonprofit institutions of higher education will not significantly affect the network's eligibility for federal universal service fund discounts or subsidies.

(3) Subsequent phases may include, but need not be limited to, connections to public libraries, state and local governments, community resource centers, and the private sector.

Sec. 15. RCW 43.88D.010 and 2012 c 229 s 821 are each amended to read as follows:

(1) By October 1st of each even-numbered year, the office of financial management shall complete an objective analysis and scoring of all capital budget projects proposed by the public four-year institutions of higher education and submit the results of the scoring process to the legislative fiscal committees and the four-year institutions. Each project must be reviewed and scored within one of the following categories, according to the project's principal purpose. Each project may be scored in only one category. The categories are:

(a) Access-related projects to accommodate enrollment growth at ((~~main and branch~~)) all campuses, at existing or new university centers, or through distance learning. Growth projects should provide significant additional student capacity. Proposed projects must demonstrate that they are based on solid enrollment demand projections, more cost-effectively provide enrollment access

than alternatives such as university centers and distance learning, and make cost-effective use of existing and proposed new space;

(b) Projects that replace failing permanent buildings. Facilities that cannot be economically renovated are considered replacement projects. New space may be programmed for the same or a different use than the space being replaced and may include additions to improve access and enhance the relationship of program or support space;

(c) Projects that renovate facilities to restore building life and upgrade space to meet current program requirements. Renovation projects should represent a complete renovation of a total facility or an isolated wing of a facility. A reasonable renovation project should cost between sixty to eighty percent of current replacement value and restore the renovated area to at least twenty-five years of useful life. New space may be programmed for the same or a different use than the space being renovated and may include additions to improve access and enhance the relationship of program or support space;

(d) Major stand-alone campus infrastructure projects;

(e) Projects that promote economic growth and innovation through expanded research activity. The acquisition and installation of specialized equipment is authorized under this category; and

(f) Other project categories as determined by the office of financial management in consultation with the legislative fiscal committees.

(2) The office of financial management, in consultation with the legislative fiscal committees, shall establish a scoring system and process for each four-year project category that is based on the framework used in the community and technical college system of prioritization. Staff from the state board for community and technical colleges and the four-year institutions shall provide technical assistance on the development of a scoring system and process.

(3) The office of financial management shall consult with the legislative fiscal committees in the scoring of four-year institution project proposals, and may also solicit participation by independent experts.

(a) For each four-year project category, the scoring system must, at a minimum, include an evaluation of enrollment trends, reasonableness of cost, the ability of the project to enhance specific strategic master plan goals, age and condition of the facility if applicable, and impact on space utilization.

(b) Each four-year project category may include projects at the predesign, design, or construction funding phase.

(c) To the extent possible, the objective analysis and scoring system of all capital budget projects shall occur within the context of any and all performance agreements between the office of financial management and the governing board of a public, four-year institution of higher education that aligns goals, priorities, desired outcomes, flexibility, institutional mission, accountability, and levels of resources.

(4) In evaluating and scoring four-year institution projects, the office of financial management shall take into consideration project schedules that result in realistic, balanced, and predictable expenditure patterns over the ensuing three biennia.

(5) The office of financial management shall distribute common definitions, the scoring system, and other information required for the project proposal and scoring process as part of its biennial budget instructions. The office of financial

management, in consultation with the legislative fiscal committees, shall develop common definitions that four-year institutions must use in developing their project proposals and lists under this section.

(6) In developing any scoring system for capital projects proposed by the four-year institutions, the office of financial management:

(a) Shall be provided with all required information by the four-year institutions as deemed necessary by the office of financial management;

(b) May utilize independent services to verify, sample, or evaluate information provided to the office of financial management by the four-year institutions; and

(c) Shall have full access to all data maintained by the joint legislative audit and review committee concerning the condition of higher education facilities.

(7) By August 1st of each even-numbered year each public four-year higher education institution shall prepare and submit prioritized lists of the individual projects proposed by the institution for the ensuing six-year period in each category. The lists must be submitted to the office of financial management and the legislative fiscal committees. The four-year institutions may aggregate minor works project proposals by primary purpose for ranking purposes. Proposed minor works projects must be prioritized within the aggregated proposal, and supporting documentation, including project descriptions and cost estimates, must be provided to the office of financial management and the legislative fiscal committees.

Sec. 16. RCW 84.14.010 and 2014 c 96 s 3 are each amended to read as follows:

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

(1) "Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households.

(2) "Campus facilities master plan" means the area that is defined by the University of Washington as necessary for the future growth and development of its campus facilities for ((~~branch~~)) campuses authorized under RCW 28B.45.020.

(3) "City" means either (a) a city or town with a population of at least fifteen thousand, (b) the largest city or town, if there is no city or town with a population of at least fifteen thousand, located in a county planning under the growth management act, or (c) a city or town with a population of at least five thousand located in a county subject to the provisions of RCW 36.70A.215.

(4) "County" means a county with an unincorporated population of at least three hundred fifty thousand.

(5) "Governing authority" means the local legislative authority of a city or a county having jurisdiction over the property for which an exemption may be applied for under this chapter.

(6) "Growth management act" means chapter 36.70A RCW.

(7) "High cost area" means a county where the third quarter median house price for the previous year as reported by the Washington center for real estate

research at Washington State University is equal to or greater than one hundred thirty percent of the statewide median house price published during the same time period.

(8) "Household" means a single person, family, or unrelated persons living together.

(9) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development. For cities located in high-cost areas, "low-income household" means a household that has an income at or below one hundred percent of the median family income adjusted for family size, for the county where the project is located.

(10) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development. For cities located in high-cost areas, "moderate-income household" means a household that has an income that is more than one hundred percent, but at or below one hundred fifty percent, of the median family income adjusted for family size, for the county where the project is located.

(11) "Multiple-unit housing" means a building having four or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.

(12) "Owner" means the property owner of record.

(13) "Permanent residential occupancy" means multiunit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

(14) "Rehabilitation improvements" means modifications to existing structures, that are vacant for twelve months or longer, that are made to achieve a condition of substantial compliance with existing building codes or modification to existing occupied structures which increase the number of multifamily housing units.

(15) "Residential targeted area" means an area within an urban center or urban growth area that has been designated by the governing authority as a residential targeted area in accordance with this chapter. With respect to designations after July 1, 2007, "residential targeted area" may not include a campus facilities master plan.

(16) "Rural county" means a county with a population between fifty thousand and seventy-one thousand and bordering Puget Sound.

(17) "Substantial compliance" means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.

(18) "Urban center" means a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:

(a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;

(b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and

(c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.

Passed by the House February 1, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 53

[Second Substitute House Bill 1120]

AGENCY RULE MAKING--SMALL BUSINESSES--REGULATORY FAIRNESS ACT

AN ACT Relating to enhancing the economic development and viability of small businesses; amending RCW 19.85.025, 19.85.030, and 43.42.010; adding a new section to chapter 43.09 RCW; and creating a new section.

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

Sec. 1. RCW 19.85.025 and 1997 c 409 s 212 are each amended to read as follows:

(1) Unless an agency receives a written objection to the expedited repeal of a rule, this chapter does not apply to a rule proposed for expedited repeal pursuant to RCW ((~~34.05.354~~)) 34.05.353. If an agency receives a written objection to expedited repeal of the rule, this chapter applies to the rule-making proceeding.

(2) This chapter does not apply to a rule proposed for expedited adoption under RCW ((~~34.05.230 (1) through (8)~~)) 34.05.353, unless a written objection is timely filed with the agency and the objection is not withdrawn.

(3) This chapter does not apply to the adoption of a rule described in RCW 34.05.310(4).

(4) This chapter does not apply to the adoption of a rule if an agency is able to demonstrate that the proposed rule does not affect small businesses.

(5) An agency is not required to prepare a separate small business economic impact statement under RCW 19.85.040 if it prepared an analysis under RCW 34.05.328 that meets the requirements of a small business economic impact statement, and if the agency reduced the costs imposed by the rule on small business to the extent required by RCW 19.85.030((~~(3)~~)) (2). The portion of the analysis that meets the requirements of RCW 19.85.040 shall be filed with the code reviser and provided to any person requesting it in lieu of a separate small business economic impact statement.

Sec. 2. RCW 19.85.030 and 2011 c 249 s 2 are each amended to read as follows:

(1)(a) In the adoption of a rule under chapter 34.05 RCW, an agency shall prepare a small business economic impact statement: (i) If the proposed rule will impose more than minor costs on businesses in an industry; or (ii) if requested to do so by a majority vote of the joint administrative rules review committee within forty-five days of receiving the notice of proposed rule making under RCW 34.05.320. However, if the agency has completed the pilot rule process as defined by RCW 34.05.313 before filing the notice of a proposed rule, the agency is not required to prepare a small business economic impact statement.

(b) An agency must prepare the small business economic impact statement in accordance with RCW 19.85.040, and file it with the code reviser along with the notice required under RCW 34.05.320. An agency shall file a statement prepared at the request of the joint administrative rules review committee with the code reviser upon its completion before the adoption of the rule. An agency must provide a copy of the small business economic impact statement to any person requesting it.

(2) Based upon the extent of disproportionate impact on small business identified in the statement prepared under RCW 19.85.040, the agency shall, where legal and feasible in meeting the stated objectives of the statutes upon which the rule is based, reduce the costs imposed by the rule on small businesses. The agency must consider, without limitation, each of the following methods of reducing the impact of the proposed rule on small businesses:

(a) Reducing, modifying, or eliminating substantive regulatory requirements;

(b) Simplifying, reducing, or eliminating recordkeeping and reporting requirements;

(c) Reducing the frequency of inspections;

(d) Delaying compliance timetables;

(e) Reducing or modifying fine schedules for noncompliance; or

(f) Any other mitigation techniques including those suggested by small businesses or small business advocates.

(3) If a proposed rule affects only small businesses, the proposing agency must consider all mitigation options defined in this chapter.

(4) In the absence of sufficient data to calculate disproportionate impacts, an agency whose rule imposes more than minor costs must mitigate the costs to small businesses, where legal and feasible, as defined in this chapter.

(5) If the agency determines it cannot reduce the costs imposed by the rule on small businesses, the agency must provide a clear explanation of why it has made that determination and include that statement with its filing of the proposed rule pursuant to RCW 34.05.320.

((~~(4)~~)) (6)(a) All small business economic impact statements are subject to selective review by the joint administrative rules review committee pursuant to RCW 34.05.630.

(b) Any person affected by a proposed rule where there is a small business economic impact statement may petition the joint administrative rules review committee for review pursuant to the procedure in RCW 34.05.655.

Sec. 3. RCW 43.42.010 and 2012 c 196 s 1 are each amended to read as follows:

(1) The office of regulatory assistance is created in the office of financial management and must be administered by the office of the governor to help

improve the regulatory system and assist citizens, businesses, and project proponents.

(2) The governor must appoint a director. The director may employ a deputy director and a confidential secretary and such staff as are necessary, or contract with another state agency pursuant to chapter 39.34 RCW for support in carrying out the purposes of this chapter.

(3) The office must offer to:

(a) Act as the central point of contact for the project proponent in communicating about defined issues;

(b) Conduct project scoping as provided in RCW 43.42.050;

(c) Verify that the project proponent has all the information needed to correctly apply for all necessary permits;

(d) Provide general coordination services;

(e) Coordinate the efficient completion among participating agencies of administrative procedures, such as collecting fees or providing public notice;

(f) Maintain contact with the project proponent and the permit agencies to promote adherence to agreed schedules;

(g) Assist in resolving any conflict or inconsistency among permit requirements and conditions;

(h) Coordinate, to the extent practicable, with relevant federal permit agencies and tribal governments;

(i) Facilitate meetings;

(j) Manage a fully coordinated permit process, as provided in RCW 43.42.060; and

(k) Help local jurisdictions comply with the requirements of chapter 36.70B RCW.

(4) The office must also:

(a) Provide information to local jurisdictions about best permitting practices, methods to improve communication with, and solicit early involvement of, state agencies when needed, and effective means of assessing and communicating expected project timelines and costs;

(b) Maintain and furnish information as provided in RCW 43.42.040; ((~~and~~))

(c) Act as the central entity to collaborate with and provide support to state agencies in meeting the requirements of the regulatory fairness act, chapter 19.85 RCW. Support must include, but is not limited to:

(i) Providing online guidance and tools. Online guidance and tools may include templates and resources to assist agency employees with consistent compliance with the regulatory fairness act, chapter 19.85 RCW. In providing online guidance and tools the office must consult the office of the attorney general. The office will make the online guidance and tools available by December 31, 2017;

(ii) Providing access to available data for agencies to complete cost calculations pursuant to chapter 19.85 RCW; and

(iii) Facilitating sharing of information among agencies and between agencies and business associations;

(d) Provide the following by September 1, 2009, and biennially thereafter, to the governor and the appropriate committees of the legislature:

(i) A performance report including:

(A) Information regarding use of the office's voluntary cost-reimbursement services as provided in RCW 43.42.070;

(B) The number and type of projects or initiatives where the office provided services including the key agencies with which the office partnered;

(C) Specific information on any difficulty encountered in providing services or implementing programs, processes, or assistance tools; and

(D) Trend reporting that allows comparisons between statements of goals and performance targets and the achievement of those goals and targets; and

(ii) Recommendations on system improvements including, but not limited to, recommendations on improving environmental permitting by making it more time efficient and cost-effective for all participants in the process.

NEW SECTION. **Sec. 4.** A new section is added to chapter 43.09 RCW to read as follows:

The state auditor shall conduct a performance review of agency compliance with the regulatory fairness act, pursuant to chapter 19.85 RCW. The performance review must be completed no earlier than June 30, 2020, and subsequent reviews must be completed periodically thereafter. Factors used to determine the frequency of subsequent reviews include the degree to which agencies are found to be in compliance with the act. The auditor must report his or her findings to the legislature, and any recommendations, by June 30, 2021, and after every subsequent review.

NEW SECTION. **Sec. 5.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the House March 2, 2017.
Passed by the Senate April 7, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 54

[Substitute House Bill 1121]

PUGET SOUND PARTNERSHIP--ACTION AGENDA AND SCIENCE WORK PLAN--TIMING

AN ACT Relating to the frequency of Puget Sound action agenda implementation strategy and science work plan updates; amending RCW 90.71.010, 90.71.280, 90.71.290, and 90.71.310; and adding a new section to chapter 90.71 RCW.

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

Sec. 1. RCW 90.71.010 and 2007 c 341 s 2 are each amended to read as follows:

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

(1) "Action agenda" means the comprehensive schedule of projects, programs, and other activities designed to achieve a healthy Puget Sound ecosystem that is authorized and further described in RCW 90.71.300 and 90.71.310.

(2) "Action area" means the geographic areas delineated as provided in RCW 90.71.260.

(3) "Benchmarks" means measurable interim milestones or achievements established to demonstrate progress towards a goal, objective, or outcome.

(4) "Board" means the ecosystem coordination board.

(5) "Council" means the leadership council.

(6) "Environmental indicator" means a physical, biological, or chemical measurement, statistic, or value that provides a proximate gauge, or evidence of, the state or condition of Puget Sound.

(7) "Implementation strategies" means the strategies incorporated on a ((~~biennial~~)) quadrennial basis in the action agenda developed under RCW 90.71.310.

(8) "Nearshore" means the area beginning at the crest of coastal bluffs and extending seaward through the marine photics zone, and to the head of tide in coastal rivers and streams. "Nearshore" also means both shoreline and estuaries.

(9) "Panel" means the Puget Sound science panel.

(10) "Partnership" means the Puget Sound partnership.

(11) "Puget Sound" means Puget Sound and related inland marine waters, including all salt waters of the state of Washington inside the international boundary line between Washington and British Columbia, and lying east of the junction of the Pacific Ocean and the Strait of Juan de Fuca, and the rivers and streams draining to Puget Sound as mapped by water resource inventory areas 1 through 19 in WAC 173-500-040 as it exists on July 1, 2007.

(12) "Puget Sound partner" means an entity that has been recognized by the partnership, as provided in RCW 90.71.340, as having consistently achieved outstanding progress in implementing the 2020 action agenda.

(13) "Watershed groups" means all groups sponsoring or administering watershed programs, including but not limited to local governments, private sector entities, watershed planning units, watershed councils, shellfish protection areas, regional fishery enhancement groups, marine ((~~resource[s]~~)) resources committees including those working with the Northwest straits commission, nearshore groups, and watershed lead entities.

(14) "Watershed programs" means and includes all watershed-level plans, programs, projects, and activities that relate to or may contribute to the protection or restoration of Puget Sound waters. Such programs include jurisdiction-wide programs regardless of whether more than one watershed is addressed.

Sec. 2. RCW 90.71.280 and 2009 c 99 s 2 are each amended to read as follows:

(1) The panel shall:

(a) Assist the council, board, and executive director in carrying out the obligations of the partnership, including preparing and updating the action agenda;

(b) As provided in RCW 90.71.290, assist the partnership in developing an ecosystem level strategic science program that:

(i) Addresses monitoring, modeling, data management, and research; and

(ii) Identifies science gaps and recommends research priorities;

(c) Develop and provide oversight of a competitive peer-reviewed process for soliciting, strategically prioritizing, and funding research and modeling projects;

(d) Develop and implement an appropriate process for peer review of monitoring, research, and modeling conducted as part of the strategic science program;

(e) Provide input to the executive director in developing ((~~biennial~~)) quadrennial implementation strategies; and

(f) Offer an ecosystem-wide perspective on the science work being conducted in Puget Sound and by the partnership.

(2) The panel should collaborate with other scientific groups and consult other scientists in conducting its work. To the maximum extent possible, the panel should seek to integrate the state-sponsored Puget Sound science program with the Puget Sound science activities of federal agencies, including working toward an integrated research agenda and Puget Sound science work plan.

(3) By July 31, 2008, the panel shall identify environmental indicators measuring the health of Puget Sound, and recommend environmental benchmarks that need to be achieved to meet the goals of the action agenda. The council shall confer with the panel on incorporating the indicators and benchmarks into the action agenda.

Sec. 3. RCW 90.71.290 and 2007 c 341 s 11 are each amended to read as follows:

(1) The strategic science program shall be developed by the panel with assistance and staff support provided by the executive director. The science program may include:

(a) Continuation of the Puget Sound assessment and monitoring program, as provided in RCW 90.71.060, as well as other monitoring or modeling programs deemed appropriate by the executive director;

(b) Development of a monitoring program, in addition to the provisions of RCW 90.71.060, including baselines, protocols, guidelines, and quantifiable performance measures, to be recommended as an element of the action agenda;

(c) Recommendations regarding data collection and management to facilitate easy access and use of data by all participating agencies and the public; and

(d) A list of critical research needs.

(2) The strategic science program may not become an official document until a majority of the members of the council votes for its adoption.

(3) A Puget Sound science update shall be developed by the panel with assistance and staff support provided by the executive director. The panel shall submit the initial update to the executive director by April 2010, and subsequent updates as necessary to reflect new scientific understandings. The update shall:

(a) Describe the current scientific understanding of various physical attributes of Puget Sound;

(b) Serve as the scientific basis for the selection of environmental indicators measuring the health of Puget Sound; and

(c) Serve as the scientific basis for the status and trends of those environmental indicators.

(4) The executive director shall provide the Puget Sound science update to the Washington academy of sciences, the governor, and appropriate legislative committees, and include:

(a) A summary of information in existing updates; and

(b) Changes adopted in subsequent updates and in the state of the Sound reports produced pursuant to RCW 90.71.370.

(5) A ((~~biennial~~)) quadrennial science work plan shall be developed by the panel, with assistance and staff support provided by the executive director, and approved by the council. The ((~~biennial~~)) quadrennial science work plan shall include, at a minimum:

(a) Identification of recommendations from scientific and technical reports relating to Puget Sound;

(b) A description of the Puget Sound science-related activities being conducted by various entities in the region, including studies, models, monitoring, research, and other appropriate activities;

(c) A description of whether the ongoing work addresses the recommendations and, if not, identification of necessary actions to fill gaps;

(d) Identification of specific ((~~biennial~~)) quadrennial science work actions to be done over the course of the work plan, and how these actions address science needs in Puget Sound; and

(e) Recommendations for improvements to the ongoing science work in Puget Sound.

Sec. 4. RCW 90.71.310 and 2008 c 329 s 926 are each amended to read as follows:

(1) The council shall develop a science-based action agenda that leads to the recovery of Puget Sound by 2020 and achievement of the goals and objectives established in RCW 90.71.300. The action agenda shall:

(a) Address all geographic areas of Puget Sound including upland areas and tributary rivers and streams that affect Puget Sound;

(b) Describe the problems affecting Puget Sound's health using supporting scientific data, and provide a summary of the historical environmental health conditions of Puget Sound so as to determine past levels of pollution and restorative actions that have established the current health conditions of Puget Sound;

(c) Meet the goals and objectives described in RCW 90.71.300, including measurable outcomes for each goal and objective specifically describing what will be achieved, how it will be quantified, and how progress towards outcomes will be measured. The action agenda shall include near-term and long-term benchmarks designed to ensure continuous progress needed to reach the goals, objectives, and designated outcomes by 2020. The council shall consult with the panel in developing these elements of the plan;

(d) Identify and prioritize the strategies and actions necessary to restore and protect Puget Sound and to achieve the goals and objectives described in RCW 90.71.300;

(e) Identify the agency, entity, or person responsible for completing the necessary strategies and actions, and potential sources of funding;

(f) Include prioritized actions identified through the assembled proposals from each of the seven action areas and the identification and assessment of ecosystem scale programs as provided in RCW 90.71.260;

(g) Include specific actions to address aquatic rehabilitation zone one, as defined in RCW 90.88.010;

(h) Incorporate any additional goals adopted by the council; and

(i) Incorporate appropriate actions to carry out the ((~~biennial~~)) quadrennial science work plan created in RCW 90.71.290.

(2) In developing the action agenda and any subsequent revisions, the council shall, when appropriate, incorporate the following:

(a) Water quality, water quantity, sediment quality, watershed, marine resource, and habitat restoration plans created by governmental agencies, watershed groups, and marine and shoreline groups. The council shall consult with the board in incorporating these plans;

(b) Recovery plans for salmon, orca, and other species in Puget Sound listed under the federal endangered species act;

(c) Existing plans and agreements signed by the governor, the commissioner of public lands, other state officials, or by federal agencies;

(d) Appropriate portions of the Puget Sound water quality management plan existing on July 1, 2007.

(3) Until the action agenda is adopted, the existing Puget Sound management plan and the 2007-09 Puget Sound biennial plan shall remain in effect. The existing Puget Sound management plan shall also continue to serve as the comprehensive conservation and management plan for the purposes of the national estuary program described in section 320 of the federal clean water act, until replaced by the action agenda and approved by the United States environmental protection agency as the new comprehensive conservation and management plan.

(4) The council shall adopt the action agenda by December 1, 2008. The council shall revise the action agenda as needed, and revise the implementation strategies every ((~~two~~)) four years using an adaptive management process informed by tracking actions and monitoring results in Puget Sound. In revising the action agenda and the implementation strategies, the council shall consult the panel and the board and provide opportunity for public review and comment. ((~~Biennial~~)) Quadrennial updates shall:

(a) Contain a detailed description of prioritized actions necessary in the ((~~biennium~~)) quadrennial time period to achieve the goals, objectives, outcomes, and benchmarks of progress identified in the action agenda;

(b) Identify the agency, entity, or person responsible for completing the necessary action; and

(c) Establish ((~~biennial~~)) quadrennial benchmarks for near-term actions.

(5) The action agenda shall be organized and maintained in a single document to facilitate public accessibility to the plan.

NEW SECTION. **Sec. 5.** A new section is added to chapter 90.71 RCW to read as follows:

Nothing in this chapter may be construed to relieve the partnership of the need to provide a written report to the legislature each biennium pursuant to RCW 90.71.370(3), which must also include references to ongoing science-related activities and monitoring efforts that inform the findings of the report.

Passed by the House February 13, 2017.

Passed by the Senate April 6, 2017.

Approved by the Governor April 19, 2017.

Filed in Office of Secretary of State April 19, 2017.

CHAPTER 55

[House Bill 1148]

TIMBER PURCHASES REPORTING REQUIREMENT--EXPIRATION

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

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

Sec. 1. RCW 84.33.088 and 2014 c 152 s 1 are each amended to read as follows:

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

(2) The report required in subsection (1) of this section must contain all information relevant to the value of the timber purchased including, but not limited to, the following, as applicable: Purchaser's name, address, and contact information; seller's name, address, and contact information; sale date; termination date in sale agreement; total sale price; legal description of sale area, sale name if applicable; forest practice application/harvest permit number if available; total acreage involved in the sale; estimated net volume of timber purchased by tree species and log grade; and description and value of property improvements. For the purposes of this subsection property improvements may include, but are not limited to: Road construction or road improvements, reforestation, land clearing, stock piling of rock, or any other agreed upon property improvement. A report may be submitted in any reasonable form or, at the purchaser's option, by submitting relevant excerpts of the timber sales contract. A purchaser may comply by submitting the information in the following form:

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

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

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

(5) This section expires July 1, ((~~2018~~)) 2021.

Passed by the House March 8, 2017.

Passed by the Senate April 5, 2017.

Approved by the Governor April 19, 2017.

Filed in Office of Secretary of State April 19, 2017.

CHAPTER 56

[Substitute Senate Bill 5051]

STATE LAND LEASES--AGRICULTURAL AND GRAZING PURPOSES--NONDEFAULT AND EARLY TERMINATION PROVISIONS

AN ACT Relating to nondefault or early termination provisions in state land leases for agricultural or grazing purposes; and adding a new section to chapter 79.13 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 79.13 RCW to read as follows:

(1) For the purposes of this section, "nondefault or early termination provision" means a provision that authorizes the department to terminate a lease in the event the department includes the leased land in a plan for higher and better use, land exchange, or sale.

(2) Any nondefault or early termination provision included in a state land lease for agricultural or grazing purposes must:

(a) Require advance written notice of at least one hundred eighty days by the department to the lessee prior to termination of the lease; and

(b) Require the department to provide to the lessee, along with the notice under (a) of this subsection, written documentation demonstrating that the department has included the leased land in a plan for higher and better use, land exchange, or sale.

(3) This section does not require the department to include a nondefault or early termination provision in any state land lease for agricultural or grazing purposes.

(4) This section does not prohibit the department from allowing the lessee to surrender the leasehold subject to terms provided in the lease.

(5) This section does not prohibit the department from executing other lease provisions designed to protect the interests of the lessee in the event that the lease is terminated under a nondefault or early termination provision.

Passed by the Senate February 27, 2017.

Passed by the House April 7, 2017.

Approved by the Governor April 19, 2017.

Filed in Office of Secretary of State April 19, 2017.

CHAPTER 57

[Senate Bill 5085]

UNIFORM VOIDABLE TRANSACTIONS ACT

AN ACT Relating to enactment of the uniform voidable transactions act; amending RCW 19.40.011, 19.40.021, 19.40.031, 19.40.041, 19.40.051, 19.40.061, 19.40.071, 19.40.081, 19.40.091, and 19.40.900; adding new sections to chapter 19.40 RCW; and creating a new section.

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

Sec. 1. RCW 19.40.011 and 1987 c 444 s 1 are each amended to read as follows:

As used in this chapter:

(1) "Affiliate" means:

((~~(i)~~)) (a) A person ((~~who~~)) that directly or indirectly owns, controls, or holds with power to vote, twenty percent or more of the outstanding voting securities of the debtor, other than a person ((~~who~~)) that holds the securities((~~;~~)):

((~~(A)~~)) (i) As a fiduciary or agent without sole discretionary power to vote the securities; or

((~~(B)~~)) (ii) Solely to secure a debt, if the person has not in fact exercised the power to vote;

((~~(ii)~~)) (b) A corporation twenty percent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor or a person ((~~who~~)) that directly or indirectly owns, controls, or holds with power to vote, twenty percent or more of the outstanding voting securities of the debtor, other than a person ((~~who~~)) that holds the securities:

((~~(A)~~)) (i) As a fiduciary or agent without sole discretionary power to vote the securities; or

((~~(B)~~)) (ii) Solely to secure a debt, if the person has not in fact exercised the power to vote;

((~~(iii)~~)) (c) A person whose business is operated by the debtor under a lease or other agreement, or a person substantially all of whose assets are controlled by the debtor; or

((~~(iv)~~)) (d) A person ((~~who~~)) that operates the debtor's business under a lease or other agreement or controls substantially all of the debtor's assets.

(2) "Asset" means property of a debtor, but the term does not include:

((~~(i)~~)) (a) Property to the extent it is encumbered by a valid lien; or

((~~(ii)~~)) (b) Property to the extent it is generally exempt under nonbankruptcy law.

(3) "Claim," except as used in "claim for relief," means a right to payment, whether or not the right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured.

(4) "Creditor" means a person ((~~who~~)) that has a claim.

(5) "Debt" means liability on a claim.

(6) "Debtor" means a person ((~~who~~)) that is liable on a claim.

(7) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(8) "Insider" includes:

((~~(i)~~)) (a) If the debtor is an individual:

((~~(A)~~)) (i) A relative of the debtor or of a general partner of the debtor;

((~~(B)~~)) (ii) A partnership in which the debtor is a general partner;

((~~(C)~~)) (iii) A general partner in a partnership described in ((~~subsection (7)(i)(B)~~)) (a)(ii) of this ((~~section~~)) subsection; or

((~~(D)~~)) (iv) A corporation of which the debtor is a director, officer, or person in control;

((~~(ii)~~)) (b) If the debtor is a corporation:

((~~(A)~~)) (i) A director of the debtor;

((~~(B)~~)) (ii) An officer of the debtor;

((~~(C)~~)) (iii) A person in control of the debtor;

((~~(D)~~)) (iv) A partnership in which the debtor is a general partner;

((~~(E)~~)) (v) A general partner in a partnership described in ((~~subsection (7)(ii)(D)~~)) (b)(iv) of this ((~~section~~)) subsection; or

((~~(F)~~)) (vi) A relative of a general partner, director, officer, or person in control of the debtor;

((~~(iii)~~)) (c) If the debtor is a partnership:

((~~(A)~~)) (i) A general partner in the debtor;

((~~(B)~~)) (ii) A relative of a general partner in, or a general partner of, or a person in control of the debtor;

((~~(C)~~)) (iii) Another partnership in which the debtor is a general partner;

((~~(D)~~)) (iv) A general partner in a partnership described in ((~~subsection (7)(iii)(C)~~)) (c)(iii) of this ((~~section~~)) subsection; or

((~~(E)~~)) (v) A person in control of the debtor;

((~~(iv)~~)) (d) An affiliate, or an insider of an affiliate as if the affiliate were the debtor; and

((~~(v)~~)) (e) A managing agent of the debtor.

((~~(8)~~)) (9) "Lien" means a charge against or an interest in property to secure payment of a debt or performance of an obligation, and includes a security interest created by agreement, a judicial lien obtained by legal or equitable process or proceedings, a common-law lien, or a statutory lien.

(10) "Organization" means a person other than an individual.

((~~(9)~~)) (11) "Person" means an individual, ((~~partnership, corporation, association, organization, government or governmental subdivision or agency, business trust, estate, trust, or any~~)) estate, partnership, association, trust, business or nonprofit entity, public corporation, government or governmental subdivision, agency, or instrumentality, or other legal or commercial entity.

((~~(10)~~)) (12) "Property" means anything that may be the subject of ownership.

((~~(11)~~)) (13) "Reasonably equivalent value" includes, without limitation, a transfer or an obligation that is within the range of values for which the transferor would have sold the property or services to, or purchased the property or services from, the transferee in an arm's length transaction at market rates.

(14) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(15) "Relative" means an individual related by consanguinity within the third degree as determined by the common law, a spouse, or an individual related to a spouse within the third degree as so determined, and includes an individual in an adoptive relationship within the third degree.

(((~~(12)~~))) (16) "Sign" means, with present intent to authenticate or adopt a record:

(a) To execute or adopt a tangible symbol; or

(b) To attach to or logically associate with the record an electronic symbol, sound, or process.

(17) "Transfer" means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with an asset or an interest in an asset, and includes payment of money, release, lease, license, and creation of a lien or other encumbrance.

(((~~(13)~~))) (18) "Valid lien" means a lien that is effective against the holder of a judicial lien subsequently obtained by legal or equitable process or proceedings.

Sec. 2. RCW 19.40.021 and 1987 c 444 s 2 are each amended to read as follows:

(((~~(a)~~))) (1) A debtor is insolvent if, at a fair valuation, the sum of the debtor's debts is greater than ((~~all~~)) the sum of the debtor's assets((~~, at a fair valuation~~)).

(((~~(b)~~))) (2) A debtor ((~~who~~)) that is generally not paying ((~~his or her~~)) the debtor's debts as they become due other than as a result of a bona fide dispute is presumed to be insolvent. The presumption imposes on the party against which the presumption is directed the burden of proving that the nonexistence of insolvency is more probable than its existence.

(((~~(c) A partnership is insolvent under subsection (a) of this section if the sum of the partnership's debts is greater than the aggregate of all of the partnership's assets, at a fair valuation, and the sum of the excess of the value of each general partner's nonpartnership assets over the partner's nonpartnership debts.~~

~~(d)~~))) (3) Assets under this section do not include property that has been transferred, concealed, or removed with intent to hinder, delay, or defraud creditors or that has been transferred in a manner making the transfer voidable under this chapter.

(((~~(e)~~))) (4) Debts under this section do not include an obligation to the extent it is secured by a valid lien on property of the debtor not included as an asset.

Sec. 3. RCW 19.40.031 and 1987 c 444 s 3 are each amended to read as follows:

(((~~(a)~~))) (1) Value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied, but value does not include an unperformed promise made otherwise than in the ordinary course of the promisor's business to furnish support to the debtor or another person.

(((~~(b)~~))) (2) For the purposes of RCW 19.40.041(((~~(a)(2)~~))) (1)(b) and 19.40.051, a person gives a reasonably equivalent value if the person acquires an interest of the debtor in an asset pursuant to a regularly conducted, noncollusive foreclosure sale or execution of a power of sale for the acquisition or disposition of the interest of the debtor upon default under a mortgage, deed of trust, or security agreement.

(((~~(c)~~))) (3) A transfer is made for present value if the exchange between the debtor and the transferee is intended by them to be contemporaneous and is in fact substantially contemporaneous.

Sec. 4. RCW 19.40.041 and 1987 c 444 s 4 are each amended to read as follows:

((~~(a)~~)) (1) A transfer made or obligation incurred by a debtor is ((~~fraudulent~~)) voidable as to a creditor, whether the creditor's claim arose before or after the transfer was made or the obligation was incurred, if the debtor made the transfer or incurred the obligation:

((~~(1)~~)) (a) With actual intent to hinder, delay, or defraud any creditor of the debtor; or

((~~(2)~~)) (b) Without receiving a reasonably equivalent value in exchange for the transfer or obligation, and the debtor:

(i) Was engaged or was about to engage in a business or a transaction for which the remaining assets of the debtor were unreasonably small in relation to the business or transaction; or

(ii) Intended to incur, or believed or reasonably should have believed that ((~~he or she~~)) the debtor would incur, debts beyond ((~~his or her~~)) the debtor's ability to pay as they became due.

((~~(b)~~)) (2) In determining actual intent under subsection ((~~(a)~~))(1)(a) of this section, consideration may be given, among other factors, to whether:

((~~(1)~~)) (a) The transfer or obligation was to an insider;

((~~(2)~~)) (b) The debtor retained possession or control of the property transferred after the transfer;

((~~(3)~~)) (c) The transfer or obligation was disclosed or concealed;

((~~(4)~~)) (d) Before the transfer was made or obligation was incurred, the debtor had been sued or threatened with suit;

((~~(5)~~)) (e) The transfer was of substantially all the debtor's assets;

((~~(6)~~)) (f) The debtor absconded;

((~~(7)~~)) (g) The debtor removed or concealed assets;

((~~(8)~~)) (h) The value of the consideration received by the debtor was reasonably equivalent to the value of the asset transferred or the amount of the obligation incurred;

((~~(9)~~)) (i) The debtor was insolvent or became insolvent shortly after the transfer was made or the obligation was incurred;

((~~(10)~~)) (j) The transfer occurred shortly before or shortly after a substantial debt was incurred; and

((~~(11)~~)) (k) The debtor transferred the essential assets of the business to a lienor ((~~who~~)) that transferred the assets to an insider of the debtor.

(3) A creditor making a claim for relief under subsection (1) of this section has the burden of proving the elements of the claim for relief by a preponderance of the evidence.

Sec. 5. RCW 19.40.051 and 1987 c 444 s 5 are each amended to read as follows:

((~~(a)~~)) (1) A transfer made or obligation incurred by a debtor is ((~~fraudulent~~)) voidable as to a creditor whose claim arose before the transfer was made or the obligation was incurred if the debtor made the transfer or incurred the obligation without receiving a reasonably equivalent value in exchange for the transfer or obligation and the debtor was insolvent at that time or the debtor became insolvent as a result of the transfer or obligation.

((~~(b)~~)) (2) A transfer made by a debtor is ((~~fraudulent~~)) voidable as to a creditor whose claim arose before the transfer was made if the transfer was made

to an insider for an antecedent debt, the debtor was insolvent at that time, and the insider had reasonable cause to believe that the debtor was insolvent.

(3) Subject to RCW 19.40.021(2), a creditor making a claim for relief under subsection (1) or (2) of this section has the burden of proving the elements of the claim for relief by a preponderance of the evidence.

Sec. 6. RCW 19.40.061 and 1987 c 444 s 6 are each amended to read as follows:

For the purposes of this chapter:

(1) A transfer is made:

(((~~(i)~~))) (a) With respect to an asset that is real property other than a fixture, but including the interest of a seller or purchaser under a contract for the sale of the asset, when the transfer is so far perfected that a good-faith purchaser of the asset from the debtor against ((~~whom~~)) which applicable law permits the transfer to be perfected cannot acquire an interest in the asset that is superior to the interest of the transferee; and

(((~~(ii)~~))) (b) With respect to an asset that is not real property or that is a fixture, when the transfer is so far perfected that a creditor on a simple contract cannot acquire a judicial lien otherwise than under this chapter that is superior to the interest of the transferee;

(2) If applicable law permits the transfer to be perfected as provided in subsection (1) of this section and the transfer is not so perfected before the commencement of an action for relief under this chapter, the transfer is deemed made immediately before the commencement of the action;

(3) If applicable law does not permit the transfer to be perfected as provided in subsection (1) of this section, the transfer is made when it becomes effective between the debtor and the transferee;

(4) A transfer is not made until the debtor has acquired rights in the asset transferred; and

(5) An obligation is incurred:

(((~~(i)~~))) (a) If oral, when it becomes effective between the parties; or

(((~~(ii)~~))) (b) If evidenced by a ((~~writing~~)) record, when the ((~~writing executed~~)) record signed by the obligor is delivered to or for the benefit of the obligee.

Sec. 7. RCW 19.40.071 and 2000 c 171 s 54 are each amended to read as follows:

(((~~(a)~~))) (1) In an action for relief against a transfer or obligation under this chapter, a creditor, subject to the limitations in RCW 19.40.081, may obtain:

(((~~(1)~~))) (a) Avoidance of the transfer or obligation to the extent necessary to satisfy the creditor's claim;

(((~~(2)~~))) (b) An attachment or other provisional remedy against the asset transferred or other property of the transferee ((~~in accordance with the procedure prescribed by chapter 6.25 RCW;~~)) if available under applicable law; and

(((~~(3)~~))) (c) Subject to applicable principles of equity and in accordance with applicable rules of civil procedure:

(i) An injunction against further disposition by the debtor or a transferee, or both, of the asset transferred or of other property;

(ii) Appointment of a receiver to take charge of the asset transferred or of other property of the transferee; or

(iii) Any other relief the circumstances may require.

(((~~(b)~~))) (2) If a creditor has obtained a judgment on a claim against the debtor, the creditor, if the court so orders, may levy execution on the asset transferred or its proceeds.

Sec. 8. RCW 19.40.081 and 2001 c 32 s 1 are each amended to read as follows:

(((~~(a)~~))) (1) A transfer or obligation is not voidable under RCW 19.40.041(((~~(a)~~)))(1) or 19.40.051(1) against a person ((~~who~~)) that took in good faith and for a reasonably equivalent value whether or not given to the debtor or against any subsequent transferee or obligee.

(((~~(b)~~))) (2) To the extent a transfer is avoidable in an action by a creditor under RCW 19.40.071(1)(a), the following rules apply:

(a) Except as otherwise provided in this section, ((~~to the extent a transfer is voidable in an action by a creditor under RCW 19.40.071(a)(1),~~)) the creditor may recover judgment for the value of the asset transferred, as adjusted under subsection (c) of this section, or the amount necessary to satisfy the creditor's claim, whichever is less. The judgment may be entered against:

(((~~(1)~~))) (i) The first transferee of the asset or the person for whose benefit the transfer was made; or

(((~~(2) Any subsequent transferee other than~~)) (ii) An immediate or mediate transferee of the first transferee, other than:

(A) A good-faith transferee ((~~or obligee who~~)) that took for value; or

(B) ((~~from any subsequent transferee or obligee~~)) An immediate or mediate good-faith transferee of a person described in (a)(ii)(A) of this subsection.

(((~~(c)~~))) (b) Recovery pursuant to RCW 19.40.071 (1)(a) or (2) or from the asset transferred or its proceeds, by levy or otherwise, is available only against a person described in (a)(i) or (ii) of this subsection.

(3) If the judgment under subsection (((~~(b)~~))) (2) of this section is based upon the value of the asset transferred, the judgment must be for an amount equal to the value of the asset at the time of the transfer, subject to adjustment as the equities may require.

(((~~(d)~~))) (4) Notwithstanding voidability of a transfer or an obligation under this chapter, a good-faith transferee or obligee is entitled, to the extent of the value given the debtor for the transfer or obligation, to:

(((~~(1)~~))) (a) A lien on or a right to retain ((~~any~~)) an interest in the asset transferred;

(((~~(2)~~))) (b) Enforcement of ((~~any~~)) an obligation incurred; or

(((~~(3)~~))) (c) A reduction in the amount of the liability on the judgment.

(((~~(e)~~))) (5) A transfer is not voidable under RCW 19.40.041(((~~(a)(2)~~))) (1)(b) or 19.40.051 if the transfer results from:

(((~~(1)~~))) (a) Termination of a lease upon default by the debtor when the termination is pursuant to the lease and applicable law; or

(((~~(2)~~))) (b) Enforcement of a security interest in compliance with Article 9A of Title 62A RCW, other than acceptance of collateral in full or partial satisfaction of the obligation it secures.

(((~~(f)~~))) (6) A transfer is not voidable under RCW 19.40.051(((~~(b)~~)))(2):

(((~~(1)~~))) (a) To the extent the insider gave new value to or for the benefit of the debtor after the transfer was made ((~~unless~~)), except to the extent the new value was secured by a valid lien;

(((~~(2)~~))) (b) If made in the ordinary course of business or financial affairs of the debtor and the insider; or

(((~~(3)~~))) (c) If made pursuant to a good faith effort to rehabilitate the debtor and the transfer secured present value given for that purpose as well as an antecedent debt of the debtor.

(7) The following rules determine the burden of proving matters referred to in this section:

(a) A party that seeks to invoke subsection (1), (4), (5), or (6) of this section has the burden of proving the applicability of that subsection.

(b) Except as otherwise provided in (c) and (d) of this subsection, the creditor has the burden of proving each applicable element of subsection (2) or (3) of this section.

(c) The transferee has the burden of proving the applicability to the transferee of subsection (2)(a)(ii)(A) or (B) of this subsection.

(d) A party that seeks adjustment under subsection (3) of this section has the burden of proving the adjustment.

(8) The standard of proof required to establish matters referred to in this section is preponderance of the evidence.

Sec. 9. RCW 19.40.091 and 1987 c 444 s 9 are each amended to read as follows:

A ((~~cause of action~~)) claim for relief with respect to a ((~~fraudulent~~)) transfer or obligation under this chapter is extinguished unless action is brought:

(((~~(a)~~))) (1) Under RCW 19.40.041(((~~(a)~~)))(1)(a), ((~~within~~)) not later than four years after the transfer was made or the obligation was incurred or, if later, ((~~within~~)) not later than one year after the transfer or obligation was or could reasonably have been discovered by the claimant;

(((~~(b)~~))) (2) Under RCW 19.40.041(((~~(a)(2)~~))) (1)(b) or 19.40.051(((~~(a)~~))) (1), ((~~within~~)) not later than four years after the transfer was made or the obligation was incurred; or

(((~~(c)~~))) (3) Under RCW 19.40.051(((~~(b)~~))) (2), ((~~within~~)) not later than one year after the transfer was made ((~~or the obligation was incurred~~)).

NEW SECTION. **Sec. 10.** A new section is added to chapter 19.40 RCW to read as follows:

GOVERNING LAW.

(1) In this section, the following rules determine a debtor's location:

(a) A debtor who is an individual is located at the individual's principal residence.

(b) A debtor that is an organization and has only one place of business is located at its place of business.

(c) A debtor that is an organization and has more than one place of business is located at its chief executive office.

(2) A claim for relief in the nature of a claim for relief under this chapter is governed by the local law of the jurisdiction in which the debtor is located when the transfer is made or the obligation is incurred.

NEW SECTION. **Sec. 11.** A new section is added to chapter 19.40 RCW to read as follows:

APPLICATION TO SERIES ORGANIZATION.

(1) In this section:

(a) "Protected series" means an arrangement, however denominated, created by a series organization that, pursuant to the law under which the series organization is organized, has the characteristics set forth in (b) of this subsection.

(b) "Series organization" means an organization that, pursuant to the law under which it is organized, has the following characteristics:

(i) The organic record of the organization provides for creation by the organization of one or more protected series, however denominated, with respect to specified property of the organization, and for records to be maintained for each protected series that identify the property of or associated with the protected series.

(ii) Debt incurred or existing with respect to the activities of, or property of or associated with, a particular protected series is enforceable against the property of or associated with the protected series only, and not against the property of or associated with the organization or other protected series of the organization.

(iii) Debt incurred or existing with respect to the activities or property of the organization is enforceable against the property of the organization only, and not against the property of or associated with a protected series of the organization.

(2) A series organization and each protected series of the organization is a separate person for purposes of this chapter, even if for other purposes a protected series is not a person separate from the organization or other protected series of the organization.

NEW SECTION. **Sec. 12.** A new section is added to chapter 19.40 RCW to read as follows:

RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.

This chapter modifies, limits, or supersedes the electronic signatures in global and national commerce act, 15 U.S.C. Sec. 7001 et seq., but does not modify, limit, or supersede section 101(c) of that act, 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of that act, 15 U.S.C. Sec. 7003(b).

Sec. 13. RCW 19.40.900 and 1987 c 444 s 12 are each amended to read as follows:

This chapter, which was formerly cited as the uniform fraudulent transfer act, may be cited as the uniform ((~~fraudulent transfer~~)) voidable transactions act.

NEW SECTION. **Sec. 14.** EFFECT ON PRIOR TRANSFERS AND OBLIGATIONS. (1) This act applies to a transfer made or obligation incurred on or after the effective date of this section.

(2) This act does not apply to a transfer made or obligation incurred before the effective date of this section.

(3) This act does not apply to a right of action that has accrued before the effective date of this section.

(4) For the purposes of this section, a transfer is made and an obligation is incurred at the time provided in RCW 19.40.061.

Passed by the Senate March 2, 2017.

Passed by the House April 7, 2017.

Approved by the Governor April 19, 2017.

Filed in Office of Secretary of State April 19, 2017.

CHAPTER 58

[Senate Bill 5122]

FIRE COMMISSIONER COMPENSATION--INFLATION ADJUSTMENTS--TIMING

AN ACT Relating to fire commissioner compensation; and amending RCW 52.14.010.

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

Sec. 1. RCW 52.14.010 and 2012 c 174 s 1 are each amended to read as follows:

The affairs of the district shall be managed by a board of fire commissioners composed initially of three registered voters residing in the district except as provided in RCW 52.14.015 and 52.14.020. Each member shall each receive one hundred four dollars per day or portion thereof, not to exceed nine thousand nine hundred eighty-four dollars per year, for time spent in actual attendance at official meetings of the board or in performance of other services or duties on behalf of the district.

In addition, they shall receive necessary expenses incurred in attending meetings of the board or when otherwise engaged in district business, and shall be entitled to receive the same insurance available to all firefighters of the district: PROVIDED, That the premiums for such insurance, except liability insurance, shall be paid by the individual commissioners who elect to receive it.

Any commissioner may waive all or any portion of his or her compensation payable under this section as to any month or months during his or her term of office, by a written waiver filed with the secretary as provided in this section. The waiver, to be effective, must be filed any time after the commissioner's election and prior to the date on which the compensation would otherwise be paid. The waiver shall specify the month or period of months for which it is made.

The board shall fix the compensation to be paid the secretary and all other agents and employees of the district. The board may, by resolution adopted by unanimous vote, authorize any of its members to serve as volunteer firefighters without compensation. A commissioner actually serving as a volunteer firefighter may enjoy the rights and benefits of a volunteer firefighter.

The dollar thresholds established in this section must be adjusted for inflation by the office of financial management every five years, beginning ((~~July 1, 2008~~)) January 1, 2019, based upon changes in the consumer price index during that time period. "Consumer price index" means, for any calendar year, that year's annual average consumer price index, for Washington state, for wage earners and clerical workers, all items, compiled by the bureau of labor and statistics, United States department of labor. If the bureau of labor and statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the adjustments for inflation in this section. The office of financial management must calculate the new dollar threshold and transmit it to the office of the code reviser for publication in the Washington State Register at least one month before the new dollar threshold is to take effect.

A person holding office as commissioner for two or more special purpose districts shall receive only that per diem compensation authorized for one of his or her commissioner positions as compensation for attending an official meeting or conducting official services or duties while representing more than one of his or her districts. However, such commissioner may receive additional per diem compensation if approved by resolution of all boards of the affected commissions.

Passed by the Senate February 1, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 59

[Senate Bill 5125]

REAL ESTATE LICENSING--INDEPENDENT CONTRACTOR RELATIONSHIPS--DEFINITION

AN ACT Relating to defining independent contractor relationships in the context of real estate licensing; and amending RCW 18.85.011.

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

Sec. 1. RCW 18.85.011 and 2015 c 133 s 1 are each amended to read as follows:

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

(1) "Advertising" means any attempt by publication or broadcast, whether oral, written, or otherwise, to induce a person to use the services of a real estate firm, broker, managing broker, or designated broker.

(2) "Broker" means a natural person acting on behalf of a real estate firm to perform real estate brokerage services under the supervision of a designated broker or managing broker.

(3) "Business opportunity" means and includes business, business entity, and good will of an existing business or any one or combination thereof when the transaction or business includes an interest in real property.

(4) "Clear and conspicuous" in an advertising statement means the representation or term being used is of such a color, contrast, size, or audibility, and presented in a manner so as to be readily noticed and understood.

(5) "Clock hours of instruction" means actual hours spent in classroom instruction in any tax supported, public technical college, community college, or any other institution of higher learning or a correspondence course from any of the aforementioned institutions certified by such institution as the equivalent of the required number of clock hours, and the real estate commission may certify courses of instruction other than in the aforementioned institutions.

(6) "Commercial real estate" means any parcel of real estate in this state other than real estate containing one to four residential units. "Commercial real estate" does not include a single-family residential lot or single-family residential units such as condominiums, townhouses, manufactured homes, or homes in a subdivision when sold, leased, or otherwise conveyed on a unit-by-

unit basis, even when those units are part of a larger building or parcel of real estate, unless the property is sold or leased for a commercial purpose.

(7) "Commission" means the real estate commission of the state of Washington.

(8) "Controlling interest" means the ability to control either the operational or financial, or both, decisions of a firm.

(9) "Department" means the Washington department of licensing.

(10) "Designated broker" means:

(a) A natural person who owns a sole proprietorship real estate firm; or

(b) A natural person with a controlling interest in the firm who is designated by a legally recognized business entity such as a corporation, limited liability company, limited liability partnership, or partnership real estate firm, to act as a designated broker on behalf of the real estate firm, and whose managing broker's license receives an endorsement from the department of "designated broker."

(11) "Director" means the director of the department of licensing.

(12) "Inactive license" means the status of a license that is not expired and is not affiliated with a firm.

(13) "Independent contractor relationship" means a relationship between a broker or managing broker and a real estate firm that satisfies both of the following conditions: (a) No written agreement with the broker or managing broker provides that the broker or managing broker is an employee of the firm; and (b) substantially all of the broker's or managing broker's compensation is for services related to real estate brokerage services provided by the firm. Nothing in this subsection is intended to relieve the managing broker or real estate firm of the supervisory duties identified in this chapter.

(14) "Licensee" means a person holding a license as a real estate firm, managing broker, or broker.

(((~~(14)~~))) (15) "Managing broker" means a natural person acting on behalf of a real estate firm to perform real estate brokerage services under the supervision of the designated broker, and who may supervise other brokers or managing brokers licensed to the firm.

(((~~(15)~~))) (16) "Person" includes a natural person, corporation, limited liability company, limited liability partnership, partnership, or public or private organization or entity of any character, except where otherwise restricted.

(((~~(16)~~))) (17) "Real estate brokerage services" means any of the following services offered or rendered directly or indirectly to another, or on behalf of another for compensation or the promise or expectation of compensation, or by a licensee on the licensee's own behalf:

(a) Listing, selling, purchasing, exchanging, optioning, leasing, renting of real estate, or any real property interest therein; or any interest in a cooperative; or any interest in a floating home or floating on-water residence, as defined in RCW 90.58.270;

(b) Negotiating or offering to negotiate, either directly or indirectly, the purchase, sale, exchange, lease, or rental of real estate, or any real property interest therein; or any interest in a cooperative; or any interest in a floating home or floating on-water residence, as defined in RCW 90.58.270;

(c) Listing, selling, purchasing, exchanging, optioning, leasing, renting, or negotiating the purchase, sale, lease, or exchange of a manufactured or mobile

home in conjunction with the purchase, sale, lease, exchange, or rental of the land upon which the manufactured or mobile home is or will be located;

(d) Advertising or holding oneself out to the public by any solicitation or representation that one is engaged in real estate brokerage services;

(e) Advising, counseling, or consulting buyers, sellers, landlords, or tenants in connection with a real estate transaction;

(f) Issuing a broker's price opinion. For the purposes of this chapter, "broker's price opinion" means an oral or written report of property value that is prepared by a licensee under this chapter and is not an appraisal as defined in RCW 18.140.010 unless it complies with the requirements established under chapter 18.140 RCW;

(g) Collecting, holding, or disbursing funds in connection with the negotiating, listing, selling, purchasing, exchanging, optioning, leasing, or renting of real estate or any real property interest; and

(h) Performing property management services, which includes with no limitation: Marketing; leasing; renting; the physical, administrative, or financial maintenance of real property; or the supervision of such actions.

((~~(17)~~)) (18) "Real estate firm" or "firm" means a sole proprietorship, partnership, limited liability partnership, corporation, limited liability company, or other legally recognized business entity conducting real estate brokerage services in this state and licensed by the department as a real estate firm.

Passed by the Senate February 23, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 60

[Senate Bill 5129]

CHARTER SCHOOL STUDENTS--INTERSCHOOL ATHLETICS AND EXTRACURRICULAR ACTIVITIES

AN ACT Relating to charter school students participating in interschool athletics and extracurricular activities; and amending RCW 28A.710.300.

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

Sec. 1. RCW 28A.710.300 and 2016 c 241 s 129 are each amended to read as follows:

(1) The eligibility of a charter school student to participate in interschool athletic activities or other interschool extracurricular activities governed by the Washington interscholastic activities association is subject to rules adopted by the Washington interscholastic activities association. ((~~The rules must provide that, unless approved by a nonresident school district or the Washington interscholastic activities association, a student attending a charter school may only participate in interschool athletic activities or other interschool extracurricular activities offered by the student's resident school district.~~))

(2) A proposal by a charter school to regulate the conduct of interschool athletic activities or other interschool extracurricular activities governed by the Washington interscholastic activities association is subject to rules adopted by the Washington interscholastic activities association.

(3) The ((~~rules adopted by the Washington interscholastic activities association under this section must provide that it is the responsibility of the~~)) charter school ((~~to pay~~)) is responsible for the full cost, minus any student participation fee, for any student who participates in interschool athletic activities or other interschool extracurricular activities governed by the Washington interscholastic activities association.

Passed by the Senate February 15, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 61

[Senate Bill 5144]

CREDIT UNION ACT--VARIOUS CHANGES

AN ACT Relating to the Washington state credit union act; amending RCW 31.12.055, 31.12.065, 31.12.195, 31.12.246, 31.12.267, 31.12.326, 31.12.335, 31.12.386, 31.12.404, and 31.12.413; reenacting and amending RCW 31.12.005; and reenacting RCW 31.12.436.

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

Sec. 1. RCW 31.12.005 and 2015 c 114 s 1 are each reenacted and amended to read as follows:

Unless the context clearly requires otherwise, as used in this chapter:

(1) "Board" means the board of directors of a credit union.

(2) "Board officer" means an officer of the board elected under RCW 31.12.265(1).

(3) "Branch" of a credit union, out-of-state credit union, or foreign credit union means any facility that meets all of the following criteria:

(a) The facility is a staffed physical facility;

(b) The facility is owned or leased in whole or part by the credit union or its credit union service organization; and

(c) Deposits and withdrawals may be made((~~, or shares purchased, through staff~~)) at the facility.

(4) "Capital" means a credit union's reserves, undivided earnings, and allowance for loan and lease losses, and other items that may be included under RCW 31.12.413 or by rule or order of the director.

(5) "Credit union" means a credit union organized and operating under this chapter.

(6) "Credit union service organization" means an organization that a credit union has invested in pursuant to RCW 31.12.436(1)(h), or a credit union service organization invested in by an out-of-state, federal, or foreign credit union.

(7) "Department" means the department of financial institutions.

(8) "Director" means the director of financial institutions.

(9) "Federal credit union" means a credit union organized and operating under the laws of the United States.

(10) "Financial institution" means any commercial bank, trust company, savings bank, or savings and loan association, whether state or federally chartered, and any credit union, out-of-state credit union, or federal credit union.

(11) "Foreign credit union" means a credit union organized and operating under the laws of another country or other foreign jurisdiction.

(12) "Insolvency" means:

(a) If, under United States generally accepted accounting principles, the recorded value of the credit union's assets are less than its obligations to its share account holders, depositors, creditors, and others; or

(b) If it is likely that the credit union will be unable to pay its obligations or meet its share account holders' and depositors' demands in the normal course of business.

(13) "Loan" means any loan, overdraft line of credit, extension of credit, or lease, in whole or in part.

(14) "Low-income member" means a member whose family income is not more than eighty percent of the median family income for the metropolitan statistical area where the member lives or for the national metropolitan area where the member lives, whichever is greater, or a member or potential member who earns not more than eighty percent of the total median earnings for individuals for the metropolitan statistical area where the member lives or for the national metropolitan area where the member lives, whichever is greater. For members living outside of a metropolitan statistical area, the department must apply the statewide or national nonmetropolitan area median family income or total median earnings for individuals.

(15) "Material violation of law" means:

(a) If the credit union or person has violated a material provision of:

(i) Law;

(ii) Any cease and desist order issued by the director;

(iii) Any condition imposed in writing by the director in connection with the approval of any application or other request of the credit union; or

(iv) Any supervisory agreement, or any other written agreement entered into with the director;

(b) If the credit union or person has concealed any of the credit union's books, papers, records, or assets, or refused to submit the credit union's books, papers, records, or affairs for inspection to any examiner of the state or, as appropriate, to any examiner of the national credit union administration; or

(c) If a member of a credit union board of directors or supervisory committee, or an officer of a credit union, has breached his or her fiduciary duty to the credit union.

(16) ((~~"Membership share" means an initial share that a credit union may require a person to purchase in order to establish and maintain membership in a credit union.~~

~~(17)~~)) "Net worth" means a credit union's capital, less the allowance for loan and lease losses.

(((~~(18)~~))) (17) "Operating officer" means an employee of a credit union designated as an officer pursuant to RCW 31.12.265(2).

(((~~(19)~~))) (18) "Organization" means a corporation, partnership, association, limited liability company, trust, or other organization or entity.

(((~~(20)~~))) (19) "Out-of-state credit union" means a credit union organized and operating under the laws of another state or United States territory or possession.

(((~~(21)~~))) (20) "Person" means an organization or a natural person including, but not limited to, a sole proprietorship.

((~~(22)~~)) (21) "Principally" or "primarily" means more than one-half.

((~~(23)~~)) (22) "Senior operating officer" includes:

(a) An operating officer who is a vice president or above; and

(b) Any employee who has policy-making authority.

((~~(24)~~)) (23) "Significantly undercapitalized" means a net worth to total assets ratio of less than four percent.

((~~(25)~~)) (24) "Small credit union" means a credit union with up to ten million dollars in total assets.

((~~(26)~~)) (25) "Unsafe or unsound condition" means, but is not limited to:

(a) If the credit union is insolvent;

(b) If the credit union has incurred or is likely to incur losses that will deplete all or substantially all of its net worth;

(c) If the credit union is in imminent danger of losing its share and deposit insurance or guarantee; or

(d) If the credit union is significantly undercapitalized.

((~~(27)~~)) (26) "Unsafe or unsound practice" means any action, or lack of action, which is contrary to generally accepted standards of prudent operation, the likely consequences of which, if continued, would be abnormal risk of loss or danger to a credit union, its members, or an organization insuring or guaranteeing its shares and deposits.

Sec. 2. RCW 31.12.055 and 1997 c 397 s 6 are each amended to read as follows:

(1) Persons applying for the organization of a credit union shall execute articles of incorporation stating:

(a) The initial name and location of the credit union;

(b) That the duration of the credit union is perpetual;

(c) That the purpose of the credit union is to engage in the business of a credit union and any other lawful activities permitted to a credit union by applicable law;

(d) The number of its directors, which must not be less than five or greater than fifteen, and the names of the persons who are to serve as the initial directors;

(e) The names of the incorporators;

(f) ((~~The initial par value, if any, of the shares of the credit union;~~

~~(g)~~)) The extent, if any, to which personal liability of directors is limited;

((~~(h)~~)) (g) The extent, if any, to which directors, supervisory committee members, officers, employees, and others will be indemnified by the credit union; and

((~~(i)~~)) (h) Any other provision which is not inconsistent with this chapter.

(2) Applicants shall submit the articles of incorporation in triplicate to the director.

Sec. 3. RCW 31.12.065 and 2001 c 83 s 2 are each amended to read as follows:

(1) Persons applying for the organization of a credit union shall adopt bylaws that prescribe the manner in which the business of the credit union shall be conducted. The bylaws shall include:

(a) The name of the credit union;

(b) The field of membership of the credit union;

(c) Reasonable qualifications for ((~~membership in~~)) admission as a member of the credit union, ((~~including, but not limited to, the minimum number of shares, and the payment of a membership fee, if any, required for membership,~~)) and the procedures for expelling a member;

(d) The number of directors and supervisory committee members, and the length of terms they serve and the permissible term length of any interim director or supervisory committee member;

(e) Any qualification for eligibility to serve on the credit union's board or supervisory committee;

(f) The number of credit union employees that may serve on the board, if any;

(g) The frequency of regular meetings of the board and the supervisory committee, and the manner in which members of the board or supervisory committee will be notified of meetings;

(h) The timing of the annual membership meeting;

(i) The manner in which members may call a special membership meeting;

(j) The manner in which members will be notified of membership meetings;

(k) The number of members constituting a quorum at a membership meeting;

(l) Provisions, if any, for the indemnification of directors, supervisory committee members, officers, employees, and others by the credit union, if not included in the articles of incorporation; and

(m) Any other provision which is not inconsistent with this chapter.

(2) Applicants shall submit the bylaws in duplicate to the director.

Sec. 4. RCW 31.12.195 and 2015 c 114 s 2 are each amended to read as follows:

(1) ((~~Unless a unanimous vote by a supervisory committee is required for a suspension pursuant to RCW 31.12.345,~~)) A special membership meeting of a credit union may be called by:

(a) A majority vote of the board((~~, a majority vote of the supervisory committee, or upon~~));

(b) Written ((~~application of~~)) petition signed or similarly authenticated by at least ten percent or two thousand of the members of a credit union, whichever is less;

(c) A unanimous vote of the supervisory committee for the purpose of presenting and discussing a special report by the supervisory committee regarding the failure of the board to adequately respond within a reasonable time frame to findings or recommendations previously provided to the board by the supervisory committee pursuant to RCW 31.12.335; or

(d) Unanimous vote of the supervisory committee to suspend a director for cause pursuant to RCW 31.12.345 if the supervisory committee has provided the director and the board with written notice of such cause and a statement of reasons why cause was found, and the board and the director have failed to act within a reasonable period to rectify the activity that constitutes cause.

(2) A ((~~request for~~)) call of a special membership meeting of a credit union shall be in writing submitted to the secretary of the credit union by the board, the petitioners, or the supervisory committee as applicable, and shall state specifically the purpose or purposes for which the meeting is called((~~. At this meeting, only those agenda items detailed in the written request may be~~

~~considered~~)) and the agenda item or items for consideration by the members at the meeting. If the special membership meeting is ((~~being~~)) called for the removal of one or more directors or supervisory committee members, the ((~~request~~)) call shall state the name of ((~~the director or directors~~)) each individual whose removal is sought.

(3)(a) Upon receipt of a ((~~request~~)) call for a special membership meeting, the secretary of the credit union shall ((~~designate~~)) determine whether the call satisfies the requirements of this section. If so, the secretary shall determine the date, time, and place at which the special membership meeting will be held, and provide notice of the special membership meeting in accordance with the requirements of this subsection. The ((~~designated place of the~~)) special membership meeting must be held at a reasonable location within the county in which the principal place of business of the credit union is located, unless provided otherwise by the bylaws. The ((~~designated time of the~~)) special membership meeting must be held no later than ninety days after the ((~~request~~)) date on which the call is received by the secretary.

(b) The secretary shall give notice of the special membership meeting at least thirty days before the ((~~special membership~~)) date of the meeting, or within such other reasonable time period as may be provided by the bylaws. The notice must ((~~include~~)) state the purpose or purposes for which the special membership meeting is called, and((~~,~~)) the agenda items for the meeting. If the special membership meeting is ((~~being~~)) called for the removal of one or more directors((~~,~~)) or supervisory committee members ((~~of a supervisory committee~~)), the notice must state the name of ((~~the director or directors, or member or members of the supervisory committee,~~)) each individual whose removal is sought.

(4) Except as provided in this subsection, the chairperson of the board shall preside over special membership meetings. If the purpose of the special membership meeting includes the ((~~proposed~~)) removal of the chairperson, the next highest ranking board officer whose removal is not sought shall preside over the ((~~special~~)) meeting. If the removal of all board officers is sought, the chairperson of the supervisory committee shall preside over the special membership meeting.

(5) At the special membership meeting, only those agenda items that are stated in the notice for the meeting may be considered.

(6) Special membership meetings shall be conducted according to the rules of procedure approved by the board.

Sec. 5. RCW 31.12.246 and 1997 c 397 s 16 are each amended to read as follows:

(1) The members of a credit union may remove a director of the credit union at a special membership meeting held in accordance with RCW 31.12.195 and called for that purpose. If the members remove a director, the members may at the same special membership meeting elect an interim director to complete the remainder of the former director's term of office or authorize the board to appoint an interim director as provided in RCW 31.12.225.

(2) The members of a credit union may remove a supervisory committee member at a special membership meeting held in accordance with RCW 31.12.195 and called for that purpose. If the members remove a supervisory committee member, the members may at the same special membership meeting

elect an interim supervisory committee member to complete the remainder of the former supervisory committee member's term of office or authorize the supervisory committee to appoint an interim supervisory committee member as provided in RCW 31.12.326.

Sec. 6. RCW 31.12.267 and 2010 c 87 s 3 are each amended to read as follows:

(1) ((~~Directors, board officers, supervisory committee members, and senior operating officers~~)) Officials owe a fiduciary duty to the credit union, and must discharge the duties of their ((~~respective~~)) positions:

(a) In good faith;

(b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

(c) In a manner the ((~~director or officer~~)) official reasonably believes to be in the best interests of the credit union.

(2) In discharging the duties of ((~~a director, a director~~)) an official, the official is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

(a) One or more officers or employees of the credit union whom the ((~~director~~)) official reasonably believes to be reliable and competent in the matters presented;

(b) Legal counsel, public accountants, or other persons as to matters the ((~~director~~)) official reasonably believes are within the person's professional or expert competence; or

(c) A committee of the board of directors or supervisory committee of which the ((~~director~~)) official is not a member if the ((~~director~~)) official reasonably believes the committee merits confidence.

(3) ((~~A director~~)) An official is not acting in good faith if the ((~~director~~)) official has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (2) of this section unwarranted.

(4) ((~~A director~~)) An official is not liable for any action taken as a director, or any failure to take any action, if the director performed the duties of the director's office in compliance with this section.

(5) As used in this section, "official" means a director, board officer, supervisory committee member, or senior operating officer of the credit union.

Sec. 7. RCW 31.12.326 and 2015 c 114 s 5 are each amended to read as follows:

(1) A supervisory committee of at least three members must be elected at the annual membership meeting of the credit union. Members of the supervisory committee shall serve a term of three years, unless sooner removed under this chapter or until their successors are qualified and elected or appointed. The members of the supervisory committee shall be divided into classes so that as equal a number as is possible is elected each year.

(2) At least one supervisory committee member may attend each regular meeting of the board. However, supervisory committee members may be excluded from executive sessions of board meetings.

(3)(a) If a supervisory committee member is absent from more than one-third of the committee meetings in any twelve-month period in a term without

being reasonably excused by the committee, the member shall no longer serve as a member of the committee for the period remaining in the term.

(b) The supervisory committee shall promptly notify the member that he or she shall no longer serve as a committee member. Failure to provide notice does not affect the termination of the member's service under (a) of this subsection.

(((~~(3)~~))) (4) A supervisory committee member must be a natural person and a member of the credit union. If a member of the supervisory committee ceases to be a member of the credit union, the member shall no longer serve as a committee member. The chairperson of the supervisory committee may not serve as a board officer.

(((~~(4)~~))) (5) Except as provided in subsection (((~~(5)~~))) (6) of this section, any vacancy on the committee must be filled by an interim member appointed by the committee, unless the interim member would serve a term of fewer than ninety days. Interim members appointed to fill vacancies created by expansion of the committee will serve until the next annual meeting of members. Other interim members may serve out the unexpired term of the former member, unless provided otherwise by the credit union's bylaws. However, if all positions on the committee are vacant at the same time, the board may appoint interim members to serve until the next annual membership meeting.

(((~~(5)~~))) (6) In the case of a merger between two credit unions pursuant to RCW 31.12.461, a supervisory committee member of the merging credit union may continue to serve as a supervisory committee member of the continuing credit union for a period not to exceed the equivalent of the duration of his or her unexpired term on the supervisory committee of the merging credit union, provided that the approved plan of merger or other agreement approved by the director provides for such service on the continuing credit union's supervisory committee with a corresponding expansion in the size of the continuing credit union's supervisory committee.

(((~~(6)~~))) (7) No operating officer or employee of a credit union may serve on the credit union's supervisory committee. No more than one director may be a member of the supervisory committee at the same time, unless provided otherwise by the credit union's bylaws. No member of the supervisory committee may serve on the credit committee or investment committee of the credit union while serving on the supervisory committee.

(8) A credit union may establish an audit committee in lieu of a supervisory committee. An audit committee and its members possess the same duties and powers, and are subject to the same limitations as a supervisory committee and its members pursuant to this chapter.

Sec. 8. RCW 31.12.335 and 2001 c 83 s 11 are each amended to read as follows:

(1) The supervisory committee of a credit union shall:

(a) ((~~Meet at least quarterly;~~

~~(b)~~))) Keep ((~~fully~~)) informed as to the financial condition of the credit union and the decisions of the credit union's board;

(((~~(c)~~))) (b) Perform or arrange for a complete annual audit of the credit union and a verification of its members' accounts and provide any related findings and recommendations to the board; ((~~and~~

~~(d) Report its findings and recommendations to the board and make~~))

(c) Provide an annual report to members at each annual membership meeting;

(d) Perform or arrange for additional audits as requested by the board or management or as deemed necessary by the supervisory committee and provide any related findings and recommendations to management or the board as deemed appropriate by the supervisory committee;

(e) Monitor the implementation of management responses to material adverse findings in audits and regulatory examinations;

(f) Implement a process for the supervisory committee to receive and respond to whistleblower complaints; and

(g) Perform any additional duties as specified by the board or in the credit union's bylaws.

(2) ((~~At least one supervisory committee member may attend each regular board meeting~~)) The supervisory committee may in its sole discretion retain, at the credit union's expense, independent counsel or other professional advisors or consultants as necessary to perform the duties under this section.

Sec. 9. RCW 31.12.386 and 1997 c 397 s 28 are each amended to read as follows:

(1) No member may have more than one vote ((~~regardless of the number of shares held by the member~~)). A natural person may not hold more than one membership in a credit union on behalf of himself or herself. An organization having membership in a credit union may cast one vote through ((~~its~~)) a natural person agent duly authorized in writing.

(2) Members may vote, as prescribed in the credit union's bylaws, by mail ballot, absentee ballot, or other method. However, no member may vote by proxy.

(3) A member who is not at least eighteen years of age is not eligible to vote as a member unless otherwise provided in the credit union's bylaws.

Sec. 10. RCW 31.12.404 and 2015 c 114 s 9 are each amended to read as follows:

(1) Notwithstanding any other provision of law, and in addition to all powers and authorities, express or implied, that a credit union has under the laws of this state, a credit union has the powers and authorities that a federal credit union had on December 31, 1993, or a subsequent date not later than ((~~July 24, 2015~~)) the effective date of this section.

(2) Notwithstanding any other provision of law, and in addition to the powers and authorities, express or implied, that a credit union has under subsection (1) of this section, a credit union has the powers and authorities that a federal credit union has, and an out-of-state credit union operating a branch in Washington has, subsequent to ((~~July 24, 2015~~)) the effective date of this section, if the director finds that the exercise of the power and authority serves the convenience and advantage of members of credit unions, and maintains the fairness of competition and parity between credit unions and federal or out-of-state credit unions. However, a credit union:

(a) Must still comply with RCW 31.12.408; and

(b) Is not granted the field of membership powers or authorities of any out-of-state credit union operating a branch in Washington.

(3) The restrictions, limitations, and requirements applicable to specific powers or authorities of federal or out-of-state credit unions apply to credit unions exercising those powers or authorities permitted under this section but only insofar as the restrictions, limitations, and requirements relate to the specific exercise of the powers or authorities granted credit unions solely under this section.

(4) As used in this section, "powers and authorities" include, but are not limited to, powers and authorities in corporate governance matters.

Sec. 11. RCW 31.12.413 and 2015 c 114 s 10 are each amended to read as follows:

(1) A credit union may apply in writing to the director for designation as a low-income credit union. ((~~The criteria~~)) To qualify for approval of this designation ((~~are as follows:~~

(~~a~~)), the credit union must provide evidence satisfactory to the director that at least fifty percent of a substantial and well-defined segment of the credit union's members or potential primary members are low-income members((~~;~~

~~(b) The credit union must submit an acceptable written plan on marketing to and serving the well-defined segment;~~

~~(c) The credit union must agree to submit annual reports to the director on its service to the well-defined segment; and~~

~~(d) The credit union must submit other information and satisfy other criteria as may be required by the director~~)).

(2)(((~~a~~))) Among other powers and authorities, a low-income credit union may:

(((~~(i)~~))) (a) Issue secondary capital accounts approved in advance by the director upon application of the credit union; and

(((~~(ii)~~))) (b) Accept and maintain shares and deposits from nonmembers.

(((~~(b) A secondary capital account is:~~

~~(i) Over one hundred thousand dollars, or a higher amount as established by the director;~~

~~(ii) Nontransactional;~~

~~(iii) Owned by a nonnatural person; and~~

~~(iv) Subordinate to other creditors.~~))

(3) The director may adopt rules for the organization and operation of low-income credit unions including, but not limited to, rules concerning secondary capital accounts and requiring disclosures to the purchasers of the accounts.

Sec. 12. RCW 31.12.436 and 2015 c 123 s 4 and 2015 c 114 s 11 are each reenacted to read as follows:

(1) A credit union may invest its funds in any of the following, as long as the investments are deemed prudent by the board:

(a) Loans held by credit unions, out-of-state credit unions, or federal credit unions; loans to members held by other lenders; and loans to nonmembers held by other lenders, with the approval of the director;

(b) Bonds, securities, or other investments that are fully guaranteed as to principal and interest by the United States government, and general obligations of this state and its political subdivisions;

(c) Obligations issued by corporations designated under 31 U.S.C. Sec. 9101, or obligations, participations or other instruments issued and guaranteed

by the federal national mortgage association, federal home loan mortgage corporation, government national mortgage association, or other government-sponsored enterprise;

(d) Participations or obligations which have been subjected by one or more government agencies to a trust or trusts for which an executive department, agency, or instrumentality of the United States has been named to act as trustee;

(e) Share or deposit accounts of other financial institutions, the accounts of which are federally insured or insured or guaranteed by another insurer or guarantor approved by the director. The shares and deposits made by a credit union under this subsection (1)(e) may exceed the insurance or guarantee limits established by the organization insuring or guaranteeing the institution into which the shares or deposits are made;

(f) Common trust or mutual funds whose investment portfolios consist of securities issued or guaranteed by the federal government or an agency of the government;

(g) Up to five percent of the capital of the credit union, in debt or equity issued by an organization owned by the Northwest credit union association or its successor credit union association;

(h) Shares, stocks, loans, or other obligations of organizations whose primary purpose is to strengthen, advance, or provide services to the credit union industry or credit union members. A credit union may invest in or make loans to organizations under this subsection (1)(h) in an aggregate amount not to exceed five percent of its assets. This limit does not apply to investments in, and loans to, an organization:

(i) That is wholly owned by one or more credit unions or federal or out-of-state credit unions; and

(ii) Whose activities are limited exclusively to those authorized by this chapter for a credit union;

(i) Loans to credit unions, out-of-state credit unions, or federal credit unions. However, the aggregate of loans issued under this subsection (1)(i) is limited to twenty-five percent of the total shares and deposits of the credit union making the loans;

(j) Key person insurance policies and investment products related to employee benefits, the proceeds of which inure exclusively to the benefit of the credit union;

(k) A registered investment company or collective investment fund, as long as the prospectus of the company or fund restricts the investment portfolio to investments and investment transactions that are permissible for credit unions; or

(l) Other investments approved by the director upon written application.

(2) If a credit union has lawfully made an investment that later becomes impermissible because of a change in circumstances or law, and the director finds that this investment will have an adverse effect on the safety and soundness of the credit union, then the director may require that the credit union develop a reasonable plan for the divestiture of the investment.

Passed by the Senate March 1, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 62

[Substitute Senate Bill 5235]

CEMETERY DISTRICTS--WITHDRAWAL OF TERRITORY

AN ACT Relating to withdrawing territory from a cemetery district; and adding a new section to chapter 68.54 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 68.54 RCW to read as follows:

Territory within a cemetery district may be withdrawn from the district in the same manner provided by law for withdrawal of territory from water-sewer districts, as provided by chapter 57.28 RCW, except that no territory within a cemetery district may be withdrawn unless a special election is held and a majority of votes cast by qualified voters residing within the district approve the withdrawal. Agreement between the district board of commissioners and the county legislative authority on the findings of fact under RCW 57.28.080 does not preclude an election under this section.

Passed by the Senate March 3, 2017.
Passed by the House April 7, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 63

[Senate Bill 5261]

IRRIGATION DISTRICTS--AUTHORITY--CONTRACTS

AN ACT Relating to irrigation district authority; and amending RCW 87.03.015, 87.03.0155, and 87.03.115.

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

Sec. 1. RCW 87.03.015 and 2014 c 2 s 6 are each amended to read as follows:

Any irrigation district, operating and maintaining an irrigation system, in addition to other powers conferred by law, shall have authority:

(1) To purchase and sell electric power to the inhabitants of the irrigation district for the purposes of irrigation and domestic use((~~,~~)); to finance, acquire, construct, own, and lease dams, canals, plants, transmission lines, and other power equipment and the necessary property and rights therefor and to operate, improve, repair, and maintain the same, for the generation and transmission of electrical energy for use in the operation of pumping plants and irrigation systems of the district and for sale to the inhabitants of the irrigation district for the purposes of irrigation and domestic use; and, as a further and separate grant of authority and in furtherance of a state purpose and policy of developing hydroelectric capability in connection with irrigation facilities, to construct, finance, acquire, own, lease, operate, improve, repair, and maintain, alone or jointly with other irrigation districts, boards of control, ((~~other~~)) municipal or quasi-municipal corporations or cooperatives authorized to engage in the business of distributing electricity, ((~~or~~)) electrical companies subject to the jurisdiction of the utilities and transportation commission, private commercial or

industrial entities that construct or operate electric power generation or transmission facilities, or private commercial or industrial entities that acquire electric power for their own use or resale, hydroelectric facilities including but not limited to dams, canals, plants, transmission lines, other power equipment, and the necessary property and rights therefor, located within or outside the district, for the purpose of utilizing for the generation of electricity, water power made available by and as a part of the irrigation water storage, conveyance, and distribution facilities, waste ways, and drainage water facilities which serve irrigation districts, and to sell any and all the electric energy generated at any such hydroelectric facilities or the irrigation district's share of such energy, to municipal or quasi-municipal corporations ((~~and~~)) or cooperatives authorized to engage in the business of distributing electricity, ((~~and~~)) electrical companies subject to the jurisdiction of the utilities and transportation commission, private commercial or industrial entities that acquire electric power for their own use or resale, or ((~~to~~)) other irrigation districts, and on such terms and conditions as the board of directors shall determine((~~, and to enter into contracts with other irrigation districts, boards of control, other municipal or quasi-municipal corporations and cooperatives authorized to engage in the business of distributing electricity, and electrical companies subject to the jurisdiction of the utilities and transportation commission: PROVIDED, That~~)). No contract entered into under this subsection by the board of directors of any irrigation district for the sale of electrical energy from such hydroelectric facility for a period longer than forty years from the date of commercial operation of such hydroelectric facility shall be binding on the district until ratified by a majority vote of the electors of the district at an election therein, called, held, and canvassed for that purpose in the same manner as that provided by law for district bond elections.

(2) To construct, repair, purchase, maintain, or lease a system for the sale or lease of water to the owners of irrigated lands within the district for domestic purposes.

(3) To construct, repair, purchase, lease, acquire, operate and maintain a system of drains, sanitary sewers, and sewage disposal or treatment plants as herein provided.

(4) To assume, as principal or guarantor, any indebtedness to the United States under the federal reclamation laws, on account of district lands.

(5) To maintain, repair, construct, and reconstruct ditches, laterals, pipe lines, and other water conduits used or to be used in carrying water for irrigation of lands located within the boundaries of a city or town, or for the domestic use of the residents of a city or town where the owners of land within such city or town shall use such works to carry water to the boundaries of such city or town for irrigation, domestic, or other purposes within such city or town, and to charge to such city or town the pro rata proportion of the cost of such maintenance, repair, construction, and reconstruction work in proportion to the benefits received by the lands served and located within the boundaries of such city or town, and if such cost is not paid, then and in that event said irrigation district shall have the right to prevent further water deliveries through such works to the lands located within the boundaries of such city or town until such charges have been paid.

(6) To acquire, install, and maintain as a part of the irrigation district's water system the necessary water mains and fire hydrants to make water available for firefighting purposes; and in addition any such irrigation district shall have the authority to repair, operate, and maintain such hydrants and mains.

(7) To enter into contracts with other irrigation districts, boards of control, municipal or quasi-municipal corporations ((~~and~~)) or cooperatives authorized to engage in the business of distributing electricity, ((~~and~~)) electrical companies subject to the jurisdiction of the utilities and transportation commission, private commercial or industrial entities that construct or operate electric power generation or transmission facilities, or private commercial or industrial entities that acquire electric power for their own use or resale, to jointly finance, acquire, lease, construct, own, operate, improve, repair, and maintain irrigation water, domestic water, drainage and sewerage works, and electrical power works to the same extent as authorized by subsection (1) of this section, or portions of such works. If an irrigation district enters into a contract or agreement under this subsection to create a legal entity or undertaking with an investor-owned utility or a private commercial or industrial entity, that contract or agreement must provide that the irrigation district be severally liable only for its own acts and not jointly or severally liable for the acts, omissions, or obligations of an investor-owned utility or a private commercial or industrial entity. No money or property supplied by any irrigation district for the planning, financing, acquisition, construction, operation, or maintenance of any common facility may be credited or otherwise applied to the account of any investor-owned utility or private commercial or industrial entity therein, nor may the undivided share of any irrigation district in any common facility be charged, directly or indirectly, with any debt or obligation of any investor-owned utility or private commercial or industrial entity or be subject to any lien as a result thereof. No action in connection with a common facility may be binding upon any irrigation district unless authorized or approved by resolution of its board.

(8) To acquire from a water-sewer district wholly within the irrigation district's boundaries, by a conveyance without cost, the water-sewer district's water system and to operate the same to provide water for the domestic use of the irrigation district residents. As a part of its acceptance of the conveyance the irrigation district must agree to relieve the water-sewer district of responsibility for maintenance and repair of the system. Any such water-sewer district is authorized to make such a conveyance if all indebtedness of the water-sewer district, except local improvement district bonds, has been paid and the conveyance has been approved by a majority of the water-sewer district's voters voting at a general or special election.

(9) To approve and condition placement of hydroelectric generation facilities by entities other than the district on water conveyance facilities operated or maintained by the district.

This section shall not be construed as in any manner abridging any other powers of an irrigation district conferred by law.

Sec. 2. RCW 87.03.0155 and 2009 c 145 s 4 are each amended to read as follows:

(1) An irrigation district may enter into any contract or agreement with, or form a separate legal entity with, one or more of the entities or utilities specified in subsection (3) of this section for any of the following purposes:

(a) Purchasing and selling electric power; ((~~and~~))

(b) Developing or owning, or both, electric power generating or transmitting facilities, or both, including, but not limited to, facilities for generating or transmitting electric power generated by water, wind, solar power, thermal power, or batteries; and

(c) Developing or owning, or both, water storage, pumping, and transmission facilities.

(2) The contract or agreement may provide:

(a) For purchasing the capability of a project to produce or transmit electric power, in addition to actual output of a project;

(b) For making payments whether or not a project is completed, operative, or operating, and notwithstanding the suspension, interruption, interference, reduction, or curtailment of output or use of a project or the use, power, and energy contracted for or agreed to;

(c) That payments are not subject to reduction, whether by offset or otherwise; and

(d) That performance is not conditioned upon performance or nonperformance of any party or entity.

(3) Pursuant to authority granted under this section, irrigation districts may contract or enter into agreements with one or more:

(a) Agencies of the United States government;

(b) States;

(c) Municipalities;

(d) Public utility districts;

(e) Irrigation districts;

(f) Joint operating agencies;

(g) Rural electric cooperatives;

(h) Mutual corporations or associations;

(i) Investor-owned utilities; ((~~or~~))

(j) Private commercial or industrial entities that construct or operate electric power generation or transmission facilities;

(k) Private commercial or industrial entities that acquire electric power for their own use or resale; or

(l) Associations or legal entities composed of any such entities or utilities.

(4) If an irrigation district enters into a contract or agreement under this section to create a legal entity or undertaking with an investor-owned utility or a private commercial or industrial entity, that contract or agreement must provide that the irrigation district be severally liable only for its own acts and not jointly or severally liable for the acts, omissions, or obligations of an investor-owned utility or a private commercial or industrial entity. No money or property supplied by any irrigation district for the planning, financing, acquisition, construction, operation, or maintenance of any common facility may be credited or otherwise applied to the account of any investor-owned utility or private commercial or industrial entity therein, nor may the undivided share of any irrigation district in any common facility be charged, directly or indirectly, with any debt or obligation of any investor-owned utility or private commercial or industrial entity or be subject to any lien as a result thereof. No action in connection with a common facility may be binding upon any irrigation district unless authorized or approved by resolution of its board.

(5) This section may not be construed in any manner that abridges any other powers of an irrigation district conferred by law.

Sec. 3. RCW 87.03.115 and 2013 c 23 s 492 are each amended to read as follows:

(1) The directors of the district shall organize as a board and shall elect a president from their number, and appoint a secretary, who shall keep a record of their proceedings.

(2) The office of the directors and principal place of business of the district shall be at some place in the county in which the organization was effected, to be designated by the directors.

(3) The directors serving districts of five thousand acres or more shall hold a regular monthly meeting at their office on the first Tuesday in every month, or on such other day in each month as the board shall direct in its bylaws, and may adjourn any meeting from time to time as may be required for the proper transaction of business.

(4) Directors serving districts of less than five thousand acres shall hold at least quarterly meetings on a day designated by the board's bylaws, and may adjourn any meeting from time to time as may be required for the proper transaction of business.

(5) Special meetings shall be called and conducted in the manner required by chapter 42.30 RCW.

(6) All meetings of the directors must be public.

(7) A majority of the directors shall constitute a quorum for the transaction of business, and in all matters requiring action by the board there shall be a concurrence of at least a majority of the directors.

(8) All records of the board shall be open to the inspection of any electors during business hours.

(9) The board shall have the power, and it shall be its duty, to adopt a seal of the district, to manage and conduct the business and affairs of the district, to make and execute all necessary contracts, to employ and appoint such agents, officers, and employees as may be necessary and prescribe their duties, and to establish equitable bylaws, rules, and regulations for the government and management of the district, and for the equitable distribution of water to the lands within the district, upon the basis of the beneficial use thereof, and generally to perform all such acts as shall be necessary to fully carry out the provisions of this chapter: PROVIDED, That all water, the right to the use of which is acquired by the district under any contract with the United States shall be distributed and apportioned by the district in accordance with the acts of congress, and rules and regulations of the secretary of the interior until full reimbursement has been made to the United States, and in accordance with the provisions of said contract in relation thereto.

(10) The bylaws, rules, and regulations must be on file and open to inspection of any elector during regular business hours.

(11) All leases, contracts, or other form of holding any interest in any state or other public lands shall be, and the same are hereby declared to be title to and evidence of title to lands and for all purposes within this act, shall be treated as the private property of the lessee or owner of the contractual or possessory interest: PROVIDED, That nothing in this section shall be construed to affect the

title of the state or other public ownership, nor shall any lien for such assessment attach to the fee simple title of the state or other public ownership.

(12) The board of directors shall have authority to develop and to sell, lease, or rent the use of: ((~~(1)~~)) (a) Water facilities and water derived from the operation of the ((~~district~~)) water facilities to such municipal and quasi-municipal entities, the state of Washington, and state entities and agencies, and public and private corporations and individuals located within and outside the boundaries of the district, and on such terms and conditions as the board of directors shall determine; ((~~and (2)~~)) (b) electric facilities and power derived from ((~~hydroelectric~~)) electric facilities authorized by RCW 87.03.015((~~(1) as now or hereafter amended~~)) or 87.03.0155, to such municipal or quasi-municipal corporations and cooperatives authorized to engage in the business of distributing electricity, electrical companies subject to the jurisdiction of the utilities and transportation commission, private commercial or industrial entities that acquire electric power for their own use or resale, and other irrigation districts, and on such terms and conditions as the board of directors shall determine((~~: PROVIDED,~~)); and (c) power derived from electric facilities authorized by RCW 87.03.015 or 87.03.0155 on such terms and conditions as the board of directors shall determine. No water shall be furnished for use outside of said district until all demands and requirements for water for use in said district are furnished and supplied by said district((~~: AND PROVIDED FURTHER, That~~)). As soon as any public lands situated within the limits of the district shall be acquired by any private person, or held under any title of private ownership, the owner thereof shall be entitled to receive his or her proportion of water as in case of other land owners, upon payment by him or her of such sums as shall be determined by the board, and at the time to be fixed by the board, which sums shall be such equitable amount as such lands should pay having regard to placing said lands on the basis of equality with other lands in the district as to benefits received, and giving credit if equitable for any sums paid as water rent by the occupant of said lands prior to the vesting of private ownership, and such lands shall also become subject to all taxes and assessments of the district thereafter imposed.

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Approved by the Governor April 19, 2017.
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CHAPTER 64

[Senate Bill 5270]

CONTRACT HARVESTING PROGRAM--EXPIRATION

AN ACT Relating to expiration dates affecting the department of natural resources' contract harvesting program; amending 2013 c 255 s 1 and 2009 c 418 s 7 (uncodified); repealing 2010 c 126 s 12; and repealing 2013 c 255 ss 2 and 3 and 2010 c 126 ss 15 and 16 (uncodified).

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

Sec. 1. 2013 c 255 s 1 and 2009 c 418 s 7 (uncodified) are each amended to read as follows:

Section 5 of this act expires January 1, 2019.

NEW SECTION. **Sec. 2.** The following acts or parts of acts are each repealed:

(1) 2013 c 255 s 2 and 2010 c 126 s 15 (uncodified);

(2) 2013 c 255 s 3 and 2010 c 126 s 16 (uncodified); and

(3) 2010 c 126 s 12.

Passed by the Senate February 15, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 65

[Substitute Senate Bill 5356]
DOG TETHERING

AN ACT Relating to the humane treatment of dogs; reenacting and amending RCW 16.52.011; adding a new section to chapter 16.52 RCW; and prescribing penalties.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 16.52 RCW to read as follows:

(1) Any dog that is restrained outside by a tether must only be restrained for a period of time that is not reckless and in compliance with this section.

(a) The dog shall not be tethered in a manner that results, or could reasonably result, in the dog becoming frequently entangled on the restraint or another object.

(b) If there are multiple dogs tethered, each dog must be on a separate tether and not secured to the same fixed point.

(c) The tether must allow the dog to sit, lie down, and stand comfortably without the restraint becoming taut and allow the dog a range of movement.

(d) A dog shall not be tethered if it is ill, suffering from a debilitating disease, injured, in distress, in the advanced stages of pregnancy, or under six months of age.

(e) A tethered dog must have access to clean water and necessary shelter that is safe and protective while tethered. The shelter and water vessel must be constructed or attached in such a way that the dog cannot knock over the shelter or water vessel.

(f) A dog shall not be tethered in a manner that results in the dog being left in unsafe or unsanitary conditions or that forces the dog to stand, sit, or lie down in its own excrement or urine.

(g) A dog shall not be tethered by means of a choke, pinch, slip, halter, or prong-type collar, or by any means other than with a properly fitted buckle-type collar or harness that provides enough room between the collar or harness and the dog's throat to allow normal breathing and swallowing.

(h) The weight of the tether shall not unreasonably inhibit the free movement of the dog within the area allowed by the length of the tether.

(i) The dog shall not be tethered in a manner that causes the dog injury or pain.

(2) The provisions of subsection (1)(a) through (d) of this section do not apply to a dog that is:

(a) Tethered while it is receiving medical care or treatment under the supervision of a licensed veterinarian or is being groomed;

(b) Participating temporarily in an exhibition, show, contest, or other event in which the skill, breeding, or stamina of the dog is judged or examined;

(c) Being kept temporarily at a camping or recreation area;

(d) Being cared for temporarily after having been picked up as a stray or as part of a rescue operation;

(e) Being transported in a motor vehicle or temporarily restrained or tied after being unloaded from a motor vehicle;

(f) Being trained or used by a federal, state, or local law enforcement agency or military or national guard unit; or

(g) In the physical presence of the person who owns, keeps, or controls the dog.

(3) Each incident involving a violation of this section is a separate offense. A person who violates this section is subject to the following penalties:

(a) A first offense shall result in a correction warning being issued requiring the offense to be corrected by the person who owns, keeps, or controls the dog within seven days after the date of the warning being issued in lieu of an infraction unless the offense poses an imminent risk to the health or safety of the dog or the dog has been injured as a result of the offense.

(b) A second offense is a class 2 civil infraction under RCW 7.80.120(1)(b).

(c) A third or subsequent offense is a class 1 civil infraction under RCW 7.80.120(1)(a).

Sec. 2. RCW 16.52.011 and 2015 c 235 s 2 are each reenacted and amended to read as follows:

(1) Principles of liability as defined in chapter 9A.08 RCW apply to this chapter.

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

(a) "Abandons" means the knowing or reckless desertion of an animal by its owner or the causing of the animal to be deserted by its owner, in any place, without making provisions for the animal's adequate care.

(b) "Animal" means any nonhuman mammal, bird, reptile, or amphibian.

(c) "Animal care and control agency" means any city or county animal control agency or authority authorized to enforce city or county municipal ordinances regulating the care, control, licensing, or treatment of animals within the city or county, and any corporation organized under RCW 16.52.020 that contracts with a city or county to enforce the city or county ordinances governing animal care and control.

(d) "Animal control officer" means any individual employed, contracted, or appointed pursuant to RCW 16.52.025 by an animal care and control agency or humane society to aid in the enforcement of ordinances or laws regulating the care and control of animals. For purposes of this chapter, the term "animal control officer" shall be interpreted to include "humane officer" as defined in (((~~(g)~~))) (h) of this subsection and RCW 16.52.025.

(e) "Dog" means an animal of the species *Canis lupus familiaris*.

(f) "Euthanasia" means the humane destruction of an animal accomplished by a method that involves instantaneous unconsciousness and immediate death,

or by a method that causes painless loss of consciousness, and death during the loss of consciousness.

(((~~f~~))) (g) "Food" means food or feed appropriate to the species for which it is intended.

(((~~g~~))) (h) "Humane officer" means any individual employed, contracted, or appointed by an animal care and control agency or humane society as authorized under RCW 16.52.025.

(((~~h~~))) (i) "Law enforcement agency" means a general authority Washington law enforcement agency as defined in RCW 10.93.020.

(((~~i~~))) (j) "Livestock" includes, but is not limited to, horses, mules, cattle, sheep, swine, goats, and bison.

(((~~j~~))) (k) "Malice" has the same meaning as provided in RCW 9A.04.110, but applied to acts against animals.

(((~~k~~))) (l) "Necessary food" means the provision at suitable intervals of wholesome foodstuff suitable for the animal's age, species, and condition, and that is sufficient to provide a reasonable level of nutrition for the animal and is easily accessible to the animal or as directed by a veterinarian for medical reasons.

(((~~l~~))) (m) "Necessary shelter" means a structure sufficient to protect a dog from wind, rain, snow, cold, heat, or sun that has bedding to permit a dog to remain dry and reasonably clean and maintain a normal body temperature.

(n) "Necessary water" means water that is in sufficient quantity and of appropriate quality for the species for which it is intended and that is accessible to the animal or as directed by a veterinarian for medical reasons.

(((~~m~~))) (o) "Owner" means a person who has a right, claim, title, legal share, or right of possession to an animal or a person having lawful control, custody, or possession of an animal.

(((~~n~~))) (p) "Person" means individuals, corporations, partnerships, associations, or other legal entities, and agents of those entities.

(((~~o~~))) (q) "Similar animal" means: (i) For a mammal, another animal that is in the same taxonomic order; or (ii) for an animal that is not a mammal, another animal that is in the same taxonomic class.

(((~~p~~))) (r) "Substantial bodily harm" means substantial bodily harm as defined in RCW 9A.04.110.

(s) "Tether" means: (i) To restrain an animal by tying or securing the animal to any object or structure; and (ii) a device including, but not limited to, a chain, rope, cable, cord, tie-out, pulley, or trolley system for restraining an animal.

Passed by the Senate February 28, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 66

[Substitute Senate Bill 5372]

STATE AGENCY AUDITS--NONCOMPLIANCE WITH STATE LAW--PROCEDURE

AN ACT Relating to state audit findings of noncompliance with state law; amending RCW 43.09.310; and adding a new section to chapter 43.09 RCW.

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

Sec. 1. RCW 43.09.310 and 2005 c 387 s 2 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, the state auditor shall annually audit the statewide combined financial statements prepared by the office of financial management and make post-audits of state agencies. Post-audits of state agencies shall be made at such periodic intervals as is determined by the state auditor. Audits of combined financial statements shall include determinations as to the validity and accuracy of accounting methods, procedures and standards utilized in their preparation, as well as the accuracy of the financial statements themselves. A report shall be made of each such audit and post-audit upon completion thereof, and one copy shall be transmitted to the governor, one to the director of financial management, one to the state agency audited, one to the joint legislative audit and review committee, one each to the standing committees on ways and means of the house and senate, one to the chief clerk of the house, one to the secretary of the senate, and at least one shall be kept on file in the office of the state auditor. A copy of any report containing findings of noncompliance with state law shall be transmitted to the attorney general and shall be subject to the process provided in section 2 of this act.

(2) Audits of the department of labor and industries must be coordinated with the audits required under RCW 51.44.115 to avoid duplication of audits.

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.09 RCW to read as follows:

(1) Within thirty days of receipt of an audit under RCW 43.09.310 containing findings of noncompliance with state law, the subject state agency shall submit a response and a plan for remediation to the office of financial management. Within sixty days of receipt of an audit under RCW 43.09.310 containing findings of noncompliance with state law, the office of financial management shall submit the subject state agency's response and a plan for remediation to the governor, the state auditor, the joint legislative audit and review committee, and the relevant fiscal and policy committees of the senate and house of representatives.

(2) If, at the next succeeding audit of the subject state agency, the state auditor determines that the subject state agency has failed to make substantial progress in remediating the noncompliance with state law, the state auditor shall notify the entities specified in subsection (1) of this section.

(3) Upon receipt of a notification under subsection (2) of this section, a fiscal or policy committee of the senate or house of representatives may refer the matter to the senate committee on facilities and operations or the executive rules committee of the house of representatives, which committee may refer the matter to the attorney general for appropriate legal action under RCW 43.09.330.

Passed by the Senate March 1, 2017.

Passed by the House April 7, 2017.

Approved by the Governor April 19, 2017.

Filed in Office of Secretary of State April 19, 2017.

CHAPTER 67

[Senate Bill 5543]

FLOOD CONTROL DISTRICTS--LAND CLASSIFICATION REEXAMINATION

AN ACT Relating to a reexamination of the classification of land in flood control districts; amending RCW 86.09.418; and adding a new section to chapter 86.09 RCW.

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

Sec. 1. RCW 86.09.418 and 1985 c 396 s 68 are each amended to read as follows:

Upon completion of the control works of the district or of any unit thereof, the board of directors of the district may, with the written consent of the county legislative authority of the county within which the major portion of the district is situated, and upon petition signed by landowners representing twenty-five percent of the acreage of the lands in the district or twenty-five percent of the value of the assessments of the district shall, appoint three qualified persons who shall be approved in writing by the county legislative authority, to act as a board of appraisers and who shall reconsider and revise and/or reaffirm the classification and relative percentages, or any part or parts thereof, in the same manner and with the same legal effect as that provided herein for the determination of such matters in the first instance: PROVIDED, That such reexamination shall have no legal effect on any assessments regularly levied prior to the order of appraisal by the reexamining board of appraisers.

NEW SECTION. **Sec. 2.** A new section is added to chapter 86.09 RCW to read as follows:

(1) Upon completion of the control works of the district or of any unit of the district, when there is any subdivision, short subdivision, parcel segregation or merger, lot-line adjustment, or other change in the land use characteristics of any tract or tracts of land within the boundaries of the district, occurring after completion of the most recent examination or reexamination of the benefit classification of the lands within the boundaries of the district pursuant to RCW 86.09.388 through 86.09.418, the board of directors of the district may, with the written consent of the county legislative authority of the county within which the major portion of the district is situated, and without a landowner petition or formation of a board of appraisers, reconsider and revise and/or reaffirm the classification and relative percentages assigned to such a tract or tracts consistent with the current district classifications and benefit percentages, in the same manner and with the same legal effect as provided for in this chapter for the determination of these matters originally. However, such a reexamination has no legal effect on any assessment regularly levied prior to the order of appraisal by the reexamining board of directors.

(2) The reexamination process provided in subsection (1) of this section may occur no more than once per calendar year.

Passed by the Senate March 8, 2017.

Passed by the House April 6, 2017.

Approved by the Governor April 19, 2017.

Filed in Office of Secretary of State April 19, 2017.

CHAPTER 68

[Senate Bill 5649]

REGIONAL TRANSPORTATION PLANNING ORGANIZATIONS--FORMATION ELIGIBILITY

AN ACT Relating to modifying the eligibility requirements for certain counties to form a regional transportation planning organization; and amending RCW 47.80.020.

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

Sec. 1. RCW 47.80.020 and 2016 c 27 s 1 are each amended to read as follows:

The legislature hereby authorizes creation of regional transportation planning organizations within the state. Each regional transportation planning organization shall be formed through the voluntary association of local governments within a county, or within geographically contiguous counties. Each organization shall:

(1) Encompass at least one complete county;

(2)(a) Have a population of at least one hundred thousand, (b) have a population of at least seventy-five thousand and contain a Washington state ferries terminal, (c) have a population of at least forty thousand and cover a geographic area of at least five thousand square miles, or (d) contain a minimum of three counties; and

(3) Have as members all counties within the region, and at least sixty percent of the cities and towns within the region representing a minimum of seventy-five percent of the cities' and towns' population.

The state department of transportation must verify that each regional transportation planning organization conforms with the requirements of this section.

In urbanized areas, the regional transportation planning organization is the same as the metropolitan planning organization designated for federal transportation planning purposes.

Passed by the Senate February 27, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 69

[Substitute Senate Bill 5675]

SMALL BUSINESS RETIREMENT MARKETPLACE--OPERATION--REVIEW OF PLANS

AN ACT Relating to the minimum operating requirements and the review of plans necessary to be included in the small business retirement marketplace; and amending RCW 43.330.735 and 43.330.750.

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

Sec. 1. RCW 43.330.735 and 2015 c 296 s 3 are each amended to read as follows:

(1) The Washington small business retirement marketplace is created.

(2) Prior to connecting any eligible employer with an approved plan in the marketplace, the director shall design a plan for the operation of the marketplace.

(3) The director shall consult with the Washington state department of retirement systems, the Washington state investment board, and the department of financial institutions in designing and managing the marketplace.

(4) The director shall approve for participation in the marketplace all private sector financial services firms that meet the requirements of RCW 43.330.732(7).

(5) A range of investment options must be provided to meet the needs of investors with various levels of risk tolerance and various ages. The director must approve a diverse array of private retirement plan options that are available to employers on a voluntary basis, including but not limited to life insurance plans that are designed for retirement purposes, and ((~~at least two types of~~)) plans for eligible employer participation such as: (a) A SIMPLE IRA-type plan that provides for employer contributions to participating enrollee accounts; and (b) a payroll deduction individual retirement account type plan or workplace-based individual retirement accounts open to all workers in which the employer does not contribute to the employees' account.

(6)(a) Prior to approving a plan to be offered on the marketplace, the department must receive verification from the department of financial institutions ((~~and~~)) or the office of the insurance commissioner:

((~~(a)~~)) (i) That the private sector financial services firm offering the plan meets the requirements of RCW 43.330.732(7); and

((~~(b)~~)) (ii) That the plan meets the requirements of this section excluding subsection (9) of this section which is subject to federal laws and regulations. ((~~The director may remove approved plans that no longer meet the requirements of this chapter.~~))

(b) If the plan includes either life insurance or annuity products, or both, the office of the insurance commissioner may request that the department of financial institutions conduct the plan review as provided in (a)(ii) of this subsection prior to submitting its verification to the department.

(c) The director may remove approved plans that no longer meet the requirements of this chapter.

(7) The financial services firms participating in the marketplace must offer a minimum of two product options: (a) A target date or other similar fund, with asset allocations and maturities designed to coincide with the expected date of retirement and (b) a balanced fund. The marketplace must offer myRA.

(8) In order for the marketplace to operate, there must be at least two ((~~financial services firms offering~~)) approved plans on the marketplace; however, nothing in this subsection shall be construed to limit the number of private sector financial services firms with approved plans from participating in the marketplace.

(9) Approved plans must meet federal law or regulation for internal revenue service approved retirement plans.

(10) The approved plans must include the option for enrollees to roll pretax contributions into a different individual retirement account or another eligible retirement plan after ceasing participation in a plan approved by the Washington small business retirement marketplace.

(11) Financial services firms selected by the department to offer approved plans on the marketplace may not charge the participating employer an administrative fee and may not charge enrollees more than one hundred basis

points in total annual fees and must provide information about their product's historical investment performance. Financial services firms may charge enrollees a de minimis fee for new and/or low balance accounts in amounts negotiated and agreed upon by the department and financial services firms. The director shall limit plans to those with total fees the director considers reasonable based on all the facts and circumstances.

(12) Participation in the Washington small business retirement marketplace is voluntary for both eligible employers and qualified employees.

(13) Enrollment in any approved plan offered in the marketplace is not an entitlement.

Sec. 2. RCW 43.330.750 and 2015 c 296 s 9 are each amended to read as follows:

The director shall adopt rules necessary to allow the marketplace to operate as authorized by this subchapter. As part of the rule development process, the director shall consult with organizations representing eligible employers, qualified employees, private and nonprofit sector retirement plan administrators and providers, organizations representing private sector financial services firms, and any other individuals or entities that the director determines relevant to the development of an effective and efficient method for operating the marketplace. ((~~The rules must be proposed by January 1st of the year of implementation and rules shall not be adopted until after the end of the regular legislative session of that year.~~)) The director or the director's designee may take the actions necessary to ensure this act is implemented on the effective date of this section.

Passed by the Senate February 27, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 70

[Engrossed Substitute Senate Bill 5751]
AMBULANCE SERVICES--DRIVER QUALIFICATIONS

AN ACT Relating to personnel requirements for municipal ambulance services; and amending RCW 18.73.150.

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

Sec. 1. RCW 18.73.150 and 1992 c 128 s 4 are each amended to read as follows:

(1)(a) Any ambulance operated as such shall operate with sufficient personnel for adequate patient care, at least one of whom shall be an emergency medical technician under standards promulgated by the secretary. The emergency medical technician shall have responsibility for its operation and for the care of patients both before they are placed aboard the vehicle and during transit. If there are two or more emergency medical technicians operating the ambulance, a nondriving medical technician shall be in command of the vehicle. The emergency medical technician in command of the vehicle shall be in the patient compartment and in attendance to the patient.

(b) Except as provided in subsection (2) of this section, the driver of the ambulance shall have at least a certificate of advance first aid qualification

recognized by the secretary pursuant to RCW 18.73.120 unless there are at least two certified emergency medical technicians in attendance of the patient, in which case the driver shall not be required to have such certificate.

(2) With approval from the department, an ambulance service established by volunteer or municipal corporations in a rural area with insufficient personnel may use a driver without any medical or first aid training so long as the driver is at least eighteen years old, successfully passes a background check issued or approved by the department, possesses a valid driver's license with no restrictions, is accompanied by a nondriving emergency medical technician while operating the ambulance during a response or transport of a patient, and only provides medical care to patients to the level that they are trained.

Passed by the Senate March 1, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 71

[Engrossed Senate Bill 5761]

FISH AND SHELLFISH HARVEST INFORMATION--PUBLIC RECORDS ACT EXEMPTION

AN ACT Relating to exempting certain fish and shellfish harvest information from disclosure under chapter 42.56 RCW, the public records act; and amending RCW 42.56.430.

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

Sec. 1. RCW 42.56.430 and 2008 c 252 s 1 are each amended to read as follows:

The following information relating to fish and wildlife is exempt from disclosure under this chapter:

(1) Commercial fishing catch data from logbooks required to be provided to the department of fish and wildlife under RCW 77.12.047, when the data identifies specific catch location, timing, or methodology and the release of which would result in unfair competitive disadvantage to the commercial fisher providing the catch data, however, this information may be released to government agencies concerned with the management of fish and wildlife resources;

(2) Sensitive fish and wildlife data. Sensitive fish and wildlife data may be released to the following entities and their agents for fish, wildlife, land management purposes, or scientific research needs: Government agencies, public utilities, and accredited colleges and universities. Sensitive fish and wildlife data may be released to tribal governments. Sensitive fish and wildlife data may also be released to the owner, lessee, or right-of-way or easement holder of the private land to which the data pertains. The release of sensitive fish and wildlife data may be subject to a confidentiality agreement, except upon release of sensitive fish and wildlife data to the owner, lessee, or right-of-way or easement holder of private land who initially provided the data. Sensitive fish and wildlife data does not include data related to reports of predatory wildlife as specified in RCW 77.12.885. Sensitive fish and wildlife data must meet at least one of the following criteria of this subsection as applied by the department of fish and wildlife:

(a) The nesting sites or specific locations of endangered species designated under RCW 77.12.020, or threatened or sensitive species classified by rule of the department of fish and wildlife;

(b) Radio frequencies used in, or locational data generated by, telemetry studies; or

(c) Other location data that could compromise the viability of a specific fish or wildlife population, and where at least one of the following criteria are met:

(i) The species has a known commercial or black market value;

(ii) There is a history of malicious take of that species and the species behavior or ecology renders it especially vulnerable;

(iii) There is a known demand to visit, take, or disturb the species; or

(iv) The species has an extremely limited distribution and concentration;

(3) The personally identifying information of persons who acquire recreational licenses under RCW 77.32.010 or commercial licenses under chapter 77.65 or 77.70 RCW, except name, address of contact used by the department, and type of license, endorsement, or tag; however, the department of fish and wildlife may disclose personally identifying information to:

(a) Government agencies concerned with the management of fish and wildlife resources;

(b) The department of social and health services, child support division, and to the department of licensing in order to implement RCW 77.32.014 and 46.20.291; and

(c) Law enforcement agencies for the purpose of firearm possession enforcement under RCW 9.41.040; ((~~and~~))

(4) Information that the department of fish and wildlife has received or accessed but may not disclose due to confidentiality requirements in the Magnuson-Stevens fishery conservation and management reauthorization act of 2006 (16 U.S.C. Sec. 1861(h)(3) and (i), and Sec. 1881a(b));

(5) The following tribal fish and shellfish harvest information, shared with the department of fish and wildlife:

(a) Fisher name;

(b) Fisher signature;

(c) Total harvest value per species;

(d) Total harvest value;

(e) Price per pound; and

(f) Tribal tax information; and

(6) The following commercial shellfish harvest information, shared with the department of fish and wildlife:

(a) Individual farmer name;

(b) Individual farmer signature;

(c) Total harvest value per species;

(d) Total harvest value;

(e) Price per pound; and

(f) Tax information.

Passed by the Senate March 3, 2017.

Passed by the House April 6, 2017.

Approved by the Governor April 19, 2017.

Filed in Office of Secretary of State April 19, 2017.

CHAPTER 72

[Substitute Senate Bill 5764]

HIGHER EDUCATION--SEXUAL ASSAULT AND DOMESTIC VIOLENCE ADVOCATES--CONFIDENTIALITY

AN ACT Relating to higher education records; reenacting and amending RCW 42.56.240; adding a new section to chapter 28B.112 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** The legislature finds that the state, along with the federal government and the state's public colleges and universities, plays an important role in protecting college students on and off campus from violence, including sexual assault. This role includes protecting students from repeat offenders and ensuring that survivors can trust that their college or university has education record protocols that prioritize their safety on and off campus.

The legislature commends the final report produced by the task force established by Substitute Senate Bill No. 5719 in 2015. The task force brought together experts across a range of fields to highlight ways in which both institutions of higher education and the state can enact stronger policies around the issue of campus sexual assault. As representatives of our state's public colleges and universities said two years ago, this subject needs to be a high priority for the state and existing state law has gaps that need to be fixed. Therefore, the legislature intends to enact changes based on several recommendations contained within the report to the legislature.

NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.112 RCW to read as follows:

(1) Survivor communications with, and records maintained by, campus-affiliated advocates, shall be confidential.

(2) Records maintained by a campus-affiliated advocate are not subject to public inspection and copying and are not subject to inspection or copying by an institution of higher education unless:

(a) The survivor consents to inspection or copying;

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

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

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

(3) The definitions in this subsection apply throughout this section and RCW 42.56.240(16) unless the context clearly requires otherwise.

(a) "Campus-affiliated advocate" means a "sexual assault advocate" or "domestic violence advocate" as defined in RCW 5.60.060 or a victim advocate, employed by or volunteering for an institution of higher education.

(b) "Survivor" means any student, faculty, staff, or administrator at an institution of higher education that believes they were a victim of a sexual assault, dating or domestic violence, or stalking.

Sec. 3. RCW 42.56.240 and 2016 c 173 s 8 and 2016 c 163 s 2 are each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

(12) The following security threat group information collected and maintained by the department of corrections pursuant to RCW 72.09.745: (a) Information that could lead to the identification of a person's security threat

group status, affiliation, or activities; (b) information that reveals specific security threats associated with the operation and activities of security threat groups; and (c) information that identifies the number of security threat group members, affiliates, or associates;

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

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

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

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

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

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

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

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

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

(iv) A minor;

(v) The body of a deceased person;

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

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

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

(c) In a court action seeking the right to inspect or copy a body worn camera recording, a person who prevails against a law enforcement or corrections agency that withholds or discloses all or part of a body worn camera recording pursuant to (a) of this subsection is not entitled to fees, costs, or awards pursuant to RCW 42.56.550 unless it is shown that the law enforcement or corrections agency acted in bad faith or with gross negligence.

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

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

(ii) Provide the incident or case number;

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

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

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

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

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

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

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

(iii) In any case where an agency charges a requestor for the costs of redacting a body worn camera recording under this subsection (14)(f), the time spent on redaction of the recording shall not count towards the agency's allocation of, or limitation on, time or costs spent responding to public records requests under this chapter, as established pursuant to local ordinance, policy, procedure, or state law.

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

(i) "Body worn camera recording" means a video and/or sound recording that is made by a body worn camera attached to the uniform or eyewear of a law enforcement or corrections officer from a covered jurisdiction while in the

course of his or her official duties and that is made on or after June 9, 2016, and prior to July 1, 2019; and

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

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

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

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

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

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

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

(i) The survivor consents to inspection or copying;

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

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

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

(c) "Campus-affiliated advocate" and "survivor" have the definitions in section 2 of this act.

Passed by the Senate February 23, 2017.
Passed by the House April 7, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 73

[Substitute Senate Bill 5837]

HOV LANE ACCESS--DEPARTMENT OF TRANSPORTATION RULES--BLOOD-COLLECTING OR DISTRIBUTING ESTABLISHMENT VEHICLES

AN ACT Relating to expanding high occupancy vehicle lane access to blood-collecting or distributing establishment vehicles; creating a new section; and providing an expiration date.

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

NEW SECTION. **Sec. 1.** (1) The department of transportation is encouraged to engage in a transparent, public process to reexamine its rules surrounding access to high occupancy vehicle lanes. This process must consider the benefits and impacts of allowing vehicles that deliver or collect blood, tissue,

or blood components for a blood-collecting or distributing establishment regulated under chapter 70.335 RCW into the high occupancy vehicle lanes.

(2) By January 1, 2019, the department of transportation shall report progress of the public rule reexamination process in subsection (1) of this section to the transportation committees of the legislature with sufficient time for review before the conclusion of the process.

NEW SECTION. **Sec. 2.** This act expires August 1, 2019.

Passed by the Senate February 28, 2017.
Passed by the House April 7, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 74

[Substitute House Bill 1100]

CONCEALED PISTOL LICENSES--RENEWAL NOTIFICATION

AN ACT Relating to concealed pistol license renewal notices; amending RCW 9.41.070; and adding a new section to chapter 43.79 RCW.

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

Sec. 1. RCW 9.41.070 and 2011 c 294 s 1 are each amended to read as follows:

(1) The chief of police of a municipality or the sheriff of a county shall within thirty days after the filing of an application of any person, issue a license to such person to carry a pistol concealed on his or her person within this state for five years from date of issue, for the purposes of protection or while engaged in business, sport, or while traveling. However, if the applicant does not have a valid permanent Washington driver's license or Washington state identification card or has not been a resident of the state for the previous consecutive ninety days, the issuing authority shall have up to sixty days after the filing of the application to issue a license. The issuing authority shall not refuse to accept completed applications for concealed pistol licenses during regular business hours.

The applicant's constitutional right to bear arms shall not be denied, unless:

(a) He or she is ineligible to possess a firearm under the provisions of RCW 9.41.040 or 9.41.045, or is prohibited from possessing a firearm under federal law;

(b) The applicant's concealed pistol license is in a revoked status;

(c) He or she is under twenty-one years of age;

(d) He or she is subject to a court order or injunction regarding firearms pursuant to RCW 9A.46.080, 10.14.080, 10.99.040, 10.99.045, 26.09.050, 26.09.060, 26.10.040, 26.10.115, 26.26.130, 26.50.060, 26.50.070, or 26.26.590;

(e) He or she is free on bond or personal recognizance pending trial, appeal, or sentencing for a felony offense;

(f) He or she has an outstanding warrant for his or her arrest from any court of competent jurisdiction for a felony or misdemeanor; or

(g) He or she has been ordered to forfeit a firearm under RCW 9.41.098(1)(e) within one year before filing an application to carry a pistol concealed on his or her person.

No person convicted of a felony may have his or her right to possess firearms restored or his or her privilege to carry a concealed pistol restored, unless the person has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c), or RCW 9.41.040 (3) or (4) applies.

(2)(a) The issuing authority shall conduct a check through the national instant criminal background check system, the Washington state patrol electronic database, the department of social and health services electronic database, and with other agencies or resources as appropriate, to determine whether the applicant is ineligible under RCW 9.41.040 or 9.41.045 to possess a firearm, or is prohibited from possessing a firearm under federal law, and therefore ineligible for a concealed pistol license.

(b) The issuing authority shall deny a permit to anyone who is found to be prohibited from possessing a firearm under federal or state law.

(c) This subsection applies whether the applicant is applying for a new concealed pistol license or to renew a concealed pistol license.

(3) Any person whose firearms rights have been restricted and who has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c) or who is exempt under 18 U.S.C. Sec. 921(a)(20)(A) shall have his or her right to acquire, receive, transfer, ship, transport, carry, and possess firearms in accordance with Washington state law restored except as otherwise prohibited by this chapter.

(4) The license application shall bear the full name, residential address, telephone number at the option of the applicant, date and place of birth, race, gender, description, a complete set of fingerprints, and signature of the licensee, and the licensee's driver's license number or state identification card number if used for identification in applying for the license. A signed application for a concealed pistol license shall constitute a waiver of confidentiality and written request that the department of social and health services, mental health institutions, and other health care facilities release information relevant to the applicant's eligibility for a concealed pistol license to an inquiring court or law enforcement agency.

The application for an original license shall include two complete sets of fingerprints to be forwarded to the Washington state patrol.

The license and application shall contain a warning substantially as follows:

CAUTION: Although state and local laws do not differ, federal law and state law on the possession of firearms differ. If you are prohibited by federal law from possessing a firearm, you may be prosecuted in federal court. A state license is not a defense to a federal prosecution.

The license shall contain a description of the major differences between state and federal law and an explanation of the fact that local laws and ordinances on firearms are preempted by state law and must be consistent with state law.

The application shall contain questions about the applicant's eligibility under RCW 9.41.040 and federal law to possess a pistol, the applicant's place of birth, and whether the applicant is a United States citizen. If the applicant is not a United States citizen, the applicant must provide the applicant's country of citizenship, United States issued alien number or admission number, and the basis on which the applicant claims to be exempt from federal prohibitions on firearm possession by aliens. The applicant shall not be required to produce a

birth certificate or other evidence of citizenship. A person who is not a citizen of the United States shall, if applicable, meet the additional requirements of RCW 9.41.173 and produce proof of compliance with RCW 9.41.173 upon application. The license may be in triplicate or in a form to be prescribed by the department of licensing.

The original thereof shall be delivered to the licensee, the duplicate shall within seven days be sent to the director of licensing and the triplicate shall be preserved for six years, by the authority issuing the license.

The department of licensing shall make available to law enforcement and corrections agencies, in an on-line format, all information received under this subsection.

(5) The nonrefundable fee, paid upon application, for the original five-year license shall be thirty-six dollars plus additional charges imposed by the federal bureau of investigation that are passed on to the applicant. No other state or local branch or unit of government may impose any additional charges on the applicant for the issuance of the license.

The fee shall be distributed as follows:

(a) Fifteen dollars shall be paid to the state general fund;

(b) Four dollars shall be paid to the agency taking the fingerprints of the person licensed;

(c) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter; ((~~and~~))

(d) ((~~Three dollars~~)) Two dollars and sixteen cents to the firearms range account in the general fund; and

(e) Eighty-four cents to the concealed pistol license renewal notification account created in section 2 of this act.

(6) The nonrefundable fee for the renewal of such license shall be thirty-two dollars. No other branch or unit of government may impose any additional charges on the applicant for the renewal of the license.

The renewal fee shall be distributed as follows:

(a) Fifteen dollars shall be paid to the state general fund;

(b) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter; ((~~and~~))

(c) ((~~Three dollars~~)) Two dollars and sixteen cents to the firearms range account in the general fund; and

(d) Eighty-four cents to the concealed pistol license renewal notification account created in section 2 of this act.

(7) The nonrefundable fee for replacement of lost or damaged licenses is ten dollars to be paid to the issuing authority.

(8) Payment shall be by cash, check, or money order at the option of the applicant. Additional methods of payment may be allowed at the option of the issuing authority.

(9)(a) A licensee may renew a license if the licensee applies for renewal within ninety days before or after the expiration date of the license. A license so renewed shall take effect on the expiration date of the prior license. A licensee renewing after the expiration date of the license must pay a late renewal penalty of ten dollars in addition to the renewal fee specified in subsection (6) of this section. The fee shall be distributed as follows:

(((~~(a)~~))) (i) Three dollars shall be deposited in the state wildlife account and used exclusively first for the printing and distribution of a pamphlet on the legal limits of the use of firearms, firearms safety, and the preemptive nature of state law, and subsequently the support of volunteer instructors in the basic firearms safety training program conducted by the department of fish and wildlife. The pamphlet shall be given to each applicant for a license; and

(((~~(b)~~))) (ii) Seven dollars shall be paid to the issuing authority for the purpose of enforcing this chapter.

(b) Beginning with concealed pistol licenses that expire on or after August 1, 2018, the department of licensing shall mail a renewal notice approximately ninety days before the license expiration date to the licensee at the address listed on the concealed pistol license application, or to the licensee's new address if the licensee has notified the department of licensing of a change of address. The notice must contain the date the concealed pistol license will expire, the amount of renewal fee, the penalty for late renewal, and instructions on how to renew the license.

(10) Notwithstanding the requirements of subsections (1) through (9) of this section, the chief of police of the municipality or the sheriff of the county of the applicant's residence may issue a temporary emergency license for good cause pending review under subsection (1) of this section. However, a temporary emergency license issued under this subsection shall not exempt the holder of the license from any records check requirement. Temporary emergency licenses shall be easily distinguishable from regular licenses.

(11) A political subdivision of the state shall not modify the requirements of this section or chapter, nor may a political subdivision ask the applicant to voluntarily submit any information not required by this section.

(12) A person who knowingly makes a false statement regarding citizenship or identity on an application for a concealed pistol license is guilty of false swearing under RCW 9A.72.040. In addition to any other penalty provided for by law, the concealed pistol license of a person who knowingly makes a false statement shall be revoked, and the person shall be permanently ineligible for a concealed pistol license.

(13) A person may apply for a concealed pistol license:

(a) To the municipality or to the county in which the applicant resides if the applicant resides in a municipality;

(b) To the county in which the applicant resides if the applicant resides in an unincorporated area; or

(c) Anywhere in the state if the applicant is a nonresident.

(14) Any person who, as a member of the armed forces, including the national guard and armed forces reserves, is unable to renew his or her license under subsections (6) and (9) of this section because of the person's assignment, reassignment, or deployment for out-of-state military service may renew his or her license within ninety days after the person returns to this state from out-of-state military service, if the person provides the following to the issuing authority no later than ninety days after the person's date of discharge or assignment, reassignment, or deployment back to this state: (a) A copy of the person's original order designating the specific period of assignment, reassignment, or deployment for out-of-state military service, and (b) if appropriate, a copy of the person's discharge or amended or subsequent

assignment, reassignment, or deployment order back to this state. A license so renewed under this subsection (14) shall take effect on the expiration date of the prior license. A licensee renewing after the expiration date of the license under this subsection (14) shall pay only the renewal fee specified in subsection (6) of this section and shall not be required to pay a late renewal penalty in addition to the renewal fee.

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.79 RCW to read as follows:

The concealed pistol license renewal notification account is created in the state treasury. All funds collected under RCW 9.41.070 (5)(e) and (6)(d) must be deposited into the account. Expenditures from the account may be used only by the department of licensing for creation of a concealed pistol license renewal notification system and compliance with the notification requirement established in RCW 9.41.070(9)(b).

Passed by the House February 27, 2017.
Passed by the Senate April 6, 2017.
Approved by the Governor April 19, 2017.
Filed in Office of Secretary of State April 19, 2017.

CHAPTER 75

[Senate Bill 5734]

SMALL WORKS BONDING--PUBLIC ENTITIES--FEDERAL LAW

AN ACT Relating to bringing Washington state government contracting provisions into compliance with federal law as it relates to small works bonding requirements; and amending RCW 39.08.010.

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

Sec. 1. RCW 39.08.010 and 2013 c 113 s 2 are each amended to read as follows:

(1)(a) Whenever any board, council, commission, trustees, or body acting for the state or any county or municipality or any public body must contract with any person or corporation to do any work for the state, county, or municipality, or other public body, city, town, or district, such board, council, commission, trustees, or body must require the person or persons with whom such contract is made to make, execute, and deliver to such board, council, commission, trustees, or body a good and sufficient bond, with a surety company as surety, conditioned that such person or persons must:

(i) Faithfully perform all the provisions of such contract;

(ii) Pay all laborers, mechanics, and subcontractors and material suppliers, and all persons who supply such person or persons, or subcontractors, with provisions and supplies for the carrying on of such work; and

(iii) Pay the taxes, increases, and penalties incurred on the project under Titles 50, 51, and 82 RCW on: (A) Projects referred to in RCW 60.28.011(1)(b); and/or (B) projects for which the bond is conditioned on the payment of such taxes, increases, and penalties.

(b) The bond, in cases of cities and towns, must be filed with the clerk or comptroller thereof, and any person or persons performing such services or furnishing material to any subcontractor has the same right under the provisions

of such bond as if such work, services, or material was furnished to the original contractor.

(2) The provisions of RCW 39.08.010 through 39.08.030 do not apply to any money loaned or advanced to any such contractor, subcontractor, or other person in the performance of any such work.

(3) On contracts of ((~~thirty-five~~)) one hundred fifty thousand dollars or less, at the option of the contractor or the general contractor/construction manager as defined in RCW 39.10.210, the respective public entity may, in lieu of the bond, retain ((~~fifty~~)) ten percent of the contract amount for a period of thirty days after date of final acceptance, or until receipt of all necessary releases from the department of revenue, the employment security department, and the department of labor and industries and settlement of any liens filed under chapter 60.28 RCW, whichever is later. The recovery of unpaid wages and benefits must be the first priority for any actions filed against retainage held by a state agency or authorized local government.

(4) For contracts of one hundred fifty thousand dollars or less, the public entity may accept a full payment and performance bond from an individual surety or sureties.

(5) The surety must agree to be bound by the laws of the state of Washington and subjected to the jurisdiction of the state of Washington.

Passed by the Senate February 27, 2017.
Passed by the House April 7, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 76

[Substitute House Bill 1149]

MAXIMUM VEHICLE LENGTH--TRANSIT VEHICLE BIKE RACKS

AN ACT Relating to exemptions from certain maximum vehicle length limitations; and amending RCW 46.44.034 and 46.44.030.

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

Sec. 1. RCW 46.44.034 and 1997 c 191 s 1 are each amended to read as follows:

(1) The load, or any portion of any vehicle, operated alone upon the public highway of this state, or the load, or any portion of the front vehicle of a combination of vehicles, shall not extend more than three feet beyond the front wheels of such vehicle, or the front bumper, if equipped with front bumper. This subsection does not apply to a (a) front-loading garbage truck or recycling truck while on route and actually engaged in the collection of solid waste or recyclables at speeds of twenty miles per hour or less or (b) public transit vehicle equipped with a bike rack up to four feet in length.

(2) No vehicle shall be operated upon the public highways with any part of the permanent structure or load extending in excess of fifteen feet beyond the center of the last axle of such vehicle. This subsection does not apply to "specialized equipment" designated under 49 U.S.C. Sec. 2311 that is operated on the interstate highway system, those designated portions of the federal-aid

primary system, and routes constituting reasonable access from such highways to terminals and facilities for food, fuel, repairs, and rest.

Sec. 2. RCW 46.44.030 and 2012 c 79 s 1 are each amended to read as follows:

It is unlawful for any person to operate upon the public highways of this state any vehicle having an overall length, with or without load, in excess of forty feet. This restriction does not apply to (1) a municipal transit vehicle, (2) auto stage, private carrier bus, school bus, or motor home with an overall length not to exceed forty-six feet, (3) an articulated auto stage with an overall length not to exceed sixty-one feet, excluding a bike rack up to four feet in length, or (4) an auto recycling carrier up to forty-two feet in length manufactured prior to 2005.

It is unlawful for any person to operate upon the public highways of this state any combination consisting of a tractor and semitrailer that has a semitrailer length in excess of fifty-three feet or a combination consisting of a tractor and two trailers in which the combined length of the trailers exceeds sixty-one feet, with or without load.

It is unlawful for any person to operate on the highways of this state any combination consisting of a truck and trailer, or log truck and stinger-steered pole trailer, with an overall length, with or without load, in excess of seventy-five feet. "Stinger-steered," as used in this section, means the coupling device is located behind the tread of the tires of the last axle of the towing vehicle.

These length limitations do not apply to vehicles transporting poles, pipe, machinery, or other objects of a structural nature that cannot be dismembered and operated by a public utility when required for emergency repair of public service facilities or properties, but in respect to night transportation every such vehicle and load thereon shall be equipped with a sufficient number of clearance lamps on both sides and marker lamps upon the extreme ends of any projecting load to clearly mark the dimensions of the load.

Excluded from the calculation of length are certain devices that provide added safety, energy conservation, or are otherwise necessary, and are not designed or used to carry cargo. The length-exclusive devices must be identified in rules adopted by the department of transportation under RCW 46.44.101.

Passed by the House February 27, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 77

[Substitute House Bill 1189]

MASSAGE THERAPY EXEMPTIONS--SOMATIC EDUCATION

AN ACT Relating to clarifying existing exemptions from the massage therapy law; and amending RCW 18.108.050.

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

Sec. 1. RCW 18.108.050 and 2012 c 137 s 8 are each amended to read as follows:

This chapter does not apply to:

(1) An individual giving massage or reflexology to members of his or her immediate family;

(2) The practice of a profession by individuals who are licensed, certified, or registered under other laws of this state and who are performing services within their authorized scope of practice;

(3) Massage or reflexology practiced at the athletic department of:

(a) Any institution maintained by the public funds of the state, or any of its political subdivisions;

(b) Any primary or secondary school or institution of higher education;

(c) Any school or college approved by the department of health by rule using recognized national professional standards; or

(d) Any nonprofit organization licensed under RCW 66.24.400 and 66.24.450;

(4) Students enrolled in an approved massage school, approved program, or approved apprenticeship program, practicing massage techniques, incidental to the massage school or program and supervised by the approved school or program. Students must identify themselves as a student when performing massage services on members of the public. Students may not be compensated for the massage services they provide;

(5) Students enrolled in an approved reflexology school, approved program, or approved apprenticeship program, practicing reflexology techniques, incidental to the reflexologist school or program and supervised by the approved school or program. Students must identify themselves as a student when performing reflexology services on members of the public. Students may not be compensated for the reflexology services they provide; or

(6)(a) Individuals who have completed a somatic education training program approved by the secretary.

(b) For purposes of this subsection (6), "somatic education" means: Using minimal touch, words, and directed movement to deepen awareness of existing patterns of movement and suggest new possibilities of movement; and using minimal touch over specific points of the body to facilitate balance in the nervous system. It includes: (i) Any somatic education training program approved by the secretary as of the effective date of this section; (ii) the practice of ortho-bionomy; and (iii) the Feldenkrais method of somatic education.

Passed by the House February 9, 2017.
Passed by the Senate March 30, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 78

[House Bill 1195]

SURETY'S BOND--SURRENDER--PROCEDURE

AN ACT Relating to surrender of person under surety's bond; and amending RCW 10.19.160.

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

Sec. 1. RCW 10.19.160 and 1986 c 322 s 5 are each amended to read as follows:

The surety on the bond may return to custody a person in a criminal case under the surety's bond if the surrender is accompanied by a notice of forfeiture or a notarized affidavit specifying the reasons for the surrender. The surrender shall be made to ((~~the facility in which the person was originally held in custody or~~)) the county or city jail affiliated with the ((~~court~~)) jurisdiction issuing the warrant resulting in bail. Upon surrender, a person must be held until the next judicial day or until another bond is posted.

Passed by the House February 9, 2017.

Passed by the Senate April 5, 2017.

Approved by the Governor April 20, 2017.

Filed in Office of Secretary of State April 20, 2017.

CHAPTER 79

[House Bill 1204]

POW/MIA FLAG--DAYS TO DISPLAY

AN ACT Relating to requiring the display of the national league of families' POW/MIA flag on certain days; and amending RCW 1.20.017.

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

Sec. 1. RCW 1.20.017 and 2013 c 5 s 2 are each amended to read as follows:

(1) Each public entity ((~~shall~~)) must display the national league of families' POW/MIA flag along with the flag of the United States and the flag of the state upon or near the principal building of the public entity on the following days: (a) Former Prisoners of War Recognition Day on April 9th; (b) Welcome Home Vietnam Veterans Day on March 30; (((~~(b)~~))) (c) Armed Forces Day on the third Saturday in May; (((~~(c)~~))) (d) Memorial Day on the last Monday in May; (((~~(d)~~))) (e) Flag Day on June 14; (((~~(e)~~))) (f) Independence Day on July 4; (((~~(f)~~))) (g) National Korean War Veterans Armistice Day on July 27; (((~~(g)~~))) (h) National POW/MIA Recognition Day on the third Friday in September; ((~~and (h)~~))) (i) Veterans' Day on November 11th; and (j) Pearl Harbor Remembrance Day on December 7th. If the designated day falls on a Saturday or Sunday, then the POW/MIA flag ((~~will~~)) must be displayed on the preceding Friday.

(2) The governor's veterans affairs advisory committee ((~~shall~~)) must provide information to public entities regarding the purchase and display of the POW/MIA flag upon request.

(3) As used in this section, "public entity" means every state agency, including each institution of higher education, and every county, city, and town.

Passed by the House March 7, 2017.

Passed by the Senate April 5, 2017.

Approved by the Governor April 20, 2017.

Filed in Office of Secretary of State April 20, 2017.

CHAPTER 80

[Substitute House Bill 1235]

PHYSICAL EDUCATION--SCHOOL DISTRICTS--ANNUAL REVIEW

AN ACT Relating to assessing physical education practices in public schools; and adding a new section to chapter 28A.230 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.230 RCW to read as follows:

(1) Beginning in the 2018-19 school year, all school districts must conduct an annual review of their physical education programs that includes:

(a) The number of individual students completing a physical education class during the school year;

(b) The average number of minutes per week of physical education received by students in grades one through eight, expressed in appropriate reporting ranges;

(c) The number of students granted waivers from physical education requirements;

(d) An indication of whether all physical education classes are taught by instructors who possess a valid health and fitness endorsement;

(e) The physical education class sizes, expressed in appropriate reporting ranges;

(f) The frequency with which physical education is provided to students;

(g) An indication of whether there is sufficient dedicated gym space and sheltered areas to support the minimum amount of physical activity required of students by law or agency rule;

(h) An indication of whether the physical education curriculum of the district addresses the Washington state K-12 learning standards;

(i) An indication of whether, as a matter of policy or procedure, the district routinely modifies and adapts its physical education curriculum for students with disabilities; and

(j) An indication of whether the district routinely excludes students from physical education classes for disciplinary reasons.

(2) The results of the review required by this section must be submitted by the school district to the district's wellness committee and to the office of the superintendent of public instruction. The office of the superintendent of public instruction, upon receipt of the review data, must aggregate and analyze the data, summarize the information provided by each district, and post the summarized information, by district, on its web site.

(3) In fulfilling the requirements of this section, the K-12 data governance group established under RCW 28A.300.507 shall develop the data protocols and guidance for school districts in the collection of data to provide a clearer understanding of physical education instructional minutes and certification.

Passed by the House February 28, 2017.

Passed by the Senate March 31, 2017.

Approved by the Governor April 20, 2017.

Filed in Office of Secretary of State April 20, 2017.

CHAPTER 81

[Engrossed House Bill 1248]

CLASS I CORRECTIONAL INDUSTRIES WORK PROGRAMS--WAGE DEDUCTIONS

AN ACT Relating to correcting a conflict between state and federal law regarding class I correctional industries work programs; and amending RCW 72.09.111.

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

Sec. 1. RCW 72.09.111 and 2011 c 282 s 2 are each amended to read as follows:

(1) The secretary shall deduct taxes and legal financial obligations from the ((~~gross~~)) wages, gratuities, or workers' compensation benefits payable directly to the inmate under chapter 51.32 RCW, of each inmate working in correctional industries work programs, or otherwise receiving such wages, gratuities, or benefits. The secretary shall also deduct child support payments from the gratuities of each inmate working in class II through class IV correctional industries work programs. The secretary shall develop a formula for the distribution of offender wages, gratuities, and benefits. The formula shall not reduce the inmate account below the indigency level, as defined in RCW 72.09.015.

(a) The formula shall include the following ((~~minimum~~)) maximum allowable deductions from class I ((~~gross~~)) wages and from all others earning at least minimum wage:

(i) Five percent to the crime victims' compensation account provided in RCW 7.68.045;

(ii) Ten percent to a department personal inmate savings account;

(iii) Twenty percent to the department to contribute to the cost of incarceration;

(iv) Twenty percent for payment of legal financial obligations for all inmates who have legal financial obligations owing in any Washington state superior court; and

(v) Twenty percent for payment of any civil judgment for assault for inmates who are subject to a civil judgment for assault in any Washington state court or federal court.

(b) The formula shall include the following minimum deductions from class II gross gratuities:

(i) Five percent to the crime victims' compensation account provided in RCW 7.68.045;

(ii) Ten percent to a department personal inmate savings account;

(iii) Fifteen percent to the department to contribute to the cost of incarceration;

(iv) Twenty percent for payment of legal financial obligations for all inmates who have legal financial obligations owing in any Washington state superior court;

(v) Fifteen percent for any child support owed under a support order; and

(vi) Fifteen percent for payment of any civil judgment for assault for inmates who are subject to a civil judgment for assault in any Washington state court or federal court.

(c) The formula shall include the following minimum deductions from any workers' compensation benefits paid pursuant to RCW 51.32.080:

(i) Five percent to the crime victims' compensation account provided in RCW 7.68.045;

(ii) Ten percent to a department personal inmate savings account;

(iii) Twenty percent to the department to contribute to the cost of incarceration; and

(iv) An amount equal to any legal financial obligations owed by the inmate established by an order of any Washington state superior court up to the total amount of the award.

(d) The formula shall include the following minimum deductions from class III gratuities:

(i) Five percent for the crime victims' compensation account provided in RCW 7.68.045;

(ii) Fifteen percent for any child support owed under a support order; and

(iii) Fifteen percent for payment of any civil judgment for assault for inmates who are subject to a civil judgment for assault in any Washington state court or federal court.

(e) The formula shall include the following minimum deduction from class IV gross gratuities:

(i) Five percent to the department to contribute to the cost of incarceration;

(ii) Fifteen percent for any child support owed under a support order; and

(iii) Fifteen percent for payment of any civil judgment for assault for inmates who are subject to a civil judgment for assault in any Washington state court or federal court.

(2) Any person sentenced to life imprisonment without possibility of release or parole under chapter 10.95 RCW or sentenced to death shall be exempt from the requirement under subsection (1)(a)(ii), (b)(ii), or (c)(ii).

(3)(a) The department personal inmate savings account, together with any accrued interest, may be made available to an inmate at the following times:

(i) During confinement to pay for accredited postsecondary educational expenses;

(ii) Prior to the release from confinement to pay for department-approved reentry activities that promote successful community reintegration; or

(iii) When the secretary determines that an emergency exists for the inmate.

(b) The secretary shall establish guidelines for the release of funds pursuant to (a) of this subsection, giving consideration to the inmate's need for resources at the time of his or her release from confinement.

(c) Any funds remaining in an offender's personal inmate savings account shall be made available to the offender at the time of his or her release from confinement.

(4) The management of classes I, II, and IV correctional industries may establish an incentive payment for offender workers based on productivity criteria. This incentive shall be paid separately from the hourly wage/gratuity rate and shall not be subject to the specified deduction for cost of incarceration.

(5) In the event that the offender worker's wages, gratuity, or workers' compensation benefit is subject to garnishment for support enforcement, the crime victims' compensation account, savings, and cost of incarceration deductions shall be calculated on the net wages after taxes, legal financial obligations, and garnishment.

(6) The department shall explore other methods of recovering a portion of the cost of the inmate's incarceration and for encouraging participation in work programs, including development of incentive programs that offer inmates benefits and amenities paid for only from wages earned while working in a correctional industries work program.

(7) The department shall develop the necessary administrative structure to recover inmates' wages and keep records of the amount inmates pay for the costs of incarceration and amenities. All funds deducted from inmate wages under subsection (1) of this section for the purpose of contributions to the cost of incarceration shall be deposited in a dedicated fund with the department and shall be used only for the purpose of enhancing and maintaining correctional industries work programs.

(8) It shall be in the discretion of the secretary to apportion the inmates between class I and class II depending on available contracts and resources.

(9) Nothing in this section shall limit the authority of the department of social and health services division of child support from taking collection action against an inmate's moneys, assets, or property pursuant to chapter 26.23, 74.20, or 74.20A RCW.

(10) For purposes of this section, "wages" means monetary compensation due to an offender worker by reason of his or her participation in a class I work program, subject to allowable deductions.

Passed by the House March 3, 2017.
Passed by the Senate April 4, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 82

[Substitute House Bill 1257]

WILD BEAVERS--RELEASE--AREAS AND NOTIFICATION

AN ACT Relating to the release of wild beavers; and amending RCW 77.32.585.

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

Sec. 1. RCW 77.32.585 and 2012 c 167 s 2 are each amended to read as follows:

(1) The department shall permit the release of wild beavers on public and private lands with agreement from the property owner.

(2) The department may limit the release of wild beavers to areas of the state where:

(a) There is a low probability of released beavers becoming a nuisance or causing damage;

(b) Conditions exist for released beavers to improve, maintain, or manage stream or riparian ecosystem functions; and

(c) There is evidence of historic endemic beaver populations.

(3) The department may condition the release of beaver to maximize the relocation's success and minimize risk. Factors that the department may condition include:

(a) Stream gradient;

(b) Sufficiency of the water supply;

(c) Stream geomorphology;

(d) Adequacy of a food source;

(e) Proper site elevation and valley width;

(f) Age of the beavers relocated;

(g) Times of year for capture and relocation;

(h) Requirements for the capture, handling, and transport of the live beavers;

(i) Minimum and maximum numbers of beavers that can be relocated in one area; and

(j) Requirements for the permit holder to initially provide supplemental food and lodge building materials.

(4) The department may require:

(a) Specific training for those involved with capture, handling, and release of beavers; and

(b) The notification of any potentially affected adjacent landowners before permitting the release of wild beavers.

(5) Nothing in this section creates any liability against the state or those releasing beavers nor authorizes any private right of action for any damages subsequently caused by beavers released pursuant to this section.

(6) For the purposes of this section, "beaver" means the American beaver (*Castor canadensis*).

(7) For the purposes of this section, beavers may only be released to carry out relocation: (a) Between two areas east of the crest of the Cascade mountains; or (b) ((~~from an~~)) between two areas west of the crest of the Cascade mountains ((~~to an area east of the crest of the Cascade mountains~~)).

Passed by the House February 9, 2017.

Passed by the Senate March 31, 2017.

Approved by the Governor April 20, 2017.

Filed in Office of Secretary of State April 20, 2017.

CHAPTER 83

[House Bill 1285]

INTERPRETERS--LEGAL PROCEEDINGS--OATH

AN ACT Relating to oath requirements for interpreters in legal proceedings; and amending RCW 2.42.050 and 2.43.050.

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

Sec. 1. RCW 2.42.050 and 1989 c 358 s 14 are each amended to read as follows:

Every qualified interpreter appointed under this chapter in a judicial or administrative proceeding shall, ((~~before beginning to interpret~~)) upon receiving the interpreter's initial qualification from the office of the deaf and hard of hearing, take an oath that a true interpretation will be made to the person being examined of all the proceedings in a manner which the person understands, and that the interpreter will repeat the statements of the person being examined to the court or other agency conducting the proceedings, to the best of the interpreter's skill and judgment.

Sec. 2. RCW 2.43.050 and 2010 c 190 s 1 are each amended to read as follows:

(1) Upon certification or registration ((~~and every two years thereafter~~)) with the administrative office of the courts, certified or registered interpreters shall take an oath, affirming that the interpreter will make a true interpretation to the person being examined of all the proceedings in a language which the person understands, and that the interpreter will repeat the statements of the person being examined to the court or agency conducting the proceedings, in the English language, to the best of the interpreter's skill and judgment. The administrative office of the courts shall maintain a record of the oath in the same manner that the list of certified and registered interpreters is maintained.

(2) Before any person serving as an interpreter for the court or agency begins to interpret, the appointing authority shall require the interpreter to state the ((~~person~~)) interpreter's name on the record and whether the ((~~person~~)) interpreter is a certified or registered interpreter. If the interpreter is not a certified or registered interpreter, the interpreter must submit the interpreter's qualifications on the record.

(3) Before beginning to interpret, every interpreter appointed under this chapter shall take an oath unless the interpreter is a certified or registered interpreter who has taken the oath ((~~within the last two years~~)) as required in subsection (1) of this section. The oath must affirm that the interpreter will make a true interpretation to the person being examined of all the proceedings in a language which the person understands, and that the interpreter will repeat the statements of the person being examined to the court or agency conducting the proceedings, in the English language, to the best of the interpreter's skill and judgment.

Passed by the House February 9, 2017.
Passed by the Senate April 6, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 84

[Substitute House Bill 1346]

NURSES IN SCHOOLS--AUTHORITY--SUPERVISION

AN ACT Relating to clarifying the authority of a nurse working in a school setting; adding a new section to chapter 28A.210 RCW; and creating a new section.

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

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

(a) A registered nurse or an advanced registered nurse practitioner working in a school setting is authorized and responsible for the nursing care of students to the extent that the care is within the practice of nursing. A school administrator may supervise a registered nurse or an advanced registered nurse practitioner in aspects of employment other than the practice of nursing;

(b) Nursing is governed by specific laws and regulations and requires a unique license to practice. Clinical supervision of a nurse is based on knowledge of the laws, regulations, and rules governing nursing practice, nursing practice standards, and nursing performance standards;

(c) Student health needs have changed dramatically over the last twenty years. The number of students with special health care needs has risen exponentially;

(d) School nurses are held accountable through chapter 18.79 RCW and the uniform disciplinary act, chapter 18.130 RCW, for errors in nursing judgment and actions;

(e) Individuals who are not nurses are unqualified to make nursing judgments and assessments;

(f) The independent nature of nursing has been recognized in both statute and rule. For example, under RCW 18.79.040, "registered nursing practice" includes the "administration, supervision, delegation, and evaluation of nursing practice." Furthermore, continuing competency rules recently adopted by the nursing care quality assurance commission recognize and acknowledge the independent nature of nursing; and

(g) The ability of a nurse to practice nursing without the supervision of a nonnurse supervisor is particularly important given the primacy of the nurse-patient relationship.

(2) It is therefore the intent of the legislature to reaffirm the authority of a licensed nurse working in a school setting to practice nursing without the supervision of a person who is not a licensed nurse.

(3) It is not the intent of the legislature to:

(a) Prohibit a nonnurse from supervising a licensed nurse working in a school setting with respect to matters other than the practice of nursing, such as matters of administration, terms and conditions of employment, and employee performance; or

(b) Require a school to provide clinical supervision for a licensed nurse working in a school setting.

NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.210 RCW to read as follows:

(1)(a) A registered nurse or an advanced registered nurse practitioner licensed under chapter 18.79 RCW working in a school setting is authorized and responsible for the nursing care of students to the extent that the care is within the practice of nursing as defined in this section.

(b) A school administrator may supervise a registered nurse or an advanced registered nurse practitioner licensed under chapter 18.79 RCW in aspects of employment other than the practice of nursing as defined in this section.

(c) Only a registered nurse or an advanced registered nurse practitioner licensed under chapter 18.79 RCW may supervise, direct, or evaluate a licensed nurse working in a school setting with respect to the practice of nursing as defined in this section.

(2) Nothing in this section:

(a) Prohibits a nonnurse supervisor from supervising, directing, or evaluating a licensed nurse working in a school setting with respect to matters other than the practice of nursing;

(b) Requires a registered nurse or an advanced registered nurse practitioner to be clinically supervised in a school setting; or

(c) Prohibits a nonnurse supervisor from conferring with a licensed nurse working in a school setting with respect to the practice of nursing.

(3) Within existing funds, the superintendent of public instruction shall notify each school district in this state of the requirements of this section.

(4) For purposes of this section, "practice of nursing" means:

(a) Registered nursing practice as defined in RCW 18.79.040, advanced registered nursing practice as defined in RCW 18.79.050, and licensed practical nursing practice as defined in RCW 18.79.060, including, but not limited to:

(i) The administration of medication pursuant to a medication or treatment order; and

(ii) The decision to summon emergency medical assistance; and

(b) Compliance with any state or federal statute or administrative rule specifically regulating licensed nurses, including any statute or rule defining or establishing standards of patient care or professional conduct or practice.

Passed by the House February 27, 2017.
Passed by the Senate April 7, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 85

[Senate Bill 5036]

PUBLIC UTILITY DISTRICTS--UNIT PRICED CONTRACTING--PROCEDURES

AN ACT Relating to clarifying the authority and procedures for unit priced contracting by public utility districts; and amending RCW 54.04.070.

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

Sec. 1. RCW 54.04.070 and 2008 c 216 s 2 are each amended to read as follows:

(1) Any item, or items of the same kind of materials, equipment, or supplies purchased, the estimated cost of which is in excess of fifteen thousand dollars, exclusive of sales tax, shall be by contract. However, a district may make purchases of the same kind of items of materials, equipment, and supplies not exceeding seven thousand five hundred dollars in any calendar month without a contract, purchasing any excess thereof over seven thousand five hundred dollars by contract.

(2) Any work ordered by a district commission, the estimated cost of which is in excess of twenty-five thousand dollars, exclusive of sales tax, shall be by contract. However, a district commission may have its own regularly employed personnel perform work which is an accepted industry practice under prudent utility management without a contract. For purposes of this section, "prudent utility management" means performing work with regularly employed personnel utilizing material of a worth not exceeding one hundred fifty thousand dollars in value without a contract. This limit on the value of material being utilized in work being performed by regularly employed personnel shall not include the value of individual items of equipment purchased or acquired and used as one unit of a project.

(3) Before awarding a contract required under subsection (1) or (2) of this section, the commission shall publish a notice once or more in a newspaper of general circulation in the district at least thirteen days before the last date upon which bids will be received, inviting sealed proposals for the work or materials.

Plans and specifications for the work or materials shall at the time of publication be on file at the office of the district and subject to public inspection. Any published notice ordering work to be performed for the district shall be mailed at the time of publication to any established trade association which files a written request with the district to receive such notices. The commission may, at the same time and as part of the same notice, invite tenders for the work or materials upon plans and specifications to be submitted by the bidders.

(4) As an alternative to the competitive bidding requirements of this section and RCW 54.04.080, a district may let contracts using the small works roster process under RCW 39.04.155.

(5) Whenever equipment or materials required by a district are held by a governmental agency and are available for sale but such agency is unwilling to submit a proposal, the commission may ascertain the price of such items and file a statement of such price supported by the sworn affidavit of one member of the commission, and may consider such price as a bid without a deposit or bond.

(6) Pursuant to RCW 39.04.280, the commission may waive the competitive bidding requirements of this section and RCW 54.04.080 if an exemption contained within RCW 39.04.280 applies to the purchase or public work.

(7)(a) A district may procure public works with a unit priced contract under this section, RCW 54.04.080, or 54.04.085 for the purpose of completing anticipated types of work based on hourly rates or unit pricing for one or more categories of work or trades.

(b)For the purposes of this section, unit priced contract means a competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of a district, under which the contractor agrees to a fixed period indefinite quantity delivery of work, at a defined unit price, for each category of work.

(c) Unit priced contracts must be executed for an initial contract term not to exceed three years, with the district having the option of extending or renewing the unit priced contract for one additional year.

(d) Invitations for unit price bids shall include, for purposes of the bid evaluation, estimated quantities of the anticipated types of work or trades, and specify how the district will issue or release work assignments, work orders, or task authorizations pursuant to a unit priced contract for projects, tasks, or other work based on the hourly rates or unit prices bid by the contractor. Where electrical facility construction or improvement work is anticipated, contractors on a unit priced contract shall comply with the requirements under RCW 54.04.085 (1) through (5). Contracts must be awarded to the lowest responsible bidder as per RCW 39.04.010.

(e) Unit price contractors shall pay prevailing wages for all work that would otherwise be subject to the requirements of chapter 39.12 RCW. Prevailing wages for all work performed pursuant to each work order must be the rates in effect at the time the individual work order is issued.

Passed by the Senate March 3, 2017.
Passed by the House April 7, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 86

[Substitute Senate Bill 5083]

SEX AND KIDNAPPING OFFENDERS--PETITION FOR RELIEF FROM DUTY TO REGISTER--VICTIM NOTICE

AN ACT Relating to notice of relief from the duty to register; and amending RCW 9A.44.142 and 9A.44.143.

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

Sec. 1. RCW 9A.44.142 and 2015 c 261 s 8 are each amended to read as follows:

(1) A person who is required to register under RCW 9A.44.130 may petition the superior court to be relieved of the duty to register:

(a) If the person has a duty to register for a sex offense or kidnapping offense committed when the offender was a juvenile, regardless of whether the conviction was in this state, as provided in RCW 9A.44.143;

(b) If the person is required to register for a conviction in this state and is not prohibited from petitioning for relief from registration under subsection (2) of this section, when the person has spent ten consecutive years in the community without being convicted of a disqualifying offense during that time period; or

(c) If the person is required to register for a federal, tribal, or out-of-state conviction, when the person has spent fifteen consecutive years in the community without being convicted of a disqualifying offense during that time period.

(2)(a) A person may not petition for relief from registration if the person has been:

(i) Determined to be a sexually violent predator pursuant to chapter 71.09 RCW; or

(ii) Convicted as an adult of a sex offense or kidnapping offense that is a class A felony and that was committed with forcible compulsion on or after June 8, 2000.

(b) Any person who may not be relieved of the duty to register may petition the court to be exempted from any community notification requirements that the person may be subject to fifteen years after the later of the entry of the judgment and sentence or the last date of release from confinement, including full-time residential treatment, pursuant to the conviction, if the person has spent the time in the community without being convicted of a disqualifying offense.

(3) A petition for relief from registration or exemption from notification under this section shall be made to the court in which the petitioner was convicted of the offense that subjects him or her to the duty to register or, in the case of convictions in other states, a foreign country, or a federal, tribal, or military court, to the court in the county where the person is registered at the time the petition is sought. The prosecuting attorney of the county shall be named and served as the respondent in any such petition. <u>The prosecuting attorney must make reasonable efforts to notify the victim via the victim's choice of telephone, letter, or email, if known.</u>

(4)(a) The court may relieve a petitioner of the duty to register only if the petitioner shows by clear and convincing evidence that the petitioner is sufficiently rehabilitated to warrant removal from the central registry of sex offenders and kidnapping offenders.

(b) In determining whether the petitioner is sufficiently rehabilitated to warrant removal from the registry, the following factors are provided as guidance to assist the court in making its determination:

(i) The nature of the registrable offense committed including the number of victims and the length of the offense history;

(ii) Any subsequent criminal history;

(iii) The petitioner's compliance with supervision requirements;

(iv) The length of time since the charged incident(s) occurred;

(v) Any input from community corrections officers, law enforcement, or treatment providers;

(vi) Participation in sex offender treatment;

(vii) Participation in other treatment and rehabilitative programs;

(viii) The offender's stability in employment and housing;

(ix) The offender's community and personal support system;

(x) Any risk assessments or evaluations prepared by a qualified professional;

(xi) Any updated polygraph examination;

(xii) Any input of the victim;

(xiii) Any other factors the court may consider relevant.

(5) If a person is relieved of the duty to register pursuant to this section, the relief of registration does not constitute a certificate of rehabilitation, or the equivalent of a certificate of rehabilitation, for the purposes of restoration of firearm possession under RCW 9.41.040.

Sec. 2. RCW 9A.44.143 and 2015 c 261 s 9 are each amended to read as follows:

(1) An offender having a duty to register under RCW 9A.44.130 for a sex offense or kidnapping offense committed when the offender was a juvenile, and who has not been determined to be a sexually violent predator pursuant to chapter 71.09 RCW may petition the superior court to be relieved of that duty as provided in this section.

(2) For class A sex offenses or kidnapping offenses committed when the petitioner was fifteen years of age or older, the court may relieve the petitioner of the duty to register if:

(a) At least sixty months have passed since the petitioner's adjudication and completion of any term of confinement for the offense giving rise to the duty to register and the petitioner has not been adjudicated or convicted of any additional sex offenses or kidnapping offenses within the sixty months before the petition;

(b) The petitioner has not been adjudicated or convicted of a violation of RCW 9A.44.132 (failure to register) during the sixty months prior to filing the petition; and

(c) The petitioner shows by a preponderance of the evidence that the petitioner is sufficiently rehabilitated to warrant removal from the central registry of sex offenders and kidnapping offenders.

(3) For all other sex offenses or kidnapping offenses committed by a juvenile not included in subsection (2) of this section, the court may relieve the petitioner of the duty to register if:

(a) At least twenty-four months have passed since the petitioner's adjudication and completion of any term of confinement for the offense giving

rise to the duty to register and the petitioner has not been adjudicated or convicted of any additional sex offenses or kidnapping offenses within the twenty-four months before the petition;

(b) The petitioner has not been adjudicated or convicted of a violation of RCW 9A.44.132 (failure to register) during the twenty-four months prior to filing the petition; and

(c) The petitioner shows by a preponderance of the evidence that the petitioner is sufficiently rehabilitated to warrant removal from the central registry of sex offenders and kidnapping offenders.

(4) A petition for relief from registration under this section shall be made to the court in which the petitioner was convicted of the offense that subjects him or her to the duty to register or, in the case of convictions in other states, a foreign country, or a federal or military court, to the court in the county in which the juvenile is registered at the time a petition is sought. The prosecuting attorney of the county shall be named and served as the respondent in any such petition. The prosecuting attorney must make reasonable efforts to notify the victim via the victim's choice of telephone, letter, or email, if known.

(5) In determining whether the petitioner is sufficiently rehabilitated to warrant removal from the central registry of sex offenders and kidnapping offenders, the following factors are provided as guidance to assist the court in making its determination, to the extent the factors are applicable considering the age and circumstances of the petitioner:

(a) The nature of the registrable offense committed including the number of victims and the length of the offense history;

(b) Any subsequent criminal history;

(c) The petitioner's compliance with supervision requirements;

(d) The length of time since the charged incident(s) occurred;

(e) Any input from community corrections officers, juvenile parole or probation officers, law enforcement, or treatment providers;

(f) Participation in sex offender treatment;

(g) Participation in other treatment and rehabilitative programs;

(h) The offender's stability in employment and housing;

(i) The offender's community and personal support system;

(j) Any risk assessments or evaluations prepared by a qualified professional;

(k) Any updated polygraph examination;

(l) Any input of the victim;

(m) Any other factors the court may consider relevant.

(6) If a person is relieved of the duty to register pursuant to this section, the relief of registration does not constitute a certificate of rehabilitation, or the equivalent of a certificate of rehabilitation, for the purposes of restoration of firearm possession under RCW 9.41.040.

(7) A juvenile prosecuted and convicted of a sex offense or kidnapping offense as an adult pursuant to RCW 13.40.110 or 13.04.030 may not petition to the superior court under this section and must follow the provisions of RCW 9A.44.142.

(8) An adult prosecuted for an offense committed as a juvenile once the juvenile court has lost jurisdiction due to the passage of time between the date of the offense and the date of filing of charges may petition the superior court under the provisions of this section.

Passed by the Senate February 8, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 87

[Senate Bill 5227]

RAILROAD CROSSINGS--ON-TRACK EQUIPMENT--DRIVERS

AN ACT Relating to requiring drivers to stop for approaching other on-track equipment at railroad grade crossings; and amending RCW 46.61.340, 46.61.350, 46.61.355, 36.86.100, 46.25.090, and 47.32.140.

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

Sec. 1. RCW 46.61.340 and 2000 c 239 s 6 are each amended to read as follows:

(1) Whenever any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this section, the driver of such vehicle shall stop within fifty feet but not less than fifteen feet from the nearest rail of such railroad, and shall not proceed until the crossing can be made safely. The foregoing requirements shall apply when:

(a) A clearly visible electric or mechanical signal device gives warning of the immediate approach of a railroad train or other on-track equipment;

(b) A crossing gate is lowered or when a human flagger gives or continues to give a signal of the approach or passage of a railroad train or other on-track equipment;

(c) An approaching railroad train or other on-track equipment is plainly visible and is in hazardous proximity to such crossing.

(2) No person shall drive any vehicle through, around or under any crossing gate or barrier at a railroad crossing while such gate or barrier is closed or is being opened or closed.

Sec. 2. RCW 46.61.350 and 2014 c 154 s 3 are each amended to read as follows:

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

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

(ii) A commercial motor vehicle transporting passengers;

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

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

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

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

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

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

(C) Division 4.1 or Division 4.3;

(D) Division 5.1 or Division 5.2;

(E) Division 6.1 poison;

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

(G) Class 7;

(H) Class 8.

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

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

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

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

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

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

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

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

(f) The utilities and transportation commission has identified a crossing where stopping is not required under RCW 81.53.060.

(4) For the purpose of this section, "commercial motor vehicle" means: Any vehicle with a manufacturer's seating capacity for eight or more passengers, including the driver, that transports passengers for hire; any private carrier bus; any vehicle used to transport property that has a gross vehicle weight rating, gross combination weight rating, gross vehicle weight, or gross combination

weight of 4,536 kg (10,001 pounds) or more; and any vehicle used in the transportation of hazardous materials as defined in RCW 46.25.010.

Sec. 3. RCW 46.61.355 and 2000 c 239 s 7 are each amended to read as follows:

(1) No person shall operate or move any crawler-type tractor, steam shovel, derrick, roller, or any equipment or structure having a normal operating speed of ten or less miles per hour or a vertical body or load clearance of less than one-half inch per foot of the distance between any two adjacent axles or in any event of less than nine inches, measured above the level surface of a roadway, upon or across any tracks at a railroad grade crossing without first complying with this section.

(2) Notice of any such intended crossing shall be given to the station agent of such railroad located nearest the intended crossing sufficiently in advance to allow such railroad a reasonable time to prescribe proper protection for such crossing.

(3) Before making any such crossing, the person operating or moving any such vehicle or equipment shall first stop the same not less than fifteen feet nor more than fifty feet from the nearest rail of such railroad and while so stopped shall listen and look in both directions along such track for any approaching train or other on-track equipment and for signals indicating the approach of a train or other on-track equipment, and shall not proceed until the crossing can be made safely.

(4) No such crossing shall be made when warning is given by automatic signal or crossing gates or a flagger or otherwise of the immediate approach of a railroad train or car or other on-track equipment. If a flagger is provided by the railroad, movement over the crossing shall be under the flagger's direction.

Sec. 4. RCW 36.86.100 and 1983 c 19 s 1 are each amended to read as follows:

Each railroad company shall keep its right-of-way clear of all brush and timber in the vicinity of a railroad grade crossing with a county road for a distance of one hundred feet from the crossing in such a manner as to permit a person upon the road to obtain an unobstructed view in both directions of an approaching train or other on-track equipment. The county legislative authority shall cause brush and timber to be cleared from the right-of-way of county roads in the proximity of a railroad grade crossing for a distance of one hundred feet from the crossing in such a manner as to permit a person traveling upon the road to obtain an unobstructed view in both directions of an approaching train or other on-track equipment. It is unlawful to erect or maintain a sign, signboard, or billboard within a distance of one hundred feet from the point of intersection of the road and railroad grade crossing located outside the corporate limits of any city or town unless, after thirty days notice to the Washington utilities and transportation commission and the railroad operating the crossing, the county legislative authority determines that it does not obscure the sight distance of a person operating a vehicle or train approaching the grade crossing.

When a person who has erected or who maintains such a sign, signboard, or billboard or when a railroad company permits such brush or timber in the vicinity of a railroad grade crossing with a county road or permits the surface of a grade crossing to become inconvenient or dangerous for passage and who has

the duty to maintain it, fails, neglects, or refuses to remove or cause to be removed such brush, timber, sign, signboard, or billboard, or maintain the surface of the crossing, the utilities and transportation commission upon complaint of the county legislative authority or upon complaint of any party interested, or upon its own motion, shall enter upon a hearing in the manner now provided for hearings with respect to railroad-highway grade crossings, and make and enforce proper orders for the removal of the brush, timber, sign, signboard or billboard, or maintenance of the crossing. Nothing in this section prevents the posting or maintaining thereon of highway or road signs or traffic devices giving directions or distances for the information of the public when the signs conform to the "Manual for Uniform Traffic Control Devices" issued by the state department of transportation. The county legislative authority shall inspect highway grade crossings and make complaint of the violation of any provisions of this section.

Sec. 5. RCW 46.25.090 and 2013 2nd sp.s. c 35 s 10 are each amended to read as follows:

(1) A person is disqualified from driving a commercial motor vehicle for a period of not less than one year if a report has been received by the department pursuant to RCW 46.20.308 or 46.25.120, or if the person has been convicted of a first violation, within this or any other jurisdiction, of:

(a) Driving a motor vehicle under the influence of alcohol or any drug;

(b) Driving a commercial motor vehicle while the alcohol concentration in the person's system is 0.04 or more or any measurable amount of THC concentration, or driving a noncommercial motor vehicle while the alcohol concentration in the person's system is 0.08 or more, or is 0.02 or more if the person is under age twenty-one, or with a THC concentration of 5.00 nanograms per milliliter of whole blood or more, or a THC concentration above 0.00 if the person is under the age of twenty-one, as determined by any testing methods approved by law in this state or any other state or jurisdiction;

(c) Leaving the scene of an accident involving a motor vehicle driven by the person;

(d) Using a motor vehicle in the commission of a felony;

(e) Refusing to submit to a test or tests to determine the driver's alcohol concentration or the presence of any drug while driving a motor vehicle;

(f) Driving a commercial motor vehicle when, as a result of prior violations committed while operating a commercial motor vehicle, the driver's commercial driver's license is revoked, suspended, or canceled, or the driver is disqualified from operating a commercial motor vehicle;

(g) Causing a fatality through the negligent operation of a commercial motor vehicle, including but not limited to the crimes of vehicular homicide and negligent homicide.

If any of the violations set forth in this subsection occurred while transporting hazardous material, the person is disqualified for a period of not less than three years.

(2) A person is disqualified for life if it has been determined that the person has committed or has been convicted of two or more violations of any of the offenses specified in subsection (1) of this section, or any combination of those offenses, arising from two or more separate incidents.

(3) The department may adopt rules, in accordance with federal regulations, establishing guidelines, including conditions, under which a disqualification for life under subsection (2) of this section may be reduced to a period of not less than ten years.

(4) A person is disqualified from driving a commercial motor vehicle for life who uses a motor vehicle in the commission of a felony involving the manufacture, distribution, or dispensing of a controlled substance, as defined by chapter 69.50 RCW, or possession with intent to manufacture, distribute, or dispense a controlled substance, as defined by chapter 69.50 RCW.

(5)(a) A person is disqualified from driving a commercial motor vehicle for a period of:

(i) Not less than sixty days if:

(A) Convicted of or found to have committed a second serious traffic violation while driving a commercial motor vehicle; or

(B) Convicted of reckless driving, where there has been a prior serious traffic violation; or

(ii) Not less than one hundred twenty days if:

(A) Convicted of or found to have committed a third or subsequent serious traffic violation while driving a commercial motor vehicle; or

(B) Convicted of reckless driving, where there has been two or more prior serious traffic violations.

(b) The disqualification period under (a)(ii) of this subsection must be in addition to any other previous period of disqualification.

(c) For purposes of determining prior serious traffic violations under this subsection, each conviction of or finding that a driver has committed a serious traffic violation while driving a commercial motor vehicle or noncommercial motor vehicle, arising from a separate incident occurring within a three-year period, must be counted.

(6) A person is disqualified from driving a commercial motor vehicle for a period of:

(a) Not less than one hundred eighty days nor more than one year if convicted of or found to have committed a first violation of an out-of-service order while driving a commercial vehicle;

(b) Not less than two years nor more than five years if, during a ten-year period, the person is convicted of or is found to have committed two violations of out-of-service orders while driving a commercial motor vehicle in separate incidents;

(c) Not less than three years nor more than five years if, during a ten-year period, the person is convicted of or is found to have committed three or more violations of out-of-service orders while driving commercial motor vehicles in separate incidents;

(d) Not less than one hundred eighty days nor more than two years if the person is convicted of or is found to have committed a first violation of an out-of-service order while transporting hazardous materials, or while operating motor vehicles designed to transport sixteen or more passengers, including the driver. A person is disqualified for a period of not less than three years nor more than five years if, during a ten-year period, the person is convicted of or is found to have committed subsequent violations of out-of-service orders, in separate

incidents, while transporting hazardous materials, or while operating motor vehicles designed to transport sixteen or more passengers, including the driver.

(7) A person is disqualified from driving a commercial motor vehicle if a report has been received by the department under RCW 46.25.125 that the person has received a verified positive drug test or positive alcohol confirmation test as part of the testing program conducted under 49 C.F.R. 40. A disqualification under this subsection remains in effect until the person undergoes a drug and alcohol assessment by a substance abuse professional meeting the requirements of 49 C.F.R. 40, and the person presents evidence of satisfactory participation in or successful completion of a drug or alcohol treatment and/or education program as recommended by the substance abuse professional, and until the person has met the requirements of RCW 46.25.100. The substance abuse professional shall forward a diagnostic evaluation and treatment recommendation to the department of licensing for use in determining the person's eligibility for driving a commercial motor vehicle. Persons who are disqualified under this subsection more than twice in a five-year period are disqualified for life.

(8)(a) A person is disqualified from driving a commercial motor vehicle for the period of time specified in (b) of this subsection if he or she is convicted of or is found to have committed one of the following six offenses at a railroad-highway grade crossing while operating a commercial motor vehicle in violation of a federal, state, or local law or regulation:

(i) For drivers who are not required to always stop, failing to slow down and check that the tracks are clear of an approaching train or other on-track equipment;

(ii) For drivers who are not required to always stop, failing to stop before reaching the crossing, if the tracks are not clear;

(iii) For drivers who are always required to stop, failing to stop before driving onto the crossing;

(iv) For all drivers, failing to have sufficient space to drive completely through the crossing without stopping;

(v) For all drivers, failing to obey a traffic control device or the directions of an enforcement officer at the crossing;

(vi) For all drivers, failing to negotiate a crossing because of insufficient undercarriage clearance.

(b) A person is disqualified from driving a commercial motor vehicle for a period of:

(i) Not less than sixty days if the driver is convicted of or is found to have committed a first violation of a railroad-highway grade crossing violation;

(ii) Not less than one hundred twenty days if the driver is convicted of or is found to have committed a second railroad-highway grade crossing violation in separate incidents within a three-year period;

(iii) Not less than one year if the driver is convicted of or is found to have committed a third or subsequent railroad-highway grade crossing violation in separate incidents within a three-year period.

(9) A person is disqualified from driving a commercial motor vehicle for not more than one year if a report has been received by the department from the federal motor carrier safety administration that the person's driving has been determined to constitute an imminent hazard as defined by 49 C.F.R. 383.5. A

person who is simultaneously disqualified from driving a commercial motor vehicle under this subsection and under other provisions of this chapter, or under 49 C.F.R. 383.52, shall serve those disqualification periods concurrently.

(10) Within ten days after suspending, revoking, or canceling a commercial driver's license or disqualifying a driver from operating a commercial motor vehicle, the department shall update its records to reflect that action.

Sec. 6. RCW 47.32.140 and 1983 c 19 s 2 are each amended to read as follows:

Each railroad company shall keep its right-of-way clear of all brush and timber in the vicinity of a railroad grade crossing with a state highway for a distance of one hundred feet from the crossing in such manner as to permit a person upon the highway to obtain an unobstructed view in both directions of an approaching train or other on-track equipment. The department shall cause brush and timber to be cleared from the right-of-way of a state highway in the proximity of a railroad grade crossing for a distance of one hundred feet from the crossing in such manner as to permit a person upon the highway to obtain an unobstructed view in both directions of an approaching train or other on-track equipment. It is unlawful to erect or maintain a sign, signboard, or billboard, except official highway signs and traffic devices and railroad warning or operating signs, outside the corporate limits of any city or town within a distance of one hundred feet from the point of intersection of the highway and railroad grade crossing unless, after thirty days notice to the Washington utilities and transportation commission and the railroad operating the crossing, the department determines that it does not obscure the sight distance of a person operating a vehicle or train approaching the grade crossing.

When a person who has erected or who maintains such a sign, signboard, or billboard or when a railroad company permits such brush or timber in the vicinity of a railroad grade crossing with a state highway or permits the surface of a grade crossing to become inconvenient or dangerous for passage and who has the duty to maintain it, fails, neglects, or refuses to remove or cause to be removed such brush, timber, sign, signboard, or billboard, or maintain the surface of the crossing, the utilities and transportation commission upon complaint of the department or upon complaint of any party interested, or upon its own motion, shall enter upon a hearing in the manner now provided for hearings with respect to railroad-highway grade crossings, and make and enforce proper orders for the removal of the brush, timber, sign, signboard or billboard, or maintenance of the crossing. However, nothing in this section prevents the posting or maintaining of any legal notice or sign, signal, or traffic device required or permitted to be posted or maintained, or the placing and maintaining thereon of highway or road signs or traffic devices giving directions or distances for the information of the public when the signs are approved by the department. The department shall inspect highway grade crossings and make complaint of the violation of any provisions of this section.

Passed by the Senate February 28, 2017.
Passed by the House April 7, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 88

[Substitute Senate Bill 5262]

PILOTAGE ACT--VESSEL EXEMPTION REQUIREMENTS

AN ACT Relating to limitations for certain vessels exempt from the pilotage act; and amending RCW 88.16.070.

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

Sec. 1. RCW 88.16.070 and 2012 c 81 s 1 are each amended to read as follows:

Every vessel not exempt under this section that operates in the waters of the Puget Sound pilotage district or Grays Harbor pilotage district is subject to compulsory pilotage under this chapter.

(1) A United States vessel on a voyage in which it is operating exclusively on its coastwise endorsement, its fishery endorsement (including catching and processing its own catch outside United States waters and economic zone for delivery in the United States), and/or its recreational (or pleasure) endorsement, and all United States and Canadian vessels engaged exclusively in the coasting trade on the west coast of the continental United States (including Alaska) and/or British Columbia shall be exempt from the provisions of this chapter unless a pilot licensed under this chapter be actually employed, in which case the pilotage rates provided for in this chapter shall apply.

(2) The board may, upon the written petition of any interested party, and upon notice and opportunity for hearing, grant an exemption from the provisions of this chapter to any vessel that the board finds is (a) a small passenger vessel that is not more than ((~~five~~)) one thousand three hundred gross tons (international), does not exceed two hundred feet in overall length, is manned by United States-licensed deck and engine officers appropriate to the size of the vessel with merchant mariner credentials issued by the United States coast guard or Canadian deck and engine officers with Canadian-issued certificates of competency appropriate to the size of the vessel, and is operated exclusively in the waters of the Puget Sound pilotage district and lower British Columbia, or (b) a yacht that is not more than ((~~seven~~)) one thousand three hundred ((~~fifty~~)) gross tons (international) and does not exceed two hundred feet in overall length. Such an exemption shall not be detrimental to the public interest in regard to safe operation preventing loss of human lives, loss of property, and protecting the marine environment of the state of Washington. Such petition shall set out the general description of the vessel, the contemplated use of same, the proposed area of operation, and the name and address of the vessel's owner. The board shall annually, or at any other time when in the public interest, review any exemptions granted to this specified class of small vessels to insure that each exempted vessel remains in compliance with the original exemption. The board shall have the authority to revoke such exemption where there is not continued compliance with the requirements for exemption. The board shall maintain a file which shall include all petitions for exemption, a roster of vessels granted exemption, and the board's written decisions which shall set forth the findings for grants of exemption. Each applicant for exemption or annual renewal shall pay a fee, payable to the pilotage account. Fees for initial applications and for renewals shall be established by rule, and shall not exceed one thousand five

hundred dollars. The board shall report annually to the legislature on such exemptions.

(3) Every vessel not exempt under subsection (1) or (2) of this section shall, while navigating the Puget Sound and Grays Harbor pilotage districts, employ a pilot licensed under the provisions of this chapter and shall be liable for and pay pilotage rates in accordance with the pilotage rates herein established or which may hereafter be established under the provisions of this chapter: PROVIDED, That any vessel inbound to or outbound from Canadian ports is exempt from the provisions of this section, if said vessel actually employs a pilot licensed by the Pacific pilotage authority (the pilot licensing authority for the western district of Canada), and if it is communicating with the vessel traffic system and has appropriate navigational charts, and if said vessel uses only those waters east of the international boundary line which are west of a line which begins at the southwestern edge of Point Roberts then to Alden Point (Patos Island), then to Skipjack Island light, then to Turn Point (Stuart Island), then to Kellet Bluff (Henry Island), then to Lime Kiln (San Juan Island) then to the intersection of one hundred twenty-three degrees seven minutes west longitude and forty-eight degrees twenty-five minutes north latitude then to the international boundary. The board shall correspond with the Pacific pilotage authority from time to time to ensure the provisions of this section are enforced. If any exempted vessel does not comply with these provisions it shall be deemed to be in violation of this section and subject to the penalties provided in RCW 88.16.150 as now or hereafter amended and liable to pilotage fees as determined by the board. The board shall investigate any accident on the waters covered by this chapter involving a Canadian pilot and shall include the results in its annual report.

Passed by the Senate March 1, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 89

[Senate Bill 5306]

SECONDARY FISH RECEIVERS--RECORDS--REPORTING

AN ACT Relating to secondary commercial fish receivers; and amending RCW 77.15.568.

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

Sec. 1. RCW 77.15.568 and 2016 1st sp.s. c 21 s 1 are each amended to read as follows:

(1) A person is guilty of a secondary commercial fish receiver's failure to account for commercial harvest if:

(a) The person sells fish or shellfish at retail, stores ((~~or~~)), holds, or processes fish or shellfish ((~~for another~~)) in exchange for valuable consideration, or brokers or ships fish or shellfish in exchange for valuable consideration((~~, or brokers fish or shellfish in exchange for valuable consideration~~));

(b)(i) The fish or shellfish were required to be entered on a Washington fish-receiving ticket or a Washington aquatic farm production annual report; ((~~and~~)) or

(ii) The fish or shellfish are classified as fish or shellfish by the department; and

(c) The person fails to maintain records of each receipt of fish or shellfish, as required under subsections (3) through (5) of this section, at:

(i) The location where the fish or shellfish are being sold or at the location where the fish or shellfish are being stored or held; or

(ii) The principal place of business of the shipper or broker if the fish or shellfish are not in possession.

(2) ((~~This section applies to a wholesale fish dealer acting in the capacity of a broker. However, this section does not apply to a wholesale fish dealer acting in the capacity of a wholesale fish dealer, to a fisher selling under a direct retail sale endorsement, or to a registered aquatic farmer~~)) Wholesale fish buyers, limited fish sellers, and registered aquatic farmers are not required to comply with this section for fish or shellfish documented on fish tickets or aquatic farm production reports.

(3) Records of the receipt of fish or shellfish required to be kept under this section must be in the English language and be maintained for three years from the date fish or shellfish are received, shipped, or brokered.

(4) Records maintained by persons that retail or broker fish or shellfish, or that store, hold, or ship fish or shellfish for others must include the following:

(a) The name, address, and phone number of the ((~~wholesale fish dealer, fisher selling under a direct retail sale endorsement, or aquatic farmer or shellstock shipper~~)) person from whom the fish or shellfish were purchased or received;

(b) ((~~The Washington fish-receiving ticket number documenting original receipt or aquatic farm production quarterly report documenting production, if available;~~

~~(c)~~)) The date of purchase or receipt;

(c) The state or country of origin if received from interstate or foreign commerce; and

(d) The amount and species of fish or shellfish purchased or received.

(5) ((~~Records maintained by persons that store, hold, or ship fish or shellfish for others must state the following:~~

~~(a) The name, address, and phone number of the person and business from whom the fish or shellfish were received;~~

~~(b) The date of receipt; and~~

~~(c) The amount and species of fish or shellfish received.~~

~~(6)~~)) A secondary commercial fish receiver's failure to account for commercial harvest is a misdemeanor.

Passed by the Senate February 23, 2017.

Passed by the House April 6, 2017.

Approved by the Governor April 20, 2017.

Filed in Office of Secretary of State April 20, 2017.

CHAPTER 90

[Engrossed Substitute Senate Bill 5449]

SCHOOLS--DIGITAL CITIZENSHIP, MEDIA LITERACY, AND INTERNET SAFETY

AN ACT Relating to digital citizenship, media literacy, and internet safety in schools; amending RCW 28A.650.010 and 28A.650.045; adding a new section to chapter 28A.650 RCW; creating a new section; and providing an expiration date.

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

Sec. 1. RCW 28A.650.010 and 1993 c 336 s 702 are each amended to read as follows:

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

(1) "Digital citizenship" includes the norms of appropriate, responsible, and healthy behavior related to current technology use, including digital and media literacy, ethics, etiquette, and security. The term also includes the ability to access, analyze, evaluate, develop, produce, and interpret media, as well as internet safety and cyberbullying prevention and response.

(2) "Education technology" or "technology" means the effective use of electronic and optical tools, including telephones, and electronic and optical pathways in helping students learn.

((~~(2)~~)) (3) "Network" means integrated linking of education technology systems in schools for transmission of voice, data, video, or imaging, or a combination of these.

Sec. 2. RCW 28A.650.045 and 2016 c 59 s 2 are each amended to read as follows:

(1) ((~~For the purposes of this section, "digital citizenship" includes the norms of appropriate, responsible, and healthy behavior related to current technology use, including digital and media literacy, ethics, etiquette, and security. The term also includes the ability to access, analyze, evaluate, develop, produce, and interpret media, as well as internet safety and cyberbullying prevention and response.~~

~~(2)~~))(a) By December 1, 2016, the office of the superintendent of public instruction shall develop best practices and recommendations for instruction in digital citizenship, internet safety, and media literacy, and report to the appropriate committees of the legislature, in accordance with RCW 43.01.036, on strategies to implement the best practices and recommendations statewide. The best practices and recommendations must be developed in consultation with an advisory committee as specified in (b) of this subsection. Best practices and recommendations must include instruction that provides guidance about thoughtful, safe, and strategic uses of online and other media resources, and education on how to apply critical thinking skills when consuming and producing information.

(b) The office of the superintendent of public instruction must convene and consult with an advisory committee when developing best practices and recommendations for instruction in digital citizenship, internet safety, and media literacy. The advisory committee must include: Representatives from the Washington state school directors' association; experts in digital citizenship, internet safety, and media literacy; teacher-librarians as defined in RCW 28A.320.240; and other stakeholders, including parent associations, educators,

and administrators. Recommendations produced by the committee may include, but are not limited to:

(i) Revisions to the state learning standards for educational technology, required under RCW 28A.655.075;

(ii) Revisions to the model policy and procedures on electronic resources and internet safety developed by the Washington state school directors' association;

(iii) School district processes necessary to develop customized district policies and procedures on electronic resources and internet safety;

(iv) Best practices, resources, and models for instruction in digital citizenship, internet safety, and media literacy; and

(v) Strategies that will support school districts in local implementation of the best practices and recommendations developed by the office of the superintendent of public instruction under (a) of this subsection.

((~~(3)~~)) (2) Beginning in the 2017-18 school year, a school district shall annually review its policy and procedures on electronic resources and internet safety. In reviewing and amending the policy and procedures, a school district must:

(a) Involve a representation of students, parents or guardians, teachers, teacher-librarians, other school employees, administrators, and community representatives with experience or expertise in digital citizenship, media literacy, and internet safety issues;

(b) Consider customizing the model policy and procedures on electronic resources and internet safety developed by the Washington state school directors' association;

(c) Consider existing school district resources; and

(d) Consider best practices, resources, and models for instruction in digital citizenship, internet safety, and media literacy, including methods to involve parents.

(3)(a) By December 1, 2017, the Washington state school directors' association shall review and revise its model policy and procedures on electronic resources and internet safety to better support digital citizenship, media literacy, and internet safety in schools. The model policy and procedures must contain provisions requiring that media literacy resources consist of a balance of sources and perspectives.

(b) By December 1, 2017, the Washington state school directors' association shall develop a checklist of items for school districts to consider when updating their policy and procedures under subsection (2) of this section.

NEW SECTION. **Sec. 3.** (1) By December 1, 2018, the office of the superintendent of public instruction shall survey teacher-librarians, principals, and technology directors to understand how they are currently integrating digital citizenship and media literacy education in their curriculum. The purpose of the survey is to determine ways in which teacher-librarians, principals, and technology directors can lead, teach, and support digital citizenship and media literacy across all grades and content areas.

(2) This section expires August 1, 2019.

NEW SECTION. **Sec. 4.** A new section is added to chapter 28A.650 RCW to read as follows:

(1) The office of the superintendent of public instruction shall create a web-based location with links to recommended successful practices and resources to support digital citizenship, media literacy, and internet safety for use in the 2017-18 school year. The web-based location must incorporate the information gathered by the survey in section 3 of this act.

(2) Thereafter, the office of the superintendent of public instruction shall continue to identify and develop additional open educational resources to support digital citizenship, media literacy, and internet safety in schools for the web-based location.

(3) Media literacy resources must consist of a balance of sources and perspectives.

Passed by the Senate March 2, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 91

[Substitute Senate Bill 5481]

BREAST CANCER--RECONSTRUCTION AND PROSTHESES--EDUCATION

AN ACT Relating to breast cancer; and adding a new section to chapter 70.01 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 70.01 RCW to read as follows:

(1) The health care authority, in coordination with the department of health, must create and implement a campaign to educate breast cancer patients about the availability of insurance coverage for breast reconstruction and breast prostheses.

(2) The health care authority and department of health may create new educational materials or make available materials published by for-profit or nonprofit organizations. The materials must provide, at a minimum, all of the following:

(a) Information about the availability of breast reconstruction surgery following a mastectomy including that the breast reconstruction surgery may be performed at the time of a mastectomy or the breast reconstruction surgery may be delayed until a time after the mastectomy.

(b) Information about prostheses or breast forms as alternatives to breast reconstruction surgery.

(c) Information about the requirements of the women's health and cancer rights act of 1998 (P.L. 105-277) including the right to breast reconstruction surgery even if the surgery is delayed.

(3) The educational materials developed or made available under subsection (2) of this section must be distributed by the office of the insurance commissioner and the health care authority to people receiving their services. Distribution may be accomplished through current methods used to inform consumers including posting information online and other methods developed or used by the office of the insurance commissioner and the health care authority.

(4) The department of health must also make the educational materials developed or made available under subsection (2) of this section available to health care professionals for distribution to patients who may qualify for breast reconstruction surgery following a mastectomy. This may be accomplished through current methods used by the department to provide health care professionals with informational materials, including making them available online.

(5) This section does not create a private right of action.

Passed by the Senate March 1, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 20, 2017.
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CHAPTER 92

[Substitute Senate Bill 5573]

STATE WIRELESS RADIO COMMUNICATIONS SYSTEMS--INTEROPERABILITY EXECUTIVE COMMITTEE

AN ACT Relating to increasing membership of the state interoperability executive committee and foster radio system interoperability; and amending RCW 43.105.331 and 43.105.020.

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

Sec. 1. RCW 43.105.331 and 2015 3rd sp.s. c 1 s 213 are each amended to read as follows:

(1) The director shall appoint a state interoperability executive committee, the membership of which must include, but not be limited to, representatives of the military department, the Washington state patrol, the department of transportation, the office of the state chief information officer, the department of natural resources, the department of fish and wildlife, the department of health, the department of corrections, city and county governments, state and local fire chiefs, police chiefs, and sheriffs, ((~~and~~)) state and local emergency management directors, tribal nations, and public safety answering points, commonly known as 911 call centers. The chair and legislative members of the board will serve as nonvoting ex officio members of the committee. Voting membership may not exceed ((~~fifteen~~)) twenty-two members.

(2) The director shall appoint the chair of the committee from among the voting members of the committee.

(3) The state interoperability executive committee has the following responsibilities:

(a) Develop policies and make recommendations to the office for technical standards for state wireless radio communications systems, including emergency communications systems. The standards must address, among other things, the interoperability of systems, taking into account both existing and future systems and technologies;

(b) Coordinate and manage on behalf of the office the licensing and use of state-designated and state-licensed radio frequencies, including the spectrum used for public safety and emergency communications, and serve as the point of contact with the federal communications commission and the first responders

network authority on matters relating to allocation, use, and licensing of radio spectrum;

(c) Coordinate the purchasing of all state wireless radio communications system equipment to ensure that:

(i) ((~~After the transition from a radio over internet protocol network,~~)) Any new trunked radio system shall be, at a minimum, project-25; and

(ii) Any new land-mobile radio system that requires advanced digital features shall be, at a minimum, project-25; ((~~and~~

~~(iii) Any new system or equipment purchases shall be, at a minimum, upgradable to project-25;~~))

(d) Seek support, including possible federal or other funding, for state-sponsored wireless communications systems;

(e) Develop recommendations for legislation that may be required to promote interoperability of state wireless communications systems;

(f) Foster cooperation and coordination among public safety and emergency response organizations;

(g) Work with wireless communications groups and associations to ensure interoperability among all public safety and emergency response wireless communications systems; and

(h) Perform such other duties as may be assigned by the director to promote interoperability of wireless communications systems.

(4) The office shall provide administrative support to the committee.

Sec. 2. RCW 43.105.020 and 2016 c 237 s 2 are each amended to read as follows:

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

(1) "Agency" means the consolidated technology services agency.

(2) "Board" means the technology services board.

(3) "Customer agencies" means all entities that purchase or use information technology resources, telecommunications, or services from the consolidated technology services agency.

(4) "Director" means the state chief information officer, who is the director of the consolidated technology services agency.

(5) "Enterprise architecture" means an ongoing activity for translating business vision and strategy into effective enterprise change. It is a continuous activity. Enterprise architecture creates, communicates, and improves the key principles and models that describe the enterprise's future state and enable its evolution.

(6) "Equipment" means the machines, devices, and transmission facilities used in information processing, including but not limited to computers, terminals, telephones, wireless communications system facilities, cables, and any physical facility necessary for the operation of such equipment.

(7) "Information" includes, but is not limited to, data, text, voice, and video.

(8) "Information security" means the protection of communication and information resources from unauthorized access, use, disclosure, disruption, modification, or destruction in order to:

(a) Prevent improper information modification or destruction;

(b) Preserve authorized restrictions on information access and disclosure;

(c) Ensure timely and reliable access to and use of information; and

(d) Maintain the confidentiality, integrity, and availability of information.

(9) "Information technology" includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications, requisite system controls, simulation, electronic commerce, radio technologies, and all related interactions between people and machines.

(10) "Information technology portfolio" or "portfolio" means a strategic management process documenting relationships between agency missions and information technology and telecommunications investments.

(11) "K-20 network" means the network established in RCW 43.41.391.

(12) "Local governments" includes all municipal and quasi-municipal corporations and political subdivisions, and all agencies of such corporations and subdivisions authorized to contract separately.

(13) "Office" means the office of the state chief information officer within the consolidated technology services agency.

(14) "Oversight" means a process of comprehensive risk analysis and management designed to ensure optimum use of information technology resources and telecommunications.

(15) "Proprietary software" means that software offered for sale or license.

(16) "Public agency" means any agency of this state or another state; any political subdivision or unit of local government of this state or another state including, but not limited to, municipal corporations, quasi-municipal corporations, special purpose districts, and local service districts; any public benefit nonprofit corporation; any agency of the United States; and any Indian tribe recognized as such by the federal government.

(17) "Public benefit nonprofit corporation" means a public benefit nonprofit corporation as defined in RCW 24.03.005 that is receiving local, state, or federal funds either directly or through a public agency other than an Indian tribe or political subdivision of another state.

(18) "Public record" has the definitions in RCW 42.56.010 and chapter 40.14 RCW and includes legislative records and court records that are available for public inspection.

(19) "Public safety" refers to any entity or services that ensure the welfare and protection of the public.

(20) "Security incident" means an accidental or deliberative event that results in or constitutes an imminent threat of the unauthorized access, loss, disclosure, modification, disruption, or destruction of communication and information resources.

((~~(20)~~)) (21) "State agency" means every state office, department, division, bureau, board, commission, or other state agency, including offices headed by a statewide elected official.

((~~(21)~~)) (22) "Telecommunications" includes, but is not limited to, wireless or wired systems for transport of voice, video, and data communications, network systems, requisite facilities, equipment, system controls, simulation, electronic commerce, and all related interactions between people and machines.

((~~(22)~~)) (23) "Utility-based infrastructure services" includes personal computer and portable device support, servers and server administration,

security administration, network administration, telephony, email, and other information technology services commonly used by state agencies.

Passed by the Senate March 6, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 20, 2017.
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CHAPTER 93

[Senate Bill 5640]

HIGH SCHOOL DIPLOMAS--TECHNICAL COLLEGE GRADUATES

AN ACT Relating to technical college high school diploma programs; and amending RCW 28B.50.535.

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

Sec. 1. RCW 28B.50.535 and 2009 c 524 s 2 are each amended to read as follows:

A community or technical college may issue a high school diploma or certificate as provided under this section.

(1) An individual who satisfactorily meets the requirements for high school completion shall be awarded a diploma from the college, subject to rules adopted by the superintendent of public instruction and the state board of education.

(2) An individual enrolled through the option established under RCW 28A.600.310 through 28A.600.400 who satisfactorily completes an associate degree, including an associate of arts degree, associate of science degree, associate of technology degree, or associate in applied science degree, shall be awarded a diploma from the college upon written request from the student.

(3) An individual, twenty-one years or older, who enrolls in a community or technical college for the purpose of obtaining an associate degree and who satisfactorily completes an associate degree, including an associate of arts degree, associate of science degree, associate of technology degree, or associate in applied science degree, shall be awarded a diploma from the college upon written request from the student. Individuals under this subsection are not eligible for funding provided under chapter 28A.150 RCW.

(4) An individual who enrolls in a technical college through the option established under RCW 28B.50.533, who satisfactorily completes an associate degree, including an associate of arts degree, associate of science degree, associate of technology degree, or associate in applied science degree, shall be awarded a diploma from the college upon written request from the student.

Passed by the Senate February 28, 2017.
Passed by the House April 7, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 94

[Substitute House Bill 1218]

TOW TRUCK OPERATORS--CHARGES--CALCULATION

AN ACT Relating to the termination of towing fees; and amending RCW 46.55.063.

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

Sec. 1. RCW 46.55.063 and 1995 c 360 s 3 are each amended to read as follows:

(1) An operator shall file a fee schedule with the department. All filed fees must be adequate to cover the costs of service provided. No fees may exceed those filed with the department. At least ten days before the effective date of any change in an operator's fee schedule, the registered tow truck operator shall file the revised fee schedule with the department.

(2) Towing contracts with private property owners shall be in written form and state the hours of authorization to impound, the persons empowered to authorize the impounds, and the present charge of a private impound for the classes of tow trucks to be used in the impound, and must be retained in the files of the registered tow truck operator for three years.

(3) A fee that is charged for tow truck service must be calculated on an hourly basis, and after the first hour must be charged to the nearest quarter hour.

(4) Fees that are charged for the storage of a vehicle, or for other items of personal property registered or titled with the department, must be calculated on a twenty-four hour basis and must be charged to the nearest half day from the time when the ((~~vehicle arrived~~)) operator has unloaded the vehicle and completed the necessary paperwork at the secure storage area. The total amount of time to unload the towed vehicle, complete required paperwork, and reasonably prepare the tow truck to return to service may be charged as part of the tow truck service in fifteen-minute increments not to exceed a total of sixty minutes after the return of the tow truck to the secure storage area. If a portion of any fifteen-minute increment exceeds a total of eight minutes, the total minutes must be rounded up to the next highest fifteen-minute period of total time except in the last fifteen minutes of the total sixty minutes. However, items of personal property registered or titled with the department that are wholly contained within an impounded vehicle are not subject to additional storage fees; they are, however, subject to satisfying the underlying lien for towing and storage of the vehicle in which they are contained.

(5) All billing invoices that are provided to the redeemer of the vehicle, or other items of personal property registered or titled with the department, must be itemized so that the individual fees are clearly ((~~discernable~~)) discernible.

Passed by the House February 28, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 95

[Second Substitute Senate Bill 5546]

WILDFIRE RISK--FOREST HEALTH ASSESSMENT AND TREATMENT FRAMEWORK

AN ACT Relating to proactively addressing wildfire risk by creating a forest health treatment assessment; adding a new section to chapter 76.06 RCW; creating a new section; and providing an expiration date.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 76.06 RCW to read as follows:

(1) The department must establish a forest health assessment and treatment framework designed to proactively and systematically address the forest health issues facing the state. Specifically, the framework must endeavor to achieve an initial goal of assessing and treating one million acres of land by 2033.

(2) The department must utilize the framework to assess and treat acreage in an incremental fashion each biennium. The framework consists of three elements: Assessment; treatment; and progress review and reporting.

(a) Assessment. Each biennium, the department must identify and assess two hundred thousand acres of fire prone lands and communities that are in need of forest health treatment, including the use of prescribed fire or mechanical treatment, such as thinning.

(i) The scope of the assessment must include lands protected by the department as well as lands outside of the department's fire protection responsibilities that could pose a high risk to department protected lands during a fire.

(ii) The assessment must identify areas in need of treatment, the type or types of treatment recommended, data and planning needs to carry out recommended treatment, and the estimated cost of recommended treatment.

(b) Treatment. Each biennium, the department must review previously completed assessments and prioritize and conduct as many identified treatments as possible using appropriations provided for that specific purpose.

(c) Progress review and reporting. By December 1st of each even-numbered year, the department must provide the appropriate committees of the legislature and the office of financial management with:

(i) A request for appropriations designed to implement the framework in the following biennium, including assessment work and conducting treatments identified in previously completed assessments;

(ii) A prioritized list and brief summary of treatments planned to be conducted under the framework with the requested appropriations, including relevant information from the assessment; and

(iii) A list and brief summary of treatments carried out under the framework in the preceding biennium, including total funding available, costs for completed treatment, and treatment outcomes. The summary must include any barriers to framework implementation and legislative or administrative recommendations to address those barriers.

(3) In developing and implementing the framework, the department must:

(a) Utilize and build on the forest health strategic planning initiated under section 308(11), chapter 36, Laws of 2016 sp. sess., to the maximum extent practicable, to promote the efficient use of resources; and

(b) Establish a forest health advisory committee to assist in developing and implementing the framework. The committee may: (i) Include representation from large and small forest landowners, wildland fire response organizations, milling and log transportation industries, forest collaboratives that may exist in the affected areas, highly affected communities and community preparedness organizations, conservation groups, and other interested parties deemed appropriate by the commissioner; and (ii) consult with relevant local, state, and federal agencies, and tribes.

(4) The department must establish and implement the forest health assessment and treatment framework within the appropriations specifically provided for this purpose.

NEW SECTION. **Sec. 2.** (1) In order to expedite initial implementation of the forest health assessment and treatment framework, the department of natural resources: (a) May prioritize and treat lands identified in its 2017-2019 biennial budget request as pilot treatment projects in lieu of the requirements of section 1(2) (a) and (b) of this act; and (b) must conduct assessments in the 2017-2019 biennium for prioritization and treatment in the 2019-2021 biennium.

(2) The department of natural resources must establish and implement the forest health assessment and treatment framework within the appropriations specifically provided for this purpose.

(3) This section expires June 30, 2019.

Passed by the Senate March 1, 2017.
Passed by the House April 10, 2017.
Approved by the Governor April 20, 2017.
Filed in Office of Secretary of State April 20, 2017.

CHAPTER 96

[Engrossed Second Substitute House Bill 1351]

SPIRITS, BEER, AND WINE--COMBINATION LICENSE

AN ACT Relating to authorizing, under one license, the sale of spirits, beer, and wine at retail for off-premises consumption; amending RCW 66.24.360, 66.24.630, 66.24.363, and 66.24.632; reenacting and amending RCW 66.24.371; and adding a new section to chapter 66.24 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 66.24 RCW to read as follows:

(1) There is a license called a combination spirits, beer, and wine license, to sell wine and beer, including without limitation strong beer, at retail in bottles, cans, and original containers, not to be consumed upon the premises where sold, and to:

(a) Sell spirits in original containers to consumers for consumption off the licensed premises and to permit holders;

(b) Sell spirits in original containers to retailers licensed to sell spirits for consumption on the premises, for resale at their licensed premises according to the terms of their licenses, although no single sale may exceed twenty-four liters; and

(c) Export spirits.

(2) The annual fee for the combination spirits, beer, and wine license is three hundred sixteen dollars for each store.

(3) For the purposes of this title, a combination spirits, beer, and wine license is a retail license, and a sale by a combination spirits, beer, and wine licensee is a retail sale only if not for resale. Nothing in this title authorizes sales by on-premise licensees to other retail licensees.

(4)(a) The board may issue a combination spirits, beer, and wine license:

(i) For premises comprising at least ten thousand square feet of fully enclosed retail space within a single structure, including storerooms and other

interior auxiliary areas but excluding covered or fenced exterior areas, whether or not attached to the structure, and only to applicants that the board determines will maintain appropriate systems for inventory management, employee training, employee supervision, and physical security of the product;

(ii) For premises of a former contract liquor store; or

(iii) To a holder of former state liquor store operating rights sold at auction under RCW 66.24.620.

(b) License issuances and renewals are subject to RCW 66.24.010 and the regulations adopted thereunder including, without limitation, rights of cities, towns, county legislative authorities, the public, churches, schools, and public institutions to object to or prevent issuance of local liquor licenses. However, existing grocery and other retail premises over ten thousand square feet licensed to sell beer and/or wine are deemed to be premises "now licensed" under RCW 66.24.010(9)(a) for the purpose of processing applications for combination spirits, beer, and wine licenses.

(c) A retailer authorized to sell spirits for consumption on or off the licensed premises may accept delivery of spirits and deliver spirits in the same manner as is provided in RCW 66.24.630(3)(d).

(d) For purposes of negotiating volume discounts of spirits, a group of individual retailers authorized to sell spirits for consumption off the licensed premises may accept delivery of spirits as provided in RCW 66.24.630(3)(e).

(5) Each combination spirits, beer, and wine licensee must pay to the board, for deposit into the liquor revolving fund, a license issuance fee equivalent to the license issuance fee imposed on licensees selling spirits pursuant to RCW 66.24.630(4)(a).

(6) The board may not issue a combined spirits, beer, and wine license to an applicant if the applicant would qualify for a restricted license as provided in RCW 66.24.371(4) or 66.24.360(7) if the applicant had applied for a license under RCW 66.24.371 or 66.24.360 instead of pursuant to this section.

(7) As a condition to receiving and renewing a combination spirits, beer, and wine license the licensee must comply with RCW 66.24.630(6).

(8) The maximum penalties prescribed by the board in WAC 314-29-020 through 314-29-040 relating to fines and suspensions are doubled for violations relating to the sale of spirits by combination spirits, beer, and wine licensees.

(9)(a) A combination spirits, beer, and wine licensee that joins the responsible vendor program developed by the board pursuant to RCW 66.24.630(8) and maintains all of the program's requirements is not subject to the doubling of penalties provided in this section for a single violation in any period of twelve calendar months.

(b) To participate in the responsible vendor program, a combination spirits, beer, and wine licensee must submit an application form to the board. If the application establishes that the combination spirits, beer, and wine licensee meets the qualifications to join the program, the board must send the licensee a membership certificate.

(c) A combination spirits, beer, and wine licensee participating in the responsible vendor program must meet the requirements in RCW 66.24.630(8)(e) and comply with board rules adopted to implement RCW 66.24.630(8).

(10)(a) Any endorsement available to the holder of a license issued pursuant to RCW 66.24.360 or 66.24.371 is available, upon board approval and pursuant to board rules, to a combination spirits, beer, and wine licensee, provided that the combination spirits, beer, and wine licensee would qualify for a license and the endorsement under RCW 66.24.360 or 66.24.371, as applicable, had the licensee applied for a license and endorsement pursuant to RCW 66.24.360, 66.24.363, or 66.24.371, as applicable, instead of the combination spirits, beer, and wine license pursuant to this section. A combination spirits, beer, and wine licensee with an endorsement issued pursuant to this subsection must comply with the requirements of the endorsement to the same extent as if the endorsement was issued pursuant to RCW 66.24.360, 66.24.363, or 66.24.371, as applicable.

(b) A combination spirits, beer, and wine licensee may conduct sampling in accordance with:

(i) RCW 66.24.371(2) if the combination spirits, beer, and wine licensee would qualify for a license under RCW 66.24.371; or

(ii) RCW 66.24.363 if the combination spirits, beer, and wine licensee would qualify for a license under RCW 66.24.360.

(11) Licensees holding a combination spirits, beer, and wine license must maintain either:

(a) A minimum three thousand dollar inventory of food products for human consumption, not including pop, beer, strong beer, wine, or spirits; or

(b) A minimum three thousand dollar wholesale inventory of beer, strong beer, and/or wine.

(12) A combination spirits, beer, and wine licensee holding a snack bar license under RCW 66.24.350 may receive an endorsement to allow the sale of confections containing more than one percent but not more than ten percent alcohol by weight to persons twenty-one years of age or older.

(13) The board may adopt rules to implement this section.

Sec. 2. RCW 66.24.360 and 2015 c 192 s 1 are each amended to read as follows:

(1) There is a grocery store license to sell wine and/or beer, including without limitation strong beer at retail in original containers, not to be consumed upon the premises where sold.

(2) There is a wine retailer reseller endorsement of a grocery store license, to sell wine at retail in original containers to retailers licensed to sell wine for consumption on the premises, for resale at their licensed premises according to the terms of the license. However, no single sale may exceed twenty-four liters, unless the sale is made by a licensee that was a contract liquor store manager of a contract-operated liquor store at the location from which such sales are made. For the purposes of this title, a grocery store license is a retail license, and a sale by a grocery store licensee with a reseller endorsement is a retail sale only if not for resale.

(3) Licensees obtaining a written endorsement from the board may also sell malt liquor in kegs or other containers capable of holding less than five and one-half gallons of liquid.

(4) The annual fee for the grocery store license is one hundred fifty dollars for each store.

(5) The annual fee for the wine retailer reseller endorsement is one hundred sixty-six dollars for each store.

(6)(a) Upon approval by the board, a grocery store licensee with revenues derived from beer and/or wine sales exceeding fifty percent of total revenues or that maintains an alcohol inventory of not less than fifteen thousand dollars may also receive an endorsement to permit the sale of beer and cider, as defined in RCW 66.24.210(6), in a sanitary container brought to the premises by the purchaser, or provided by the licensee or manufacturer, and filled at the tap by the licensee at the time of sale by an employee of the licensee holding a class 12 alcohol server permit.

(b) Pursuant to RCW 74.08.580(1)(f), a person may not use an electronic benefit transfer card for the purchase of any product authorized for sale under this section.

(c) The board may, by rule, establish fees to be paid by licensees receiving the endorsement authorized under this subsection (6), as necessary to cover the costs of implementing and enforcing the provisions of this subsection (6).

(7) The board must issue a restricted grocery store license authorizing the licensee to sell beer and only table wine, if the board finds upon issuance or renewal of the license that the sale of strong beer or fortified wine would be against the public interest. In determining the public interest, the board must consider at least the following factors:

(a) The likelihood that the applicant will sell strong beer or fortified wine to persons who are intoxicated;

(b) Law enforcement problems in the vicinity of the applicant's establishment that may arise from persons purchasing strong beer or fortified wine at the establishment; and

(c) Whether the sale of strong beer or fortified wine would be detrimental to or inconsistent with a government-operated or funded alcohol treatment or detoxification program in the area.

If the board receives no evidence or objection that the sale of strong beer or fortified wine would be against the public interest, it must issue or renew the license without restriction, as applicable. The burden of establishing that the sale of strong beer or fortified wine by the licensee would be against the public interest is on those persons objecting.

(8) Licensees holding a grocery store license must maintain a minimum three thousand dollar inventory of food products for human consumption, not including pop, beer, strong beer, or wine.

(9) A grocery store licensee with a wine retailer reseller endorsement may accept delivery of wine at its licensed premises or at one or more warehouse facilities registered with the board, which facilities may also warehouse and distribute nonliquor items, and from which it may deliver to its own licensed premises and, pursuant to sales permitted by this title, to other licensed premises, to other registered facilities, or to lawful purchasers outside the state. Facilities may be registered and utilized by associations, cooperatives, or comparable groups of grocery store licensees.

(10) Upon approval by the board, the grocery store licensee may also receive an endorsement to permit the international export of beer, strong beer, and wine.

(a) Any beer, strong beer, or wine sold under this endorsement must have been purchased from a licensed beer or wine distributor licensed to do business within the state of Washington.

(b) Any beer, strong beer, and wine sold under this endorsement must be intended for consumption outside the state of Washington and the United States and appropriate records must be maintained by the licensee.

(c) Any beer, strong beer, or wine sold under this endorsement must be sold at a price no less than the acquisition price paid by the holder of the license.

(d) The annual cost of this endorsement is five hundred dollars and is in addition to the license fees paid by the licensee for a grocery store license.

(11) A grocery store licensee holding a snack bar license under RCW 66.24.350 may receive an endorsement to allow the sale of confections containing more than one percent but not more than ten percent alcohol by weight to persons twenty-one years of age or older.

(12) The board may adopt rules to implement this section.

(13) Nothing in this section limits the authority of the board to regulate the sale of beer or cider or container sizes under rules adopted pursuant to RCW 66.08.030.

(14) Any endorsement issued pursuant to this section or RCW 66.24.363 may be issued to a qualified combination spirits, beer, and wine licensee in accordance with section 1(10) of this act.

(15)(a) A grocery store licensee that also holds a spirits retail license under RCW 66.24.630 may, upon board approval and pursuant to board rules, transition to a combination spirits, beer, and wine license pursuant to section 1 of this act.

(b) An applicant that would qualify for a grocery store license under this section and a spirits retail license under RCW 66.24.630 may apply for a single license pursuant to section 1 of this act instead of applying for a grocery store license under this section in addition to a spirits retail license under to RCW 66.24.630.

Sec. 3. RCW 66.24.371 and 2011 c 195 s 4 and 2011 c 119 s 204 are each reenacted and amended to read as follows:

(1) There shall be a beer and/or wine retailer's license to be designated as a beer and/or wine specialty shop license to sell beer, strong beer, and/or wine at retail in bottles, cans, and original containers, not to be consumed upon the premises where sold, at any store other than the state liquor stores. Licensees obtaining a written endorsement from the board may also sell malt liquor in kegs or other containers capable of holding four gallons or more of liquid. The annual fee for the beer and/or wine specialty shop license is one hundred dollars for each store. The sale of any container holding four gallons or more must comply with RCW 66.28.200 and 66.28.220.

(2) Licensees under this section may provide, free or for a charge, single-serving samples of two ounces or less to customers for the purpose of sales promotion. Sampling activities of licensees under this section are subject to RCW 66.28.305 and 66.28.040 and the cost of sampling under this section may not be borne, directly or indirectly, by any manufacturer, importer, or distributor of liquor.

(3) Upon approval by the board, the beer and/or wine specialty shop licensee that exceeds fifty percent beer and/or wine sales may also receive an endorsement to permit the sale of beer to a purchaser in a sanitary container brought to the premises by the purchaser, or provided by the licensee or manufacturer, and fill at the tap by the licensee at the time of sale. If the beer

and/or wine specialty shop licensee does not exceed fifty percent beer and/or wine sales, the board may waive the fifty percent beer and/or wine sale criteria if the beer and/or wine specialty shop maintains alcohol inventory that exceeds fifteen thousand dollars.

(4) The board shall issue a restricted beer and/or wine specialty shop license, authorizing the licensee to sell beer and only table wine, if the board finds upon issuance or renewal of the license that the sale of strong beer or fortified wine would be against the public interest. In determining the public interest, the board shall consider at least the following factors:

(a) The likelihood that the applicant will sell strong beer or fortified wine to persons who are intoxicated;

(b) Law enforcement problems in the vicinity of the applicant's establishment that may arise from persons purchasing strong beer or fortified wine at the establishment; and

(c) Whether the sale of strong beer or fortified wine would be detrimental to or inconsistent with a government-operated or funded alcohol treatment or detoxification program in the area.

If the board receives no evidence or objection that the sale of strong beer or fortified wine would be against the public interest, it shall issue or renew the license without restriction, as applicable. The burden of establishing that the sale of strong beer or fortified wine by the licensee would be against the public interest is on those persons objecting.

(5) Licensees holding a beer and/or wine specialty shop license must maintain a minimum three thousand dollar wholesale inventory of beer, strong beer, and/or wine.

(6) The board may adopt rules to implement this section.

(7) Any endorsement issued pursuant to this section may be issued to a qualified combination spirits, beer, and wine licensee in accordance with section 1 of this act.

(8)(a) A beer and/or wine specialty shop licensee that also holds a spirits retail license under RCW 66.24.630 may, upon board approval and pursuant to board rules, transition to a combination spirits, beer, and wine license pursuant to section 1 of this act.

(b) An applicant that would qualify for a beer and/or wine specialty shop license under this section and a spirits retail license under RCW 66.24.630 may apply for a single license pursuant to section 1 of this act instead of applying for a beer and/or wine specialty shop license under this section in addition to a spirits retail license under RCW 66.24.630.

Sec. 4. RCW 66.24.630 and 2015 c 186 s 1 are each amended to read as follows:

(1) There is a spirits retail license to: Sell spirits in original containers to consumers for consumption off the licensed premises and to permit holders; sell spirits in original containers to retailers licensed to sell spirits for consumption on the premises, for resale at their licensed premises according to the terms of their licenses, although no single sale may exceed twenty-four liters, unless the sale is by a licensee that was a contract liquor store manager of a contract liquor store at the location of its spirits retail licensed premises from which it makes such sales; and export spirits.

(2) For the purposes of this title, a spirits retail license is a retail license, and a sale by a spirits retailer is a retail sale only if not for resale. Nothing in this title authorizes sales by on-sale licensees to other retail licensees. The board must establish by rule an obligation of on-sale spirits retailers to:

(a) Maintain a schedule by stock-keeping unit of all their purchases of spirits from spirits retail licensees, including combination spirits, beer, and wine licensees holding a license issued pursuant to section 1 of this act, indicating the identity of the seller and the quantities purchased; and

(b) Provide, not more frequently than quarterly, a report for each scheduled item containing the identity of the purchasing on-premises licensee and the quantities of that scheduled item purchased since any preceding report to:

(i) A distributor authorized by the distiller to distribute a scheduled item in the on-sale licensee's geographic area; or

(ii) A distiller acting as distributor of the scheduled item in the area.

(3)(a) Except as otherwise provided in (c) of this subsection, the board may issue spirits retail licenses only for premises comprising at least ten thousand square feet of fully enclosed retail space within a single structure, including storerooms and other interior auxiliary areas but excluding covered or fenced exterior areas, whether or not attached to the structure, and only to applicants that the board determines will maintain systems for inventory management, employee training, employee supervision, and physical security of the product substantially as effective as those of stores currently operated by the board with respect to preventing sales to or pilferage by underage or inebriated persons.

(b) License issuances and renewals are subject to RCW 66.24.010 and the regulations ((~~promulgated~~)) adopted thereunder, including without limitation rights of cities, towns, county legislative authorities, the public, churches, schools, and public institutions to object to or prevent issuance of local liquor licenses. However, existing grocery premises licensed to sell beer and/or wine are deemed to be premises "now licensed" under RCW 66.24.010(9)(a) for the purpose of processing applications for spirits retail licenses.

(c) The board may not deny a spirits retail license to an otherwise qualified contract liquor store at its contract location or to the holder of former state liquor store operating rights sold at auction under RCW 66.24.620 on the grounds of location, nature, or size of the premises to be licensed. The board may not deny a spirits retail license to applicants that are not contract liquor stores or operating rights holders on the grounds of the size of the premises to be licensed, if such applicant is otherwise qualified and the board determines that:

(i) There is no spirits retail license holder in the trade area that the applicant proposes to serve;

(ii) The applicant meets, or upon licensure will meet, the operational requirements established by the board by rule; and

(iii) The licensee has not committed more than one public safety violation within the three years preceding application.

(d) A retailer authorized to sell spirits for consumption on or off the licensed premises may accept delivery of spirits at its licensed premises, at another licensed premises as designated by the retailer, or at one or more warehouse facilities registered with the board, which facilities may also warehouse and distribute nonliquor items, and from which the retailer may deliver to its own

licensed premises and, pursuant to sales permitted under subsection (1) of this section:

(i) To other retailer premises licensed to sell spirits for consumption on the licensed premises;

(ii) To other registered facilities; or

(iii) To lawful purchasers outside the state. The facilities may be registered and utilized by associations, cooperatives, or comparable groups of retailers, including at least one retailer licensed to sell spirits.

(e) For purposes of negotiating volume discounts, a group of individual retailers authorized to sell spirits for consumption off the licensed premises may accept delivery of spirits at their individual licensed premises or at any one of the individual licensee's premises, or at a warehouse facility registered with the board.

(4)(a) Except as otherwise provided in RCW 66.24.632, or in (b) of this subsection, each spirits retail licensee must pay to the board, for deposit into the liquor revolving fund, a license issuance fee equivalent to seventeen percent of all spirits sales revenues under the license, exclusive of taxes collected by the licensee and of sales of items on which a license fee payable under this section has otherwise been incurred. The board must establish rules setting forth the timing of such payments and reporting of sales dollar volume by the licensee, with payments required quarterly in arrears. The first payment is due October 1, 2012.

(b) This subsection (4) does not apply to craft distilleries.

(5) In addition to the payment required under subsection (4) of this section, each licensee must pay an annual license renewal fee of one hundred sixty-six dollars. The board must periodically review and adjust the renewal fee as may be required to maintain it as comparable to annual license renewal fees for licenses to sell beer and wine not for consumption on the licensed premises. If required by law at the time, any increase of the annual renewal fee becomes effective only upon ratification by the legislature.

(6) As a condition to receiving and renewing a spirits retail license the licensee must provide training as prescribed by the board by rule for individuals who sell spirits or who manage others who sell spirits regarding compliance with laws and regulations regarding sale of spirits, including without limitation the prohibitions against sale of spirits to individuals who are underage or visibly intoxicated. The training must be provided before the individual first engages in the sale of spirits and must be renewed at least every five years. The licensee must maintain records documenting the nature and frequency of the training provided. An employee training program is presumptively sufficient if it incorporates a "responsible vendor program" ((~~promulgated~~)) adopted by the board.

(7) The maximum penalties prescribed by the board in WAC 314-29-020 through 314-29-040 relating to fines and suspensions are doubled for violations relating to the sale of spirits by spirits retail licensees.

(8)(a) The board must ((~~promulgate~~)) adopt regulations concerning the adoption and administration of a compliance training program for spirits retail licensees, to be known as a "responsible vendor program," to reduce underage drinking, encourage licensees to adopt specific best practices to prevent sales to

minors, and provide licensees with an incentive to give their employees ongoing training in responsible alcohol sales and service.

(b) Licensees who join the responsible vendor program under this section and maintain all of the program's requirements are not subject to the doubling of penalties provided in this section for a single violation in any period of twelve calendar months.

(c) The responsible vendor program must be free, voluntary, and self-monitoring.

(d) To participate in the responsible vendor program, licensees must submit an application form to the board. If the application establishes that the licensee meets the qualifications to join the program, the board must send the licensee a membership certificate.

(e) A licensee participating in the responsible vendor program must at a minimum:

(i) Provide ongoing training to employees;

(ii) Accept only certain forms of identification for alcohol sales;

(iii) Adopt policies on alcohol sales and checking identification;

(iv) Post specific signs in the business; and

(v) Keep records verifying compliance with the program's requirements.

(f)(i) A spirits retail licensee that also holds a grocery store license under RCW 66.24.360 or a beer and/or wine specialty shop license under RCW 66.24.371 may, upon board approval and pursuant to board rules, transition to a combination spirits, beer, and wine license pursuant to section 1 of this act.

(ii) An applicant that would qualify for a spirits retail license under this section and that qualifies for a combination spirits, beer, and wine license pursuant to section 1 of this act may apply for a license pursuant to section 1 of this act instead of applying for a spirits retail license under this section.

Sec. 5. RCW 66.24.363 and 2013 c 52 s 1 are each amended to read as follows:

(1) A grocery store licensed under RCW 66.24.360 may apply for an endorsement to offer beer and wine tasting under this section.

(2) To be issued an endorsement, a licensee must meet the following criteria:

(a) The licensee operates a fully enclosed retail area encompassing at least ten thousand square feet of fully enclosed retail space within a single structure, including storerooms and other interior auxiliary areas but excluding covered or fenced exterior areas, whether or not attached to the structure, except that the board may issue an endorsement to a licensee with a retail area encompassing less than ten thousand square feet if the board determines that no licensee in the community the licensee serves meets the square footage requirement and the licensee meets operational requirements established by the board by rule; and

(b) The licensee has not had more than one public safety violation within the past two years.

(3) A tasting must be conducted under the following conditions:

(a) Each sample must be two ounces or less, up to a total of four ounces, per customer during any one visit to the premises;

(b) No more than one sample of the same product offering of beer or wine may be provided to a customer during any one visit to the premises;

(c) The licensee must have food available for the tasting participants;

(d) Customers must remain in the service area while consuming samples; and

(e) The service area and facilities must be located within the licensee's fully enclosed retail area and must be of a size and design such that the licensee can observe and control persons in the area to ensure that persons under twenty-one years of age and apparently intoxicated persons cannot possess or consume alcohol.

(4) Employees of licensees whose duties include serving during tasting activities under this section must hold a class 12 alcohol server permit.

(5) Tasting activities under this section are subject to RCW 66.28.305 and 66.28.040 and the cost of sampling may not be borne, directly or indirectly, by any liquor manufacturer, importer, or distributor.

(6) A licensee may advertise a tasting event only within the store, on a store web site, in store newsletters and flyers, and via email and mail to customers who have requested notice of events. Advertising under this subsection may not be targeted to or appeal principally to youth.

(7)(a) If a licensee is found to have committed a public safety violation in conjunction with tasting activities, the board may suspend the licensee's tasting endorsement and not reissue the endorsement for up to two years from the date of the violation. If mitigating circumstances exist, the board may offer a monetary penalty in lieu of suspension during a settlement conference.

(b) The board may revoke an endorsement granted to a licensee that is located within the boundaries of an alcohol impact area recognized by resolution of the board if the board finds that the tasting activities by the licensee are having an adverse effect on the reduction of chronic public inebriation in the area.

(c) RCW 66.08.150 applies to the suspension or revocation of an endorsement.

(8) The board may establish additional requirements under this section to assure that persons under twenty-one years of age and apparently intoxicated persons cannot possess or consume alcohol.

(9) The annual fee for the endorsement is two hundred dollars. The board shall review the fee annually and may increase the fee by rule to a level sufficient to defray the cost of administration and enforcement of the endorsement, except that the board may not increase the fee by more than ten percent annually.

(10) The board must adopt rules to implement this section.

(11) An endorsement issued pursuant to this section may be issued to a qualified combination spirits, beer, and wine licensee in accordance with section 1 of this act.

Sec. 6. RCW 66.24.632 and 2013 2nd sp.s. c 12 s 3 are each amended to read as follows:

(1) Beginning June 30, 2013, the license issuance fee under RCW 66.24.630(4) does not apply to a spirits retail licensee or combination spirits, beer, and wine licensee that was a contract liquor store manager with respect to sales of spirits in original containers from the location of its spirits retail licensed premises to retailers licensed to sell spirits for consumption on the premises for resale at their licensed premises.

(2) Beginning June 30, 2013, the license issuance fee under RCW 66.24.630(4) does not apply to a spirits retail licensee or combination spirits, beer, and wine licensee that was a former state store auction buyer, with respect to sales of spirits in original containers from the location of its spirits retail licensed premises to retailers licensed to sell spirits for consumption on the premises for resale at their licensed premises.

(3) The exemptions created in this section attach to any successor, by purchase or otherwise, to the spirits retail license or combination beer and wine license, except that an exemption does not attach to any such successor that owns, directly or indirectly, any interest in a spirits retail license that is not derived directly from a former contract liquor store manager or a former state store auction buyer.

Passed by the House March 6, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 21, 2017.
Filed in Office of Secretary of State April 21, 2017.

CHAPTER 97

[Substitute House Bill 1369]

VETERAN BENEFITS--DEFINITION OF VETERAN

AN ACT Relating to defining veteran for the purpose of receiving certain benefits; and amending RCW 41.04.007 and 41.04.010.

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

Sec. 1. RCW 41.04.007 and 2013 c 42 s 1 are each amended to read as follows:

"Veteran" includes every person((,)) who, at the time he or she seeks the benefits of RCW 46.18.212, 46.18.235, 72.36.030, 41.04.010, 73.04.090, or 43.180.250, has received an honorable discharge ((~~or~~)), received a discharge for medical reasons with an honorable record, where applicable, or is in receipt of a United States department of defense discharge document DD form 214, NGB form 22, or their equivalent or successor discharge paperwork, that characterizes his or her service as honorable, and who has served in at least one of the following capacities:

(1) As a member in any branch of the armed forces of the United States, including the national guard and armed forces reserves, and has fulfilled his or her initial military service obligation;

(2) As a member of the women's air forces service pilots;

(3) As a member of the armed forces reserves, national guard, or coast guard, and has been called into federal service by a presidential select reserve call up for at least one hundred eighty cumulative days;

(4) As a civil service crewmember with service aboard a U.S. army transport service or U.S. naval transportation service vessel in oceangoing service from December 7, 1941, through December 31, 1946;

(5) As a member of the Philippine armed forces/scouts during the period of armed conflict from December 7, 1941, through August 15, 1945; or

(6) A United States documented merchant mariner with service aboard an oceangoing vessel operated by the department of defense, or its agents, from

both June 25, 1950, through July 27, 1953, in Korean territorial waters and from August 5, 1964, through May 7, 1975, in Vietnam territorial waters, and who received a military commendation.

Sec. 2. RCW 41.04.010 and 2013 c 83 s 1 are each amended to read as follows:

In all competitive examinations, unless otherwise provided in this section, to determine the qualifications of applicants for public offices, positions, or employment, either the state, and all of its political subdivisions and all municipal corporations, or private companies or agencies contracted with by the state to give the competitive examinations shall give a scoring criteria status to all veterans as defined in RCW 41.04.007, by adding to the passing mark, grade or rating only, based upon a possible rating of one hundred points as perfect a percentage in accordance with the following:

(1) Ten percent to a veteran who served during a period of war or in an armed conflict as defined in RCW 41.04.005 and does not receive military retirement. The percentage shall be added to the passing mark, grade, or rating of competitive examinations until the veteran's first appointment. The percentage shall not be utilized in promotional examinations;

(2) Five percent to a veteran who did not serve during a period of war or in an armed conflict as defined in RCW 41.04.005 or is receiving military retirement. The percentage shall be added to the passing mark, grade, or rating of competitive examinations until the veteran's first appointment. The percentage shall not be utilized in promotional examinations;

(3) Five percent to a veteran who was called to active military service from employment with the state or any of its political subdivisions or municipal corporations. The percentage shall be added to promotional examinations until the first promotion only;

(4) All veterans' scoring criteria may be claimed:

(a) Upon release from active military service with an honorable discharge or a discharge for medical reasons with an honorable record, where applicable; or

(b) Upon receipt of ((~~separation orders indicating an honorable discharge, issued by the respective military department~~)) a United States department of defense discharge document DD form 214, NGB form 22, or their equivalent or successor discharge paperwork, that characterizes his or her service as honorable.

Passed by the House February 27, 2017.
Passed by the Senate April 4, 2017.
Approved by the Governor April 21, 2017.
Filed in Office of Secretary of State April 21, 2017.

CHAPTER 98

[Engrossed Second Substitute House Bill 1375]

COMMUNITY AND TECHNICAL COLLEGES--COURSE MATERIALS COST--INFORMATION

AN ACT Relating to providing students with the costs of required course materials; adding a new section to chapter 28B.50 RCW; and creating new sections.

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

NEW SECTION. **Sec. 1.** The legislature recognizes the high cost of textbooks and the burden this can create for students. The legislature also recognizes the work of the state board for community and technical colleges in creating the open course library, in which free textbooks and other course materials are available for eighty-one of the highest enrolled courses in the community and technical college system. The student public interest research groups completed a cost analysis of the open course library and found that students who take open course library courses save ninety-six dollars on average per course over a traditional textbook. Therefore, it is the legislature's intent to incentivize faculty to use resources available on the open course library by informing students of a textbook's cost when they register for a class.

NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.50 RCW to read as follows:

(1) To the maximum extent practicable, but no later than the first full quarter after a community or technical college has implemented the ctcLink system, a community or technical college shall provide the following information to students during registration by displaying it in the online course description or by providing a link that connects to the bookstore's web site or other web site where students can search and view:

(a) The cost of any required textbook or other course materials; and

(b) Whether a course uses open educational resources.

(2) If a course's required textbooks and course materials are not determined prior to registration due to an unassigned faculty member, the textbooks' and course materials' cost must be provided as soon as feasible after a faculty member is assigned.

(3) Each community and technical college shall report to the college board which courses provided textbooks' and course materials' costs to students during registration, and what percent of total classes this equaled. The college board shall report the information to the legislature in accordance with RCW 43.01.036 by January 1st of each biennium, beginning with January 1, 2019.

NEW SECTION. **Sec. 3.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the House March 8, 2017.
Passed by the Senate April 6, 2017.
Approved by the Governor April 21, 2017.
Filed in Office of Secretary of State April 21, 2017.

CHAPTER 99

[House Bill 1401]

CHILD WELFARE--GUARDIAN AD LITEMS AND COURT-APPOINTED SPECIAL ADVOCATES--REMOVAL

AN ACT Relating to court removal of child welfare guardians ad litem; amending RCW 13.34.100; and creating a new section.

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

NEW SECTION. **Sec. 1.** The legislature finds that the integrity of court-appointed special advocates and volunteer guardians ad litem is necessary to protect the best interest of children in child welfare proceedings.

Although courts must be notified regarding the removal of a guardian ad litem from a county's registry pursuant to a grievance, there is no requirement that a county must act on that information. For that reason, the legislature intends to require counties to remove child welfare volunteer guardians ad litem from their registries when counties are notified that the person has been removed from another county's registry pursuant to the disposition of a grievance or if the court is otherwise made aware that a guardian ad litem has been found by a court to have made a materially false statement that he or she knows to be false during an official proceeding under oath.

Sec. 2. RCW 13.34.100 and 2014 c 108 s 2 are each amended to read as follows:

(1) The court shall appoint a guardian ad litem for a child who is the subject of an action under this chapter, unless a court for good cause finds the appointment unnecessary. The requirement of a guardian ad litem may be deemed satisfied if the child is represented by an independent attorney in the proceedings. The court shall attempt to match a child with special needs with a guardian ad litem who has specific training or education related to the child's individual needs.

(2) If the court does not have available to it a guardian ad litem program with a sufficient number of volunteers, the court may appoint a suitable person to act as guardian ad litem for the child under this chapter. Another party to the proceeding or the party's employee or representative shall not be so appointed.

(3) Each guardian ad litem program shall maintain a background information record for each guardian ad litem in the program. The background information record shall include, but is not limited to, the following information:

(a) Level of formal education;

(b) General training related to the guardian ad litem's duties;

(c) Specific training related to issues potentially faced by children in the dependency system;

(d) Specific training or education related to child disability or developmental issues;

(e) Number of years' experience as a guardian ad litem;

(f) Number of appointments as a guardian ad litem and the county or counties of appointment;

(g) The names of any counties in which the person was removed from a guardian ad litem registry pursuant to a grievance action, and the name of the court and the cause number of any case in which the court has removed the person for cause;

(h) Founded allegations of abuse or neglect as defined in RCW 26.44.020;

(i) The results of an examination of state and national criminal identification data. The examination shall consist of a background check as allowed through the Washington state criminal records privacy act under RCW 10.97.050, the Washington state patrol criminal identification system under RCW 43.43.832 through 43.43.834, and the federal bureau of investigation. The background check shall be done through the Washington state patrol criminal identification

section and must include a national check from the federal bureau of investigation based on the submission of fingerprints; and

(j) Criminal history, as defined in RCW 9.94A.030, for the period covering ten years prior to the appointment.

The background information record shall be updated annually. As a condition of appointment, the guardian ad litem's background information record shall be made available to the court. If the appointed guardian ad litem is not a member of a guardian ad litem program a suitable person appointed by the court to act as guardian ad litem shall provide the background information record to the court.

Upon appointment, the guardian ad litem, or guardian ad litem program, shall provide the parties or their attorneys with a copy of the background information record. The portion of the background information record containing the results of the criminal background check and the criminal history shall not be disclosed to the parties or their attorneys. The background information record shall not include identifying information that may be used to harm a guardian ad litem, such as home addresses and home telephone numbers, and for volunteer guardians ad litem the court may allow the use of maiden names or pseudonyms as necessary for their safety.

(4) The appointment of the guardian ad litem shall remain in effect until the court discharges the appointment or no longer has jurisdiction, whichever comes first. The guardian ad litem may also be discharged upon entry of an order of guardianship.

(5) A guardian ad litem through an attorney, or as otherwise authorized by the court, shall have the right to present evidence, examine and cross-examine witnesses, and to be present at all hearings. A guardian ad litem shall receive copies of all pleadings and other documents filed or submitted to the court, and notice of all hearings according to court rules. The guardian ad litem shall receive all notice contemplated for a parent or other party in all proceedings under this chapter.

(6)(a) The court must appoint an attorney for a child in a dependency proceeding six months after granting a petition to terminate the parent and child relationship pursuant to RCW 13.34.180 and when there is no remaining parent with parental rights.

The court must appoint an attorney for a child when there is no remaining parent with parental rights for six months or longer prior to July 1, 2014, if the child is not already represented.

The court may appoint one attorney to a group of siblings, unless there is a conflict of interest, or such representation is otherwise inconsistent with the rules of professional conduct.

(b) Legal services provided by an attorney appointed pursuant to (a) of this subsection do not include representation of the child in any appellate proceedings relative to the termination of the parent and child relationship.

(c)(i) Subject to the availability of amounts appropriated for this specific purpose, the state shall pay the costs of legal services provided by an attorney appointed pursuant to (a) of this subsection, if the legal services are provided in accordance with the standards of practice, voluntary training, and caseload limits developed and recommended by the statewide children's representation work

group pursuant to section 5, chapter 180, Laws of 2010. Caseload limits must be calculated pursuant to (c)(ii) of this subsection.

(ii) Counties are encouraged to set caseloads as low as possible and to account for the individual needs of the children in care. Notwithstanding the caseload limits developed and recommended by the statewide children's representation work group pursuant to section 5, chapter 180, Laws of 2010, when one attorney represents a sibling group, the first child is counted as one case, and each child thereafter is counted as one-half case to determine compliance with the caseload standards pursuant to (c)(i) of this subsection and RCW 2.53.045.

(iii) The office of civil legal aid is responsible for implementation of (c)(i) and (ii) of this subsection as provided in RCW 2.53.045.

(7)(a) The court may appoint an attorney to represent the child's position in any dependency action on its own initiative, or upon the request of a parent, the child, a guardian ad litem, a caregiver, or the department.

(b)(i) If the court has not already appointed an attorney for a child, or the child is not represented by a privately retained attorney:

(A) The child's caregiver, or any individual, may refer the child to an attorney for the purposes of filing a motion to request appointment of an attorney at public expense; or

(B) The child or any individual may retain an attorney for the child for the purposes of filing a motion to request appointment of an attorney at public expense.

(ii) Nothing in this subsection (7)(b) shall be construed to change or alter the confidentiality provisions of RCW 13.50.100.

(c) Pursuant to this subsection, the department or supervising agency and the child's guardian ad litem shall each notify a child of his or her right to request an attorney and shall ask the child whether he or she wishes to have an attorney. The department or supervising agency and the child's guardian ad litem shall notify the child and make this inquiry immediately after:

(i) The date of the child's twelfth birthday;

(ii) Assignment of a case involving a child age twelve or older; or

(iii) July 1, 2010, for a child who turned twelve years old before July 1, 2010.

(d) The department or supervising agency and the child's guardian ad litem shall repeat the notification and inquiry at least annually and upon the filing of any motion or petition affecting the child's placement, services, or familial relationships.

(e) The notification and inquiry is not required if the child has already been appointed an attorney.

(f) The department or supervising agency shall note in the child's individual service and safety plan, and the guardian ad litem shall note in his or her report to the court, that the child was notified of the right to request an attorney and indicate the child's position regarding appointment of an attorney.

(g) At the first regularly scheduled hearing after:

(i) The date of the child's twelfth birthday;

(ii) The date that a dependency petition is filed pursuant to this chapter on a child age twelve or older; or

(iii) July 1, 2010, for a child who turned twelve years old before July 1, 2010;
the court shall inquire whether the child has received notice of his or her right to request an attorney from the department or supervising agency and the child's guardian ad litem. The court shall make an additional inquiry at the first regularly scheduled hearing after the child's fifteenth birthday. No inquiry is necessary if the child has already been appointed an attorney.

(8) For the purposes of child abuse prevention and treatment act (42 U.S.C. Secs. 5101 et seq.) grants to this state under P.L. 93-247, or any related state or federal legislation, a person appointed pursuant to this section shall be deemed a guardian ad litem.

(9) When a court-appointed special advocate or volunteer guardian ad litem is requested on a case, the program shall give the court the name of the person it recommends. The program shall attempt to match a child with special needs with a guardian ad litem who has specific training or education related to the child's individual needs. The court shall immediately appoint the person recommended by the program.

(10) If a party in a case reasonably believes the court-appointed special advocate or volunteer guardian ad litem is inappropriate or unqualified, the party may request a review of the appointment by the program. The program must complete the review within five judicial days and remove any appointee for good cause. If the party seeking the review is not satisfied with the outcome of the review, the party may file a motion with the court for the removal of the court-appointed special advocate or volunteer guardian ad litem on the grounds the advocate or volunteer is inappropriate or unqualified.

(11) The court shall remove any person from serving as a court-appointed special advocate or volunteer guardian ad litem if the court is notified that the person has been removed from another county's registry pursuant to the disposition of a grievance or if the court is otherwise made aware that the individual was found by a court to have made a materially false statement that he or she knows to be false during an official proceeding under oath.

Passed by the House February 27, 2017.
Passed by the Senate April 4, 2017.
Approved by the Governor April 21, 2017.
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CHAPTER 100

[Substitute House Bill 1411]

DENTAL LICENSURE BY RESIDENCY PROGRAM--REQUIREMENTS

AN ACT Relating to dental licensure through completion of a residency program; and reenacting and amending RCW 18.32.040.

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

Sec. 1. RCW 18.32.040 and 2005 c 454 s 2 and 2005 c 274 s 222 are each reenacted and amended to read as follows:

The commission shall require that every applicant for a license to practice dentistry shall:

(1) Present satisfactory evidence of graduation from a dental college, school, or dental department of an institution approved by the commission;

(2) Submit, for the files of the commission, a recent picture duly identified and attested; and

(3)(a) Pass an examination prepared or approved by and administered under the direction of the commission. The dentistry licensing examination shall consist of practical and written tests upon such subjects and of such scope as the commission determines. The commission shall set the standards for passing the examination. The secretary shall keep on file the examination papers and records of examination for at least one year. This file shall be open for inspection by the applicant or the applicant's agent unless the disclosure will compromise the examination process as determined by the commission or is exempted from disclosure under chapter 42.56 RCW.

(b) The commission may accept, in lieu of all or part of the written examination required in (a) of this subsection, a certificate granted by a national or regional testing organization approved by the commission.

(c) The commission shall accept, in lieu of the practical examination required in (a) of this subsection, proof that an applicant has satisfactorily completed a ((~~postdoctoral dental residency program~~)) general practice residency, pediatric residency, or advanced education in general dentistry residency program in Washington state accredited by the commission on dental accreditation of the American dental association ((~~and approved by the commission~~)), of at least one ((~~to three~~)) year's duration, in a ((~~community health clinic~~)) residency program that serves predominantly low-income patients ((~~or is located in a dental care health professional shortage area in this state, and that includes an outcome assessment evaluation, other than the western regional examining board's clinical examination, assessing the resident's competence to practice dentistry. The commission shall develop criteria, consistent with the standards of the commission on dental accreditation of the American dental association, for community clinics to use when sponsoring students in a residency program under this subsection, including guidelines for the proper supervision of the resident and measuring the resident's competence to practice dentistry~~)).

Passed by the House February 27, 2017.
Passed by the Senate April 4, 2017.
Approved by the Governor April 21, 2017.
Filed in Office of Secretary of State April 21, 2017.

CHAPTER 101

[Engrossed Substitute House Bill 1431]

BOARD OF OSTEOPATHIC MEDICINE AND SURGERY--MEMBERSHIP

AN ACT Relating to increasing the number of members on the board of osteopathic medicine and surgery; and amending RCW 18.57.003.

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

Sec. 1. RCW 18.57.003 and 1991 c 160 s 2 are each amended to read as follows:

There is hereby created an agency of the state of Washington, consisting of ((~~seven~~)) eleven individuals appointed by the governor to be known as the Washington state board of osteopathic medicine and surgery.

On expiration of the term of any member, the governor shall appoint for a period of five years a qualified individual to take the place of such member. Each member shall hold office until the expiration of the term for which such member is appointed or until a successor shall have been appointed and shall have qualified. Initial appointments shall be made and vacancies in the membership of the board shall be filled for the unexpired term by appointment by the governor.

Each member of the board shall be a citizen of the United States and must be an actual resident of this state. ((~~One member shall be a consumer who has~~)) Two members must be consumers who have neither a financial nor a fiduciary relationship to a health care delivery system, one member must have been in active practice as a licensed osteopathic physician assistant in this state for at least five years immediately preceding appointment, and every other member must have been in active practice as a licensed osteopathic physician and surgeon in this state for at least five years immediately preceding appointment.

The board shall elect a chairperson, a secretary, and a vice chairperson from its members. Meetings of the board shall be held at least four times a year and at such place as the board shall determine and at such other times and places as the board deems necessary.

An affirmative vote of a simple majority of the members present at a meeting or hearing shall be required for the board to take any official action. The board may not take any action without a quorum of the board members present. A simple majority of the board members currently serving constitutes a quorum of the board.

Each member of the board shall be compensated in accordance with RCW ((~~43.03.240~~)) 43.03.265 and shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060. The board is a class five group for purposes of chapter 43.03 RCW.

Any member of the board may be removed by the governor for neglect of duty, misconduct, malfeasance or misfeasance in office, or upon written request of two-thirds of the physicians licensed under this chapter and in active practice in this state.

Passed by the House February 27, 2017.
Passed by the Senate March 31, 2017.
Approved by the Governor April 21, 2017.
Filed in Office of Secretary of State April 21, 2017.

CHAPTER 102

[House Bill 1449]

WATER RECREATION FACILITIES--INFLATABLE EQUIPMENT--RULE MAKING

AN ACT Relating to water recreation facilities; and amending RCW 70.90.120 and 70.90.250.

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

Sec. 1. RCW 70.90.120 and 1987 c 222 s 5 are each amended to read as follows:

(1) The board shall adopt rules under the administrative procedure act, chapter 34.05 RCW, governing safety, sanitation, and water quality for water recreation facilities. The rules shall include but not be limited to requirements for design; operation; injury and illness reporting; biological and chemical contamination standards; water quality monitoring; inspection; permit application and issuance; and enforcement procedures. However, a water recreation facility intended for the exclusive use of residents of any apartment house complex or of a group of rental housing units of less than fifteen living units, or of a mobile home park, or of a condominium complex or any group or association of less than fifteen home owners shall not be subject to preconstruction design review, routine inspection, or permit or fee requirements; and water treatment of hydroelectric reservoirs or natural streams, creeks, lakes, or irrigation canals shall not be required.

(2) In adopting rules under subsection (1) of this section regarding the operation or design of a recreational water contact facility, the board shall review and consider ((~~any recommendations made by the recreational water contact facility advisory committee~~)) the most recent version of the United States centers for disease control and prevention's model aquatic health code.

Sec. 2. RCW 70.90.250 and 1987 c 222 s 3 are each amended to read as follows:

This chapter applies to all water recreation facilities regardless of whether ownership is public or private and regardless of whether the intended use is commercial or private, except that this chapter shall not apply to:

(1) Any water recreation facility for the sole use of residents and invited guests at a single-family dwelling;

(2) Therapeutic water facilities operated exclusively for physical therapy; ((~~and~~))

(3) Steam baths and saunas; and

(4) Inflatable equipment operated at a temporary event, including inflatable water slides, that do not allow water to pool more than six inches and do not recirculate water.

Passed by the House March 7, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 21, 2017.
Filed in Office of Secretary of State April 21, 2017.

CHAPTER 103

[Engrossed House Bill 1450]

TITLE INSURANCE RATING AND ADVISORY ORGANIZATIONS

AN ACT Relating to creating and establishing the rights and duties for title insurance rating and advisory organizations; amending RCW 48.29.010, 48.29.147, 48.29.017, and 48.29.005; adding new sections to chapter 48.29 RCW; and prescribing penalties.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 48.29 RCW to read as follows:

It is the legislature's intent to establish a system by which title insurers may adopt a rating organization's form and rate filings pursuant to this chapter in

order to benefit consumers and entities purchasing, selling, or financing real property. It is further the legislature's intent that the system so established under state oversight comply with state and federal law so that title insurers and rating organizations acting in accordance with this chapter may lawfully cooperate in the preparation of title insurance forms and manuals, and the recommendation of rates, subject to approval by the commissioner.

Sec. 2. RCW 48.29.010 and 2008 c 110 s 1 are each amended to read as follows:

(1) This chapter relates only to title insurers for real property.

(2) This code does not apply to persons engaged in the business of preparing and issuing abstracts of title to property and certifying to their correctness so long as the persons do not guarantee or insure the titles.

(3) For purposes of this chapter, unless the context clearly requires otherwise:

(a) "Title policy" means any written instrument, contract, or guarantee by means of which title insurance liability is assumed.

(b) "Abstract of title" means a written representation, provided under contract, whether written or oral, intended to be relied upon by the person who has contracted for the receipt of this representation, listing all recorded conveyances, instruments, or documents that, under the laws of the state of Washington, impart constructive notice with respect to the chain of title to the real property described. An abstract of title is not a title policy as defined in this subsection.

(c) "Preliminary report," "commitment," or "binder" means reports furnished in connection with an application for title insurance and are offers to issue a title policy subject to the stated exceptions in the reports, the conditions and stipulations of the report and the issued policy, and other matters as may be incorporated by reference. The reports are not abstracts of title, nor are any of the rights, duties, or responsibilities applicable to the preparation and issuance of an abstract of title applicable to the issuance of any report. The report is not a representation as to the condition of the title to real property, but is a statement of terms and conditions upon which the issuer is willing to issue its title policy, if the offer is accepted.

(d) "Financial interest" means any interest, legal or beneficial, that entitles the holder directly or indirectly to any of the net profits or net worth of the entity in which the interest is held.

(e) "Producers of title insurance business" means real estate agents and brokers, lawyers, mortgagees, mortgage loan brokers, financial institutions, escrow agents, persons who lend money for the purchase of real estate or interests therein, building contractors, real estate developers and subdividers, and any other person who is or may be in a position to influence the selection of a title insurer or title insurance agent whether or not the consent or approval of any other person is sought or obtained with respect to the selection of the title insurer or title insurance agent.

(f) "Associates of producers" means any person who has one or more of the following relationships with a producer of title insurance business:

(i) A spouse, parent, or child of a producer;

(ii) A corporation or business entity that controls, is controlled by, or is under common control with a producer;

(iii) An employer, employee, independent contractor, officer, director, partner, franchiser, or franchisee of a producer; or

(iv) Anyone who has an agreement, arrangement, or understanding with a producer, the purpose or substantial effect of which is to enable the person in a position to influence the selection of a title insurer or title insurance agent to benefit financially from the selection of the title insurer or title insurance agent.

(g)(i) "Rating organization" means an entity, the object or purpose of which is the adoption or making of title insurance forms, including forms of policy, application, rider, and endorsement, and title insurance rates, manuals of rules and rates, rating plans, rate schedules, minimum rates, class rates, and rating rules.

(ii) The term "rating organization" does not include two or more insurers operating under the authority granted in section 11 of this act.

(h)(i) "Advisory organization" means a group, association, or other organization of insurers that assists insurers or rating organizations in rate making by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but that does not make filings under this chapter.

(ii) The term "advisory organization" does not include subscribers' committees provided for in section 9 of this act or the statistical reporting agent provided for in RCW 48.29.017.

(i) "Subscriber" means an insurer that employs the services of a rating organization for the purpose of making form or rate filings, whether or not the title insurer is a member of such rating organization.

(j) "Member" means an insurer that participates in or is entitled to participate in the management of a rating organization or an advisory organization.

NEW SECTION. **Sec. 3.** A new section is added to chapter 48.29 RCW to read as follows:

If so authorized by an insurer that is a member or subscriber of a rating organization, the commissioner shall accept, in lieu of filings by the insurer, form and rate filings on its behalf made by a rating organization then licensed as provided in this chapter. Rate filings accepted by the commissioner become effective only as provided in RCW 48.29.147. Form filings accepted by the commissioner become effective only as provided in chapter 48.18 RCW.

NEW SECTION. **Sec. 4.** A new section is added to chapter 48.29 RCW to read as follows:

A rating organization may not do business in this state or make filings with the commissioner unless then licensed by the commissioner as a rating organization.

NEW SECTION. **Sec. 5.** A new section is added to chapter 48.29 RCW to read as follows:

Any person, whether domiciled within or outside this state, except as provided in this section, may make application to the commissioner for a license as a rating organization for title insurance. The application must include:

(1) A copy of the applicant's constitution, articles of agreement or association, certificate of incorporation, or trust agreement, and of its bylaws, rules, and regulations governing the conduct of its business;

(2) A list of its members and a list of its subscribers;

(3) The name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such rating organization may be served; and

(4) A statement of its qualifications as a rating organization.

NEW SECTION. **Sec. 6.** A new section is added to chapter 48.29 RCW to read as follows:

(1) If the commissioner finds that the applicant for a license as a rating organization is competent, trustworthy, and otherwise qualified to act, and that its constitution, articles of agreement or association, certificate of incorporation, or trust agreement, and its bylaws, rules, and regulations governing the conduct of its business conform to the requirements of law, the commissioner shall, upon payment of a license fee of the amount established by the commissioner pursuant to RCW 48.29.005, issue a license authorizing the applicant to act as a rating organization for title insurance.

(2) The commissioner shall grant or deny in whole or in part every such application within sixty days of the date of its filing.

(3) A license issued pursuant to this section remains in effect for three years unless sooner suspended or revoked by the commissioner.

NEW SECTION. **Sec. 7.** A new section is added to chapter 48.29 RCW to read as follows:

(1) The commissioner may, after a hearing, suspend or revoke the license issued to a rating organization for any of the following causes:

(a) The commissioner finds that the licensee no longer meets the qualifications for the license.

(b) The rating organization fails to comply with an order of the commissioner within the time limited by the order, or any extension thereof which the commissioner may grant.

(2) The commissioner shall not so suspend or revoke a license for failure to comply with an order until the time prescribed by this code for an appeal from such order to the superior court has expired or if such appeal has been taken, until such order has been affirmed.

(3) The commissioner may determine when a suspension or revocation of license is effective. A suspension of license remains in effect for the period fixed by the commissioner, unless the commissioner modifies or rescinds the suspension, or until the order, failure to comply with which constituted grounds for the suspension, is modified, rescinded, or reversed.

NEW SECTION. **Sec. 8.** A new section is added to chapter 48.29 RCW to read as follows:

Every rating organization shall notify the commissioner promptly of every change in:

(1) Its constitution, its articles of agreement or association, its certificate of incorporation, or trust agreement, and its bylaws, rules, and regulations governing the conduct of its business;

(2) Its list of members and subscribers; and

(3) The name and address of the resident of this state designated by it upon whom notices or orders of the commissioner or process affecting such rating organization may be served.

NEW SECTION. **Sec. 9.** A new section is added to chapter 48.29 RCW to read as follows:

(1) Subject to rules and regulations approved by the commissioner as reasonable, each rating organization shall permit any title insurance company, not a member, to subscribe to its rating services.

(2) Notice of proposed changes to the rules and regulations must be given to each subscriber.

(3) A title insurer shall not concurrently be a subscriber to the services of more than one rating organization.

(4) The subscribers of any rating organization may, from time to time, individually or through committees representing various subscribers, consult with the rating organization with respect to matters within this chapter that affect such subscribers.

NEW SECTION. **Sec. 10.** A new section is added to chapter 48.29 RCW to read as follows:

(1) The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the commissioner at a hearing held upon notice to the rating organization and to the subscriber or insurer.

(2) If the commissioner finds that a rule or regulation is unreasonable in its application to subscribers, the commissioner shall order that the rule or regulation is not applicable to subscribers that are not members of the rating organization.

(3) If a rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the commissioner as if the application had been rejected. If the commissioner finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, the commissioner shall order the rating organization to admit the insurer as a subscriber. If the commissioner finds that the action of the rating organization was justified, the commissioner shall make an order affirming its action.

NEW SECTION. **Sec. 11.** A new section is added to chapter 48.29 RCW to read as follows:

(1) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this chapter is hereby authorized and the filings resulting from such cooperation are subject to all the provisions of this title that are applicable to filings generally.

(2) The commissioner shall review such cooperative activities and practices and if, after a hearing, the commissioner finds that any such activity or practice is inconsistent with the provisions of this code, the commissioner may issue a written order specifying in what respect such activity or practice is so inconsistent, and requiring the discontinuance of such activity or practice.

NEW SECTION. **Sec. 12.** A new section is added to chapter 48.29 RCW to read as follows:

Any rating organization may subscribe for or purchase actuarial, technical, or other services, and such services must be available to all subscribers without discrimination.

NEW SECTION. **Sec. 13.** A new section is added to chapter 48.29 RCW to read as follows:

(1) Each rating organization shall keep an accurate and complete record of all work performed by it, and of all its receipts and disbursements. Such rating organization and its records shall be examined by the commissioner at such times and in such manner as is provided in chapter 48.03 RCW.

(2) The commissioner may adopt rules to enable the commissioner to recover the costs of the commissioner's examination of a rating organization from the rating organization or the rating organization's members and subscribers.

NEW SECTION. **Sec. 14.** A new section is added to chapter 48.29 RCW to read as follows:

Every member or subscriber to a rating organization shall adhere to the filings made on its behalf by such rating organization. Deviations from the rating organization's filings are permitted only when filed with the commissioner in accordance with this title. A copy of the deviation filing must be sent simultaneously to such rating organization.

NEW SECTION. **Sec. 15.** A new section is added to chapter 48.29 RCW to read as follows:

(1) Any member of or subscriber to a rating organization may appeal to the commissioner from the rating organization's action or decision in approving or rejecting any proposed change in or addition to the rating organization's filings. The commissioner shall, after a hearing on the appeal:

(a) Issue an order approving the rating organization's action or decision or directing it to give further consideration to such proposal; or

(b) If the appeal is from the rating organization's action or decision in rejecting a proposed addition to its filings, the commissioner may, upon finding that the action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings, on behalf of its subscribers, in a manner consistent with the commissioner's findings, within a reasonable time after the issuance of such order.

(2) If such appeal is based upon the rating organization's failure to make a filing on behalf of such subscriber which is based on a system of expense provisions that differs from the system of expense provisions included in a filing made by the rating organization, the commissioner shall, if the appeal is granted, order the rating organization to make the requested filing for use by the appellant.

(3) In deciding the appeal the commissioner shall apply the standards set forth in RCW 48.29.143 and 48.29.147 for rate filings, and the standards set forth in RCW 48.18.100 and 48.18.110 for form filings.

NEW SECTION. **Sec. 16.** A new section is added to chapter 48.29 RCW to read as follows:

(1) Every rating organization operating in this state shall furnish its services without discrimination as between its members and subscribers.

(2) This chapter is not intended to and does not govern or affect the membership relation as such between a rating organization and insurers that are its members.

NEW SECTION. **Sec. 17.** A new section is added to chapter 48.29 RCW to read as follows:

This chapter does not require any insurer to be a member of or subscriber to, or in any other respect affiliated with, any rating organization.

NEW SECTION. **Sec. 18.** A new section is added to chapter 48.29 RCW to read as follows:

Every rating organization may exchange aggregate information and experience data with insurers, rating organizations in this state, and the statistical reporting agent designated in accordance with RCW 48.29.017, and may consult with insurers and rating organizations in this state with respect to form and rate making and the application of rating systems, except to the extent that an agreement between a rating organization and its member or subscriber prohibits the rating organization from disclosing any information or experience data of such member or subscriber to other insurers, members, subscribers, rating organizations, or the statistical reporting agent.

NEW SECTION. **Sec. 19.** A new section is added to chapter 48.29 RCW to read as follows:

Every advisory organization before serving as such to any rating organization or insurer doing business in this state must provide the following to the commissioner:

(1) A copy of its constitution, its articles of agreement or association, or its certificate of incorporation and of its bylaws, rules, and regulations governing its activities;

(2) A list of its members;

(3) The name and address of a resident of this state upon whom notices or orders of the commissioner or process issued at his or her direction may be served; and

(4) An agreement that the commissioner may examine such advisory organization in accordance with the provisions of RCW 48.03.010.

NEW SECTION. **Sec. 20.** A new section is added to chapter 48.29 RCW to read as follows:

If, after a hearing, the commissioner finds that the furnishing of information or assistance by an advisory organization involves any act or practice that is inconsistent with the provisions of this code, the commissioner may issue a written order specifying in what respect such act or practice is so inconsistent, and requiring the discontinuance of such act or practice.

Sec. 21. RCW 48.29.147 and 2008 c 110 s 5 are each amended to read as follows:

(1)(a) Every title insurer shall, before using, file with the commissioner every form, manual of title insurance rules and rates, rating plan, rate schedule, minimum rate, class rate, and rating rule, and every modification of any of the filings under this subsection which it proposes.

(b) A rating organization's filing on behalf of its members or subscribers satisfies a title insurer's duty in (a) of this subsection if the title insurer is a member or subscriber of the rating organization.

(2) Every filing shall be accompanied by sufficient information to permit the commissioner to determine whether the filing meets the requirements of

RCW 48.29.143 and this section for rate filings, and RCW 48.18.100 and 48.18.110 for form filings.

(3) Data used to justify title insurance rates may not include escrow income or expenses. The title insurance company or rating organization shall include a detailed explanation showing how expenses are allocated between the title operations and escrow operations of the insurer or title insurance agent.

(4) Every such filing shall state its proposed effective date.

(5) The commissioner shall review a filing as soon as reasonably possible after it is received, to determine whether it meets the requirements of RCW 48.29.143.

(6) The filing's proposed effective date shall be no earlier than thirty days after the date on which the filing is received by the commissioner. By giving notice to the insurer or rating organization within this thirty days, the commissioner may extend this waiting period for an additional period not to exceed an additional fifteen days. The commissioner may, upon application and for cause shown, waive part or all of the waiting period with respect to a filing the commissioner has not disapproved. If the commissioner does not disapprove the filing during the waiting period, the filing takes effect on its proposed effective date, except as to filings made by a rating organization on behalf of its members or subscribers pursuant to this section.

(7) If within the waiting period or any extension thereof as provided in subsection (6) of this section, the commissioner finds that a filing does not meet the requirements of RCW 48.29.143 or the requirements of subsections (2) through (4) of this section, the commissioner shall disapprove the filing and shall give notice to the insurer or rating organization that the filing has been disapproved. This notice ((~~shall~~)) must specify the respect in which the commissioner finds the filing fails to meet the requirements and ((~~shall~~)) must state that the filing does not become effective as proposed.

(8)(a) Except as to filings made by a rating organization on behalf of its members or subscribers pursuant to this section, if a filing is not disapproved by the commissioner within the waiting period or any extension thereof, the filing becomes effective as proposed.

(b) Before the commissioner approves a filing by a rating organization, the commissioner shall review all materials contained in the filing, including, as applicable, materials submitted by the rating organization, materials provided by the statistical reporting agent pursuant to RCW 48.29.017, as well as materials concerning any public hearings, market investigations, studies, or other information collected during the review, and determine that the filing complies with the requirements of this chapter.

(c) Filings made by a rating organization on behalf of its members or subscribers pursuant to this section may not become effective, notwithstanding expiration of a waiting period, unless the commissioner approves the filings in accordance with (b) of this subsection.

(9) A filing made under this section is exempt from RCW 48.02.120(3). However, the filing and all supporting information accompanying it is open to public inspection only after the filing becomes effective.

(10) A title insurer or title insurance agent shall not make or issue a title insurance contract or policy, or use or collect any premium on or after a date set by the commissioner by rule, which date shall not be any earlier than January 1,

2010, except in accordance with rates and rules filed with the commissioner as required by this section or as provided under section 3 of this act.

(11) If at any time subsequent to the applicable review period provided for in subsection (6) of this section, the commissioner has reason to believe that a title insurer's or rating organization's rates do not meet the requirements of RCW 48.29.143 or are otherwise contrary to law, or if any person having an interest in the rates makes a written complaint to the commissioner setting forth specific and reasonable grounds for the complaint and requests a hearing, or if any insurer or rating organization upon notice of the commissioner's disapproval of a filing made under this section requests a hearing, the commissioner shall hold a hearing within thirty days and shall, in advance of it, give written notice of the hearing to all parties in interest. The commissioner may, by issuing an order, confirm, modify, change, or rescind any previous action, if it is warranted by the facts shown at the hearing. The order shall not affect any contract or policy made or issued prior to a reasonable period of time, to be specified in the order, after the order is issued.

(12) In any hearing regarding rates filed under this chapter the burden ((~~shall be upon~~)) is on the title insurer or rating organization to prove by a preponderance of the evidence that the rates comply with RCW 48.29.143.

Sec. 22. RCW 48.29.017 and 2013 c 65 s 1 are each amended to read as follows:

(1) The commissioner must designate one statistical reporting agent to assist him or her in gathering information on title insurance policy issuance, business income, and expenses and making compilations thereof. The costs and expenses of the statistical reporting agent must be borne by all the authorized title insurance companies and title insurance agents licensed to conduct the business of title insurance in this state. The commissioner may adopt rules setting forth how the costs and expenses of the statistical reporting agent are to be paid and apportioned among the authorized title insurers and licensed title insurance agents.

(2) Upon designation of a statistical reporting agent by the commissioner under subsection (1) of this section all authorized title insurance companies and licensed title insurance agents must annually, by May 31st, file a report with the statistical reporting agent of their policy issuance, business income, expenses, and loss experience in this state. The report must be filed with the statistical reporting agent in a manner and form prescribed by the commissioner by rule, which must be consistent with the manner and form adopted by the national association of insurance commissioners.

(3) The statistical reporting agent must review the information filed with it for completeness, accuracy, and quality within one hundred twenty days of its receipt. All title insurance companies and title insurance agents must cooperate with the statistical reporting agent to verify the completeness, accuracy, and quality of the data that they submitted.

(4) Within thirty days after completing its review of the information for quality and accuracy, the statistical reporting agent must file the information for each title insurance company and title insurance agent, individually and in the aggregate, with the commissioner with a copy of the aggregate data from such statistical reporting agent provided to each title insurer and title insurance agent.

(5) The commissioner may adopt rules to implement and administer this section.

(6) The statistical reporting agent may exchange aggregate information and experience data with title insurance companies and rating organizations in this state in accordance with section 18 of this act.

Sec. 23. RCW 48.29.005 and 2008 c 110 s 9 are each amended to read as follows:

The commissioner may adopt rules to implement and administer this chapter, including but not limited to:

(1) Establishing the information to be included in the report required under RCW 48.29.015;

(2) Establishing the information required for the filing of rates for title insurance under RCW 48.29.147;

(3) Establishing standards which title insurance rate filings must satisfy under RCW 48.29.147;

(4) Establishing a date, which date shall not be earlier than January 1, 2010, by which all title insurers selling policies in this state must file their rates with the commissioner under RCW 48.29.143 and 48.29.147 rather than under RCW 48.29.140 and refile any rates that were in effect prior to the date established by the commissioner; ((~~and~~))

(5) Defining what things of value a title insurance insurer or title insurance agent is permitted to give to any person in a position to refer or influence the referral of title insurance business under RCW 48.29.210(2). In adopting rules under this subsection, the commissioner shall work with representatives of the title insurance and real estate industries and consumer groups in developing the rules;

(6) Establishing the fee for a license as a rating organization under section 5 of this act;

(7) Establishing license requirements that an applicant for a license as a rating organization and a licensee must comply with; and

(8) Requiring a rating organization to periodically update the title insurance rates, manuals of rules and rates, rating plans, rate schedules, minimum rates, class rates, or rating rules, filed by the rating organization on behalf of its members or subscribers.

Passed by the House March 6, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 21, 2017.
Filed in Office of Secretary of State April 21, 2017.

CHAPTER 104

[Engrossed Substitute House Bill 1489]

WILDLAND FIRE SUPPRESSION CONTRACTORS--DEPARTMENT OF NATURAL RESOURCES

AN ACT Relating to private wildland fire suppression contractors; amending RCW 76.04.181 and 43.30.111; amending 2015 c 182 s 2 (uncodified); providing an effective date; providing an expiration date; and declaring an emergency.

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

Sec. 1. RCW 76.04.181 and 2015 c 182 s 6 are each amended to read as follows:

(1) To maximize the effective utilization of local fire suppression assets, the department is required to:

(a) ((~~Compile and annually update master lists~~)) Actively engage in ongoing prefire season outreach and recruitment of qualified wildland fire suppression contractors and equipment owners who have valid incident qualifications for the ((~~kind~~)) type of contracted work to be performed and compile and annually update a master list of the qualified contractors. In order to be included on a master list of qualified wildland fire suppression contractors:

(i) Contractors providing fire engines, tenders, crews, or similar resources must have training and qualifications sufficient for federal wildland fire contractor eligibility, including possessing a valid incident qualification card, commonly called a red card; and

(ii) Contractors other than those identified in (a)(i) of this subsection must have training and qualifications evidenced by possession of a valid department qualification and safety document, commonly called a blue card, issued to people cooperating with the department pursuant to an agreement;

(b) Provide timely advance notification of the dates and locations of department blue card training to all potential wildland fire suppression contractors known to the department and make the training available in several locations that are reasonably convenient for contractors;

(c) ((~~Make~~)) Organize the lists of qualified wildland fire suppression contractors to identify the counties where the contractors are located and make the lists, and the availability status of the contractors on the list, available to emergency dispatchers, county legislative authorities, emergency management departments, and local fire districts;

(d) Cooperate with federal wildland firefighting agencies to ((~~maximize~~)) prioritize, based on predicted need, the efficient use of local resources in close proximity to wildland fire incidents, including local private wildland suppression contractors;

(e) Enter into preemptive agreements with landowners and other contractors in possession of firefighting capability that may be utilized in wildland fire suppression efforts, including the use of bulldozers, fallers, fuel tenders, potable water tenders, water sprayers, wash trailers, refrigeration units, and buses; and

(f) Conduct outreach to provide basic incident command system and wildland fire safety training to landowners in possession of firefighting capability to help ensure that any wildland fire suppression actions taken by private landowners on their own land are accomplished safely and in coordination with any related incident command structure.

(2) The local wildland fire liaison may play an active role in the outreach and recruitment of wildland fire suppression contractors under subsection (1) of this section. This effort may include, but is not limited to, reaching out to local fire districts and collecting their knowledge to identify potential fire suppression contractors.

(3) Nothing in subsection (1) of this section prohibits the department from:

(a) Engaging, as needed, local private wildland fire suppression contractors not included on the master list or subject to a preemptive agreement; or

(b) Conducting ((~~condensed~~)) safety training on the site of a wildland fire in order to utilize available contractors not included on a master list of qualified wildland fire suppression contractors.

(((~~(3)~~))) (4) When entering into preemptive agreements with landowners and other contractors under this section, the department must ((~~ensure that~~)):

(a) Ensure that all equipment and personnel satisfy department standards, including any applicable safety training certifications required by the department of labor and industries; ((~~and~~))

(b) Ensure that all contractors are, when engaged in fire suppression activities, under the supervision of recognized wildland fire personnel;

(c) Verify that the agreements have been finalized with an agreed upon standard operating rate identified before being included on the master list of qualified contractors; and

(d) Inspect, or verify the inspection of, any equipment included in the agreement to ensure that all safety and dependability standards are satisfied.

(5) The department may authorize operational field personnel to carry additional personal protection equipment in order to loan the equipment to private fire suppression contractors as needed.

(((~~(4)~~))) (6) No civil liability may be imposed by any court on the state or its officers and employees for any adverse impacts resulting from training or personal protection equipment provided by the department or preemptive agreements entered into by the department under the provisions of this section except upon proof of gross negligence or willful or wanton misconduct.

(5) All requirements in this section are subject to the availability of amounts appropriated for the specific purposes described.

Sec. 2. RCW 43.30.111 and 2015 c 182 s 1 are each amended to read as follows:

(1) The commissioner must appoint a local wildland fire liaison that reports directly to the commissioner or the supervisor and generally represents the interests and concerns of landowners and the general public during any fire suppression activities of the department.

(2) The role of the local wildland fire liaison is to:

(a) Provide advice to the commissioner on issues such as access to land during fire suppression activities, the availability of local fire suppression assets, environmental concerns, and landowner interests; and

(b) Fulfill other duties as assigned by the commissioner or the legislature, including the recruitment of local wildland fire suppression contractors as provided in RCW 76.04.181.

(3) In appointing the local wildland fire liaison, the commissioner must consult with county legislative authorities either directly or through an organization that represents the interests of county legislative authorities.

(4) All requirements in this section are subject to the availability of amounts appropriated for the specific purposes described.

Sec. 3. 2015 c 182 s 2 (uncodified) is amended to read as follows:

(1) The local wildland fire liaison created in section 1 of this act must prepare a report to the commissioner of public lands by December 31, 2015, that provides recommendations regarding:

(a) Opportunities for the department of natural resources to increase training with local fire protection districts;

(b) The ability to quickly evaluate the availability of local fire district resources in a manner that allows the local resources to be more efficiently and effectively dispatched to wildland fires; and

(c) Opportunities to increase and maintain the viability of local fire suppression assets.

(2) The department of natural resources must issue a report to the legislature consistent with RCW 43.01.036 by October 31, 2016, that summarizes the recommendations of the local wildland fire liaison, details steps taken to implement the recommendations, and offers an analyses of the results on the ground.

(3) ((~~All requirements in this section are subject to the availability of amounts appropriated for the specific purposes described.~~)) Consistent with RCW 43.01.036, the department of natural resources must issue a report to the legislature by November 30, 2018, that outlines the successes and limitations with respect to the establishment of preemptive agreements with private wildland fire suppression contractors under RCW 76.04.181. The report must also include any recommendations as to how the preemptive agreement process can be made more effective. The wildland fire advisory committee created in RCW 76.04.179 must be consulted in the generation of any recommendations.

(4) This section expires July 1, ((~~2017~~)) 2019.

NEW SECTION. **Sec. 4.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2017.

Passed by the House February 27, 2017.
Passed by the Senate March 30, 2017.
Approved by the Governor April 21, 2017.
Filed in Office of Secretary of State April 21, 2017.

CHAPTER 105

[Engrossed Substitute House Bill 1503]

ON-SITE SEWAGE SYSTEMS--SELF-INSPECTION--GROWTH MANAGEMENT ACT

AN ACT Relating to preventing unfunded mandates involving on-site sewage systems from affecting local governments and property owners; adding a new section to chapter 36.70A RCW; adding a new section to chapter 70.118A RCW; and adding a new section to chapter 70.05 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 36.70A RCW to read as follows:

This chapter does not preclude counties from authorizing inspections of on-site sewage systems to be conducted by a homeowner, a homeowner's family member, or a homeowner's tenant that has completed certification requirements specified by the county. Nothing in this section eliminates the requirement that counties protect water quality consistent with RCW 36.70A.070 (1) and (5).

NEW SECTION. **Sec. 2.** A new section is added to chapter 70.118A RCW to read as follows:

Nothing in this chapter prohibits a county from relying on self-inspection of on-site sewage systems consistent with section 1 of this act or eliminates the requirement that counties protect water quality consistent with RCW 36.70A.070 (1) and (5).

NEW SECTION. **Sec. 3.** A new section is added to chapter 70.05 RCW to read as follows:

Nothing in this chapter prohibits a county from relying on self-inspection of on-site sewage systems consistent with section 1 of this act or eliminates the requirement that counties protect water quality consistent with RCW 36.70A.070 (1) and (5).

Passed by the House March 8, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 21, 2017.
Filed in Office of Secretary of State April 21, 2017.

CHAPTER 106

[Senate Bill 5039]

UNIFORM ELECTRONIC LEGAL MATERIAL ACT

AN ACT Relating to the uniform electronic legal material act; adding a new chapter to Title 1 RCW; and providing an effective date.

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

NEW SECTION. **Sec. 1.** SHORT TITLE. This chapter may be known and cited as the uniform electronic legal material act.

NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(2) "Legal material" means, whether or not in effect:

(a) The Washington state Constitution;

(b) The session laws of the state of Washington;

(c) The Revised Code of Washington;

(d) A state agency rule that has or had the effect of law;

(e) The Washington State Register; or

(f) The Washington Administrative Code.

(3) "Official publisher" means:

(a) For the Washington state Constitution, the secretary of state;

(b) For session laws of the state of Washington, the statute law committee;

(c) For the Revised Code of Washington, the statute law committee;

(d) For a rule published in the Washington State Register, the statute law committee;

(e) For a rule not published in the Washington State Register, the state agency adopting the rule;

(f) For the Washington State Register, the statute law committee; or

(g) For the Washington Administrative Code, the statute law committee.

(4) "Publish" means to display, present, or release to the public, or cause to be displayed, presented, or released to the public, by the official publisher.

(5) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(6) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

NEW SECTION. **Sec. 3.** APPLICABILITY. (1) Except as provided in subsection (2) of this section, this chapter applies to all legal material in an electronic record that is designated as official under section 4 of this act and first published electronically on or after January 1, 2018.

(2) This chapter applies to issues of the Washington State Register in an official electronic record that were first published on or after May 7, 2008.

NEW SECTION. **Sec. 4.** LEGAL MATERIAL IN OFFICIAL ELECTRONIC RECORD. (1) If an official publisher publishes legal material only in an electronic record, the publisher shall:

(a) Designate the electronic record as official; and

(b) Comply with sections 5, 7, and 8 of this act.

(2) An official publisher that publishes legal material in an electronic record and also publishes the material in a record other than an electronic record may designate the electronic record as official if the publisher complies with sections 5, 7, and 8 of this act.

NEW SECTION. **Sec. 5.** AUTHENTICATION OF OFFICIAL ELECTRONIC RECORD. An official publisher of legal material in an electronic record that is designated as official under section 4 of this act shall authenticate the record. To authenticate an electronic record, the publisher shall provide a method for a user to determine that the record received by the user from the publisher is unaltered from the official record published by the publisher.

NEW SECTION. **Sec. 6.** EFFECT OF AUTHENTICATION. (1) Legal material in an electronic record that is authenticated under section 5 of this act is presumed to be an accurate copy of the legal material.

(2) If another state has adopted a law substantially similar to this chapter, legal material in an electronic record that is designated as official and authenticated by the official publisher in that state is presumed to be an accurate copy of the legal material.

(3) A party contesting the authentication of legal material in an electronic record authenticated under section 5 of this act has the burden of proving by a preponderance of the evidence that the record is not authentic.

NEW SECTION. **Sec. 7.** PRESERVATION AND SECURITY OF LEGAL MATERIAL IN OFFICIAL ELECTRONIC RECORD. (1) An official publisher of legal material in an electronic record that is or was designated as official under section 4 of this act shall provide for the preservation and security of the record in an electronic form or a form that is not electronic.

(2) If legal material is preserved under subsection (1) of this section in an electronic record, the official publisher shall:

(a) Ensure the integrity of the record;

(b) Provide for backup and disaster recovery of the record; and

(c) Ensure the continuing usability of the material.

NEW SECTION. **Sec. 8.** PUBLIC ACCESS TO LEGAL MATERIAL IN OFFICIAL ELECTRONIC RECORD. An official publisher of legal material in an electronic record that is required to be preserved under section 7 of this act shall ensure that the material is reasonably available for use by the public on a permanent basis.

NEW SECTION. **Sec. 9.** STANDARDS. In implementing this chapter, an official publisher of legal material in an electronic record shall consider:

(1) Standards and practices of other jurisdictions;

(2) The most recent standards regarding authentication of, preservation and security of, and public access to, legal material in an electronic record and other electronic records, as promulgated by national standard-setting bodies;

(3) The needs of users of legal material in an electronic record;

(4) The views of governmental officials and entities and other interested persons; and

(5) To the extent practicable, methods and technologies for the authentication of, preservation and security of, and public access to, legal material which are compatible with the methods and technologies used by other official publishers in this state and in other states that have adopted a law substantially similar to this chapter.

NEW SECTION. **Sec. 10.** UNIFORMITY OF APPLICATION AND CONSTRUCTION. In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

NEW SECTION. **Sec. 11.** RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. This chapter modifies, limits, and supersedes the electronic signatures in global and national commerce act, 15 U.S.C. Sec. 7001 et seq., but does not modify, limit, or supersede Section 101(c) of that act, 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b) of that act, 15 U.S.C. Sec. 7003(b).

NEW SECTION. **Sec. 12.** COURTS EXCLUDED. This chapter does not apply to any court or agency of the judicial branch.

NEW SECTION. **Sec. 13.** EFFECTIVE DATE. This act takes effect January 1, 2018.

NEW SECTION. **Sec. 14.** Sections 1 through 13 of this act constitute a new chapter in Title 1 RCW.

Passed by the Senate February 28, 2017.
Passed by the House April 10, 2017.
Approved by the Governor April 21, 2017.
Filed in Office of Secretary of State April 21, 2017.

CHAPTER 107

[House Bill 1166]

FIRE PROTECTION DISTRICT TAX LEVIES--MINIMUM EMPLOYEES

AN ACT Relating to fire protection district tax levies; and amending RCW 52.16.160.

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

Sec. 1. RCW 52.16.160 and 2002 c 84 s 1 are each amended to read as follows:

Notwithstanding the limitation of dollar rates contained in RCW 52.16.130, and in addition to any levy for the payment of the principal and interest of any outstanding general obligation bonds and in addition to any levy authorized by RCW 52.16.130, 52.16.140 or any other statute, the board of fire commissioners of any fire protection district within such county((~~, which fire protection district has at least one full-time, paid employee, or contracts with another municipal corporation for the services of at least one full-time, paid employee,~~)) is hereby authorized to levy each year an ad valorem tax on all taxable property within such district of not to exceed fifty cents per thousand dollars of assessed value, which levy may be made only if it will not affect dollar rates which other taxing districts may lawfully claim nor cause the combined levies to exceed the constitutional and/or statutory limitations.

Passed by the House March 7, 2017.
Passed by the Senate April 6, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 108

[House Bill 1278]

PHYSICAL THERAPY LICENSURE COMPACT

AN ACT Relating to enactment of the physical therapy licensure compact; amending RCW 18.74.050, 18.74.090, 18.74.150, and 43.70.320; adding new sections to chapter 18.74 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 18.74 RCW to read as follows:

The Physical Therapy Licensure Compact as set forth in this section is hereby enacted into law and entered into on behalf of this state with any and all other states legally joining therein in a form substantially as follows:

PHYSICAL THERAPY LICENSURE COMPACT
ARTICLE I - PURPOSE

The purpose of this compact is to facilitate interstate practice of physical therapy with the goal of improving public access to physical therapy services. The practice of physical therapy occurs in the state where the patient/client is located at the time of the patient/client encounter. The compact preserves the regulatory authority of states to protect public health and safety through the current system of state licensure.

This compact is designed to achieve the following objectives:

(1) Increase public access to physical therapy services by providing for the mutual recognition of other member state licenses;

(2) Enhance the states' ability to protect the public's health and safety;

(3) Encourage the cooperation of member states in regulating multistate physical therapy practice;

(4) Support spouses of relocating military members;

(5) Enhance the exchange of licensure, investigative, and disciplinary information between member states; and

(6) Allow a remote state to hold a provider of services with a compact privilege in that state accountable to that state's practice standards.

ARTICLE II - DEFINITIONS

As used in this compact, and except as otherwise provided, the following definitions apply:

(1) "Active duty military" means full-time duty status in the active uniformed service of the United States, including members of the national guard and reserve on active duty orders pursuant to 10 U.S.C. Secs. 1209 and 1211.

(2) "Adverse action" means disciplinary action taken by a physical therapy licensing board based upon misconduct, unacceptable performance, or a combination of both.

(3) "Alternative program" means a nondisciplinary monitoring or practice remediation process approved by a physical therapy licensing board. This includes, but is not limited to, substance abuse issues.

(4) "Compact privilege" means the authorization granted by a remote state to allow a licensee from another member state to practice as a physical therapist or work as a physical therapist assistant in the remote state under its laws and rules. The practice of physical therapy occurs in the member state where the patient/client is located at the time of the patient/client encounter.

(5) "Continuing competence" means a requirement, as a condition of license renewal, to provide evidence of participation in, and/or completion of, educational and professional activities relevant to practice or area of work.

(6) "Data system" means a repository of information about licensees, including examination, licensure, investigative, compact privilege, and adverse action.

(7) "Encumbered license" means a license that a physical therapy licensing board has limited in any way.

(8) "Executive board" means a group of directors elected or appointed to act on behalf of, and within the powers granted to them by, the commission.

(9) "Home state" means the member state that is the licensee's primary state of residence.

(10) "Investigative information" means information, records, and documents received or generated by a physical therapy licensing board pursuant to an investigation.

(11) "Jurisprudence requirement" means the assessment of an individual's knowledge of the laws and rules governing the practice of physical therapy in a state.

(12) "Licensee" means an individual who currently holds an authorization from the state to practice as a physical therapist or to work as a physical therapist assistant.

(13) "Member state" means a state that has enacted the compact.

(14) "Party state" means any member state in which a licensee holds a current license or compact privilege or is applying for a license or compact privilege.

(15) "Physical therapist" means an individual who is licensed by a state to practice physical therapy.

(16) "Physical therapist assistant" means an individual who is licensed/certified by a state and who assists the physical therapist in selected components of physical therapy.

(17) "Physical therapy" has the same meaning given in RCW 18.74.010. "Physical therapy practice" and "the practice of physical therapy" have the same meaning given to "practice of physical therapy" in RCW 18.74.010.

(18) "Physical therapy compact commission" or "commission" means the national administrative body whose membership consists of all states that have enacted the compact.

(19) "Physical therapy licensing board" or "licensing board" means the agency of a state that is responsible for the licensing and regulation of physical therapists and physical therapist assistants.

(20) "Remote state" means a member state other than the home state, where a licensee is exercising or seeking to exercise the compact privilege.

(21) "Rule" means a regulation, principle, or directive promulgated by the commission that has the force of law.

(22) "State" means any state, commonwealth, district, or territory of the United States of America that regulates the practice of physical therapy.

ARTICLE III - STATE PARTICIPATION IN THE COMPACT

(1) To participate in the compact, a state must:

(a) Participate fully in the commission's data system, including using the commission's unique identifier as defined in rule;

(b) Have a mechanism in place for receiving and investigating complaints about licensees;

(c) Notify the commission, in compliance with the terms of the compact and rules, of any adverse action or the availability of investigative information regarding a licensee;

(d) Fully implement a criminal background check requirement, within a time frame established by rule, by receiving the results of the federal bureau of investigation record search on criminal background checks and use the results in making licensure decisions in accordance with subsection (2) of this Article;

(e) Comply with the rules of the commission;

(f) Utilize a recognized national examination as a requirement for licensure pursuant to the rules of the commission; and

(g) Have continuing competence requirements as a condition for license renewal.

(2) Upon adoption of this statute, the member state shall have the authority to obtain biometric-based information from each physical therapy licensure applicant and submit this information to the federal bureau of investigation for a criminal background check in accordance with 28 U.S.C. Sec. 534 and 42 U.S.C. Sec. 14616.

(3) A member state shall grant the compact privilege to a licensee holding a valid unencumbered license in another member state in accordance with the terms of the compact and rules.

(4) Member states may charge a fee for granting a compact privilege.

ARTICLE IV - COMPACT PRIVILEGE

(1) To exercise the compact privilege under the terms and provisions of the compact, the licensee shall:

(a) Hold a license in the home state;

(b) Have no encumbrance on any state license;

(c) Be eligible for a compact privilege in any member state in accordance with subsections (4), (7), and (8) of this Article;

(d) Have not had any adverse action against any license or compact privilege within the previous two years;

(e) Notify the commission that the licensee is seeking the compact privilege within a remote state(s);

(f) Pay any applicable fees, including any state fee, for the compact privilege;

(g) Meet any jurisprudence requirements established by the remote state(s) in which the licensee is seeking a compact privilege; and

(h) Report to the commission adverse action taken by any nonmember state within thirty days from the date the adverse action is taken.

(2) The compact privilege is valid until the expiration date of the home license. The licensee must comply with the requirements of subsection (1) of this Article to maintain the compact privilege in the remote state.

(3) A licensee providing physical therapy in a remote state under the compact privilege shall function within the laws and regulations of the remote state.

(4) A licensee providing physical therapy in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, remove a licensee's compact privilege in the remote state for a specific period of time, impose fines, and/or take any other necessary actions to protect the health and safety of its citizens. The licensee is not eligible for a compact privilege in any state until the specific time for removal has passed and all fines are paid.

(5) If a home state license is encumbered, the licensee shall lose the compact privilege in any remote state until the following occur:

(a) The home state license is no longer encumbered; and

(b) Two years have elapsed from the date of the adverse action.

(6) Once an encumbered license in the home state is restored to good standing, the licensee must meet the requirements of subsection (1) of this Article to obtain a compact privilege in any remote state.

(7) If a licensee's compact privilege in any remote state is removed, the individual shall lose the compact privilege in any remote state until the following occur:

(a) The specific period of time for which the compact privilege was removed has ended;

(b) All fines have been paid; and

(c) Two years have elapsed from the date of the adverse action.

(8) Once the requirements of subsection (7) of this Article have been met, the licensee must meet the requirements in subsection (1) of this Article to obtain a compact privilege in a remote state.

ARTICLE V - ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

A licensee who is active duty military or is the spouse of an individual who is active duty military may designate one of the following as the home state:

(1) Home of record;

(2) Permanent change of station; or

(3) State of current residence if it is different than the permanent change of station state or home of record.

ARTICLE VI - ADVERSE ACTIONS

(1) A home state shall have exclusive power to impose adverse action against a license issued by the home state.

(2) A home state may take adverse action based on the investigative information of a remote state, so long as the home state follows its own procedures for imposing adverse action.

(3) Nothing in this compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action and that such participation shall remain nonpublic if required by the member state's laws. Member states must require licensees who enter any alternative programs in lieu of discipline to agree not to practice in any other member state during the term of the alternative program without prior authorization from such other member state.

(4) Any member state may investigate actual or alleged violations of the statutes and rules authorizing the practice of physical therapy in any other member state in which a physical therapist or physical therapist assistant holds a license or compact privilege.

(5) A remote state shall have the authority to:

(a) Take adverse actions as set forth in subsection (4) of Article IV of this compact against a licensee's compact privilege in the state;

(b) Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses, and the production of evidence. Subpoenas issued by a physical therapy licensing board in a party state for the attendance and testimony of witnesses, and/or the production of evidence from another party state, shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses and/or evidence are located; and

(c) If otherwise permitted by state law, recover from the licensee the costs of investigations and disposition of cases resulting from any adverse action taken against that licensee.

(6)(a) In addition to the authority granted to a member state by its respective physical therapy practice act or other applicable state law, a member state may participate with other member states in joint investigations of licensees.

(b) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the compact.

ARTICLE VII - ESTABLISHMENT OF THE PHYSICAL THERAPY COMPACT COMMISSION

(1) The compact member states hereby create and establish a joint public agency known as the physical therapy compact commission:

(a) The commission is an instrumentality of the compact states.

(b) Venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

(c) Nothing in this compact shall be construed to be a waiver of sovereign immunity.

(2)(a) Each member state shall have and be limited to one delegate selected by that member state's licensing board.

(b) The delegate shall be a current member of the licensing board, who is a physical therapist, physical therapist assistant, public member, or the board administrator.

(c) Any delegate may be removed or suspended from office as provided by the law of the state from which the delegate is appointed.

(d) The member state board shall fill any vacancy occurring in the commission.

(e) Each delegate shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the commission.

(f) A delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication.

(g) The commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws.

(3) The commission shall have the following powers and duties:

(a) Establish the fiscal year of the commission;

(b) Establish bylaws;

(c) Maintain its financial records in accordance with the bylaws;

(d) Meet and take such actions as are consistent with the provisions of this compact and the bylaws;

(e) Promulgate uniform rules to facilitate and coordinate implementation and administration of this compact. The rules shall have the force and effect of law and shall be binding in all member states;

(f) Bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any state physical therapy licensing board to sue or be sued under applicable law shall not be affected;

(g) Purchase and maintain insurance and bonds;

(h) Borrow, accept, or contract for services of personnel including, but not limited to, employees of a member state;

(i) Hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the compact, and establish the commission's personnel policies and programs

relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(j) Accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety and/or conflict of interest;

(k) Lease, purchase, or accept appropriate gifts or donations of, or otherwise to own, hold, improve, or use any property real, personal, or mixed; provided that at all times the commission shall avoid any appearance of impropriety;

(l) Sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(m) Establish a budget and make expenditures;

(n) Borrow money;

(o) Appoint committees, including standing committees comprised of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this compact and the bylaws;

(p) Provide and receive information from, and cooperate with, law enforcement agencies;

(q) Establish and elect an executive board; and

(r) Perform such other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of physical therapy licensure and practice.

(4) The executive board shall have the power to act on behalf of the commission according to the terms of this compact.

(a) The executive board shall be comprised of nine members:

(i) Seven voting members who are elected by the commission from the current membership of the commission;

(ii) One ex officio, nonvoting member from a recognized national physical therapy professional association; and

(iii) One ex officio, nonvoting member from a recognized membership organization of the physical therapy licensing boards.

(b) The ex officio members will be selected by their respective organizations.

(c) The commission may remove any member of the executive board as provided in bylaws.

(d) The executive board shall meet at least annually.

(e) The executive board shall have the following duties and responsibilities:

(i) Recommend to the entire commission changes to the rules or bylaws, changes to this compact legislation, fees paid by compact member states such as annual dues, and any commission compact fee charged to licensees for the compact privilege;

(ii) Ensure compact administration services are appropriately provided, contractual or otherwise;

(iii) Prepare and recommend the budget;

(iv) Maintain financial records on behalf of the commission;

(v) Monitor compact compliance of member states and provide compliance reports to the commission;

(vi) Establish additional committees as necessary; and

(vii) Other duties as provided in rules or bylaws.

(5)(a) All meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rule-making provisions in Article IX of this compact.

(b) The commission or the executive board or other committees of the commission may convene in a closed, nonpublic meeting if the commission or executive board or other committees of the commission must discuss:

(i) Noncompliance of a member state with its obligations under the compact;

(ii) The employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) Current, threatened, or reasonably anticipated litigation;

(iv) Negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(v) Accusing any person of a crime or formally censuring any person;

(vi) Disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) Disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) Disclosure of investigative records compiled for law enforcement purposes;

(ix) Disclosure of information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact; or

(x) Matters specifically exempt from disclosure by federal or member state statute.

(c) If a meeting, or portion of a meeting, is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision.

(d) The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(6)(a) The commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(b) The commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services.

(c) The commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the commission, which shall promulgate a rule binding upon all member states.

(d) The commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the member states, except by and with the authority of the member state.

(e) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the commission.

(7)(a) The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing in this subsection shall be construed to protect any such person from suit and/or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person.

(b) The commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(c) The commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

ARTICLE VIII - DATA SYSTEM

(1) The commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states.

(2) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all

individuals to whom this compact is applicable as required by the rules of the commission, including:

(a) Identifying information;

(b) Licensure data;

(c) Adverse actions against a license or compact privilege;

(d) Nonconfidential information related to alternative program participation;

(e) Any denial of application for licensure, and the reason(s) for such denial; and

(f) Other information that may facilitate the administration of this compact, as determined by the rules of the commission.

(3) Investigative information pertaining to a licensee in any member state will only be available to other party states.

(4) The commission shall promptly notify all member states of any adverse action taken against a licensee or an individual applying for a license. Adverse action information pertaining to a licensee in any member state will be available to any other member state.

(5) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(6) Any information submitted to the data system that is subsequently required to be expunged by the laws of the member state contributing the information shall be removed from the data system.

ARTICLE IX - RULE MAKING

(1) The commission shall exercise its rule-making powers pursuant to the criteria set forth in this Article IX and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.

(2) Notwithstanding subsection (1) of Article IX, the board shall review the rules of the commission. The board may reject or approve and adopt the rules of the commission as rules of the board. The state of Washington is subject to a rule of the commission only if the rule of the commission is adopted by the board and the rule does not violate any right guaranteed by the state Constitution or the United States Constitution.

(3) If a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state.

(4) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(5) Prior to promulgation and adoption of a final rule or rules by the commission, and at least thirty days in advance of the meeting at which the rule will be considered and voted upon, the commission shall file a notice of proposed rule making:

(a) On the web site of the commission or other publicly accessible platform; and

(b) On the web site of each member state physical therapy licensing board or other publicly accessible platform or the publication in which each state would otherwise publish proposed rules.

(6) The notice of proposed rule making shall include:

(a) The proposed time, date, and location of the meeting in which the rule will be considered and voted upon;

(b) The text of the proposed rule or amendment and the reason for the proposed rule;

(c) A request for comments on the proposed rule from any interested person; and

(d) The manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(7) Prior to adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(8) The commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by:

(a) At least twenty-five persons;

(b) A state or federal governmental subdivision or agency; or

(c) An association having at least twenty-five members.

(9) If a hearing is held on the proposed rule or amendment, the commission shall publish the place, time, and date of the scheduled public hearing. If the hearing is held via electronic means, the commission shall publish the mechanism for access to the electronic hearing.

(a) All persons wishing to be heard at the hearing shall notify the executive director of the commission or other designated member in writing of their desire to appear and testify at the hearing not less than five business days before the scheduled date of the hearing.

(b) Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing.

(c) All hearings will be recorded. A copy of the recording will be made available on request.

(d) Nothing in this Article IX shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this Article IX.

(10) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the commission shall consider all written and oral comments received.

(11) If no written notice of intent to attend the public hearing by interested parties is received, the commission may proceed with promulgation of the proposed rule without a public hearing.

(12) The commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rule-making record and the full text of the rule.

(13) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing, provided that the usual rule-making procedures provided

in the compact and in this Article IX shall be retroactively applied to the rule as soon as reasonably possible, in no event later than ninety days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(a) Meet an imminent threat to public health, safety, or welfare;

(b) Prevent a loss of commission or member state funds;

(c) Meet a deadline for the promulgation of an administrative rule that is established by federal law or rule; or

(d) Protect public health and safety.

(14) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the web site of the commission. The revision shall be subject to challenge by any person for a period of thirty days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing, and delivered to the chair of the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

ARTICLE X - OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(1) Oversight. (a) The executive, legislative, and judicial branches of state government in each member state shall enforce this compact and take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of this compact and the rules promulgated hereunder shall have standing as statutory law.

(b) All courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the commission.

(c) The commission shall be entitled to receive service of process in any such proceeding, and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process to the commission shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(2) Default, technical assistance, and termination. (a) If the commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall:

(i) Provide written notice to the defaulting state and other member states of the nature of the default, the proposed means of curing the default, and/or any other action to be taken by the commission; and

(ii) Provide remedial training and specific technical assistance regarding the default.

(b) If a state in default fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the member states, and all rights, privileges, and benefits conferred by this compact

may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(c) Termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.

(d) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(e) The commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the compact, unless agreed upon in writing between the commission and the defaulting state.

(f) The defaulting state may appeal the action of the commission by petitioning the United States district court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorneys' fees.

(3) Dispute resolution. (a) Upon request by a member state, the commission shall attempt to resolve disputes related to the compact that arise among member states and between member and nonmember states.

(b) The commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(4) Enforcement. (a) The commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact.

(b) By majority vote, the commission may initiate legal action in the United States district court for the District of Columbia or the federal district where the commission has its principal offices against a member state in default to enforce compliance with the provisions of the compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorneys' fees.

(c) The remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE XI - DATE OF IMPLEMENTATION OF THE INTERSTATE COMMISSION FOR PHYSICAL THERAPY PRACTICE AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENT

(1) The compact shall come into effect on the date on which the compact statute is enacted into law in the tenth member state. The provisions, which become effective at that time, shall be limited to the powers granted to the commission relating to assembly and the promulgation of rules. Thereafter, the commission shall meet and exercise rule-making powers necessary to the implementation and administration of the compact.

(2) Any state that joins the compact subsequent to the commission's initial adoption of the rules shall be subject to the rules as they exist on the date on which the compact becomes law in that state. Any rule that has been previously

adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(3) Any member state may withdraw from this compact by enacting a statute repealing the same.

(a) A member state's withdrawal shall not take effect until six months after enactment of the repealing statute.

(b) Withdrawal shall not affect the continuing requirement of the withdrawing state's physical therapy licensing board to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(4) Nothing contained in this compact shall be construed to invalidate or prevent any physical therapy licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this compact.

(5) This compact may be amended by the member states. No amendment to this compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

ARTICLE XII - CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any party state, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the party state affected as to all severable matters.

NEW SECTION. **Sec. 2.** A new section is added to chapter 18.74 RCW to read as follows:

COMPACT PRIVILEGE—FEES.

(1) The secretary, in consultation with the board, shall establish fees pursuant to RCW 43.70.250 for physical therapists and physical therapist assistants seeking to practice in this state by use of compact privilege as defined in section 1 of this act. At the time of applying for compact privilege in this state, the applicant shall comply with established fee requirements.

(2) The fees established in subsection (1) of this section must be an amount sufficient to cover the state's monetary obligations as a member state to the physical therapy licensure compact.

NEW SECTION. **Sec. 3.** A new section is added to chapter 18.74 RCW to read as follows:

The board shall not disseminate any criminal history information gained through a federal background check, ordered pursuant to section 1 of this act, the physical therapy licensure compact, to the physical therapy compact commission or another state or state licensure board.

Sec. 4. RCW 18.74.050 and 1996 c 191 s 59 are each amended to read as follows:

(1) The secretary shall furnish a license upon the authority of the board to any person who applies and who has qualified under the provisions of this chapter. At the time of applying, the applicant shall comply with administrative procedures, administrative requirements, and fees established pursuant to RCW 43.70.250 and 43.70.280. No person registered or licensed on July 24, 1983, as a physical therapist shall be required to pay an additional fee for a license under this chapter.

(2) No fees collected pursuant to subsection (1) of this section may be used to meet the state's monetary obligations as a member state to the physical therapy licensure compact.

Sec. 5. RCW 18.74.090 and 2007 c 98 s 10 are each amended to read as follows:

(1) A person who is not licensed with the secretary of health as a physical therapist under the requirements of this chapter shall not represent him or herself as being so licensed and shall not use in connection with his or her name the words or letters "P.T.", "R.P.T.", "L.P.T.", "physical therapy", "physiotherapy", "physical therapist" or "physiotherapist", or any other letters, words, signs, numbers, or insignia indicating or implying that he or she is a physical therapist. No person may practice physical therapy without first having a valid license. Nothing in this chapter prohibits any person licensed in this state under any other act from engaging in the practice for which he or she is licensed. It shall be the duty of the prosecuting attorney of each county to prosecute all cases involving a violation of this chapter arising within his or her county. The attorney general may assist in such prosecution and shall appear at all hearings when requested to do so by the board.

(2) No person assisting in the practice of physical therapy may use the title "physical therapist assistant," the letters "PTA," or any other words, abbreviations, or insignia in connection with his or her name to indicate or imply, directly or indirectly, that he or she is a physical therapist assistant without being licensed in accordance with this chapter as a physical therapist assistant.

(3) Subsections (1) and (2) of this section do not apply to an individual who is authorized to practice as a physical therapist or work as a physical therapist assistant by compact privilege as defined in section 1 of this act.

Sec. 6. RCW 18.74.150 and 2013 c 280 s 1 are each amended to read as follows:

(1) It is unlawful for any person to practice or in any manner hold himself or herself out to practice physical therapy or designate himself or herself as a physical therapist or physical therapist assistant, unless he or she is licensed in accordance with this chapter or has unencumbered compact privilege as defined in section 1 of this act.

(2) This chapter does not restrict persons licensed under any other law of this state from engaging in the profession or practice for which they are licensed, if they are not representing themselves to be physical therapists, physical therapist assistants, or providers of physical therapy.

(3) The following persons are exempt from licensure as physical therapists under this chapter when engaged in the following activities:

(a) A person who is pursuing a course of study leading to a degree as a physical therapist in an approved professional education program and is satisfying supervised clinical education requirements related to his or her physical therapy education while under direct supervision of a licensed physical therapist;

(b) A physical therapist while practicing in the United States armed services, United States public health service, or veterans administration as based on requirements under federal regulations for state licensure of health care providers; and

(c) A physical therapist licensed in another United States jurisdiction, or a foreign-educated physical therapist credentialed in another country, performing physical therapy as part of teaching or participating in an educational seminar of no more than sixty days in a calendar year.

(4) The following persons are exempt from licensure as physical therapist assistants under this chapter when engaged in the following activities:

(a) A person who is pursuing a course of study leading to a degree as a physical therapist assistant in an approved professional education program and is satisfying supervised clinical education requirements related to his or her physical therapist assistant education while under direct supervision of a licensed physical therapist or licensed physical therapist assistant;

(b) A physical therapist assistant while practicing in the United States armed services, United States public health service, or veterans administration as based on requirements under federal regulations for state licensure of health care providers; and

(c) A physical therapist assistant licensed in another United States jurisdiction, or a foreign-educated physical therapist assistant credentialed in another country, or a physical therapist assistant who is teaching or participating in an educational seminar of no more than sixty days in a calendar year.

Sec. 7. RCW 43.70.320 and 2015 c 70 s 39 are each amended to read as follows:

(1) There is created in the state treasury an account to be known as the health professions account. All fees received by the department for health professions licenses, registration, certifications, renewals, compact privileges, or examinations and the civil penalties assessed and collected by the department under RCW 18.130.190 shall be forwarded to the state treasurer who shall credit such moneys to the health professions account.

(2) All expenses incurred in carrying out the health professions licensing activities of the department and implementing and administering the medical marijuana authorization database established in RCW 69.51A.230 shall be paid from the account as authorized by legislative appropriation, except as provided in subsections (4) and (5) of this section. Any residue in the account shall be accumulated and shall not revert to the general fund at the end of the biennium.

(3) The secretary shall biennially prepare a budget request based on the anticipated costs of administering the health professions licensing activities of the department which shall include the estimated income from health professions fees.

(4) The fees received by the department from applicants for compact privilege under section 1 of this act must be used for the purpose of meeting

financial obligations imposed on the state as a result of this state's participation in the physical therapy licensure compact.

(5) The secretary shall, at the request of a board or commission as applicable, spend unappropriated funds in the health professions account that are allocated to the requesting board or commission to meet unanticipated costs of that board or commission when revenues exceed more than fifteen percent over the department's estimated six-year spending projections for the requesting board or commission. Unanticipated costs shall be limited to spending as authorized in subsection (3) of this section for anticipated costs.

NEW SECTION. **Sec. 8.** Sections 1 and 2 of this act shall be known and cited as the physical therapy licensure compact.

Passed by the House April 13, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 109

[House Bill 1283]

REAL PROPERTY BOUNDARY LINES--ADVANCE TAXES AND ASSESSMENTS

AN ACT Relating to eliminating the collection of anticipated taxes and assessments; amending RCW 84.56.345 and 84.40.042; and repealing RCW 58.08.040.

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

NEW SECTION. **Sec. 1.** RCW 58.08.040 (Deposit to cover anticipated taxes and assessments) and 2008 c 17 s 2, 1997 c 393 s 11, 1994 c 301 s 16, 1991 c 245 s 14, 1989 c 378 s 2, 1973 1st ex.s. c 195 s 74, 1969 ex.s. c 271 s 34, 1963 c 66 s 1, 1909 c 200 s 1, 1907 c 44 s 1, & 1893 c 129 s 2 are each repealed.

Sec. 2. RCW 84.56.345 and 2005 c 502 s 6 are each amended to read as follows:

Every person who offers a document to the auditor of the proper county for recording that results in any division, alteration, or adjustment of real property boundary lines, except as provided for in RCW 58.04.007(1) and 84.40.042(1)(c), ((~~shall~~)) must present a certificate of payment from the proper officer who is in charge of the collection of taxes and assessments for the affected property or properties. All taxes and assessments, both current and delinquent must be paid. For purposes of chapter 502, Laws of 2005, liability ((~~shall~~)) begins on January 1st. ((~~Taxes not yet levied and certified shall be collected as an advance tax under RCW 58.08.040.~~))

Sec. 3. RCW 84.40.042 and 2009 c 350 s 1 are each amended to read as follows:

(1) When real property is divided in accordance with chapter 58.17 RCW, the assessor shall carefully investigate and ascertain the true and fair value of each lot and assess each lot on that same basis, unless specifically provided otherwise by law. For purposes of this section, "lot" has the same definition as in RCW 58.17.020.

(a) ((~~For each lot on which an advance tax deposit has been paid in accordance with RCW 58.08.040,~~)) The assessor ((~~shall~~)) must establish the true

and fair value by October 30th of the year following the recording of the plat, replat, or altered plat. The value established ((~~shall~~)) must be the value of the lot as of January 1st of the year the original parcel of real property was last revalued. ((~~An additional property tax shall not be due on the land until the calendar year following the year for which the advance tax deposit was paid if the deposit was sufficient to pay the full amount of the taxes due on the property.~~))

(b) ((~~For each lot on which an advance tax deposit has not been paid, the assessor shall establish the true and fair value not later than the calendar year following the recording of the plat, map, subdivision, or replat.~~)) For purposes of this section, "subdivision" means a division of land into two or more lots.

(c) For each subdivision, all current year and delinquent taxes and assessments on the entire tract must be paid in full in accordance with RCW 58.17.160 and 58.08.030 except when property is being acquired by a government for public use. For purposes of this section, "current year taxes" means taxes that are collectible under RCW 84.56.010 subsequent to completing the tax roll for current year collection.

(2) When the assessor is required by law to segregate any part or parts of real property, assessed before or after July 27, 1997, as one parcel or when the assessor is required by law to combine parcels of real property assessed before or after July 27, 1997, as two or more parcels, the assessor ((~~shall~~)) must carefully investigate and ascertain the true and fair value of each part or parts of the real property and each combined parcel and assess each part or parts or each combined parcel on that same basis.

Passed by the House February 9, 2017.
Passed by the Senate April 4, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 110

[Second Substitute House Bill 1338]

STATE HEALTH INSURANCE POOL--NONMEDICARE COVERAGE--EXPIRATION

AN ACT Relating to the Washington state health insurance pool; amending RCW 48.41.100 and 48.41.160; and creating new sections.

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

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

(a) The Washington state health insurance pool currently provides subsidized health coverage to almost one thousand five hundred people in medicare supplemental plans and nonmedicare health plans;

(b) Enrollees in Washington state health insurance pool plans tend to have higher health care costs than enrollees in other types of health plans;

(c) Having a separate insurance pool for high-risk individuals benefits all purchasers of health insurance products by keeping premium costs down;

(d) The costs of subsidizing Washington state health insurance pool enrollees are borne disproportionately by purchasers of small group and individual market plans;

(e) The Washington state health insurance pool is scheduled to close its nonmedicare enrollment after December 31, 2017; and

(f) Uncertainty due to changes to the health care marketplace on the federal and state levels increases the necessity of keeping the Washington state health insurance pool open, at least in the short term.

(2) The legislature therefore intends to:

(a) Extend the expiration date for nonmedicare coverage in the Washington state health insurance pool; and

(b) Study:

(i) The necessity of continuing Washington state health insurance pool coverage in the short and long terms;

(ii) The role of the Washington state health insurance pool in light of the evolving health care landscape; and

(iii) The creation of a funding mechanism that equitably and broadly apportions Washington state health insurance pool costs across Washington's health care marketplace.

Sec. 2. RCW 48.41.100 and 2013 c 279 s 3 are each amended to read as follows:

(1)(a) The following persons who are residents of this state are eligible for pool coverage:

(i) Any resident of the state not eligible for medicare coverage or medicaid coverage, and residing in a county where an individual health plan other than a catastrophic health plan as defined in RCW 48.43.005 is not offered to the resident during defined open enrollment or special enrollment periods at the time of application to the pool, whether through the health benefit exchange operated pursuant to chapter 43.71 RCW or in the private insurance market, and who makes application to the pool for coverage prior to December 31, ((~~2017~~)) 2022;

(ii) Any resident of the state not eligible for medicare coverage, enrolled in the pool prior to December 31, 2013, shall remain eligible for pool coverage except as provided in subsections (2) and (3) of this section through December 31, ((~~2017~~)) 2022;

(iii) Any person becoming eligible for medicare before August 1, 2009, who provides evidence of (A) a rejection for medical reasons, (B) a requirement of restrictive riders, (C) an up-rated premium, (D) a preexisting conditions limitation, or (E) lack of access to or for a comprehensive medicare supplemental insurance policy under chapter 48.66 RCW, the effect of any of which is to substantially reduce coverage from that received by a person considered a standard risk by at least one member within six months of the date of application; and

(iv) Any person becoming eligible for medicare on or after August 1, 2009, who does not have access to a reasonable choice of comprehensive medicare part C plans, as defined in (b) of this subsection, and who provides evidence of (A) a rejection for medical reasons, (B) a requirement of restrictive riders, (C) an up-rated premium, (D) a preexisting conditions limitation, or (E) lack of access to or for a comprehensive medicare supplemental insurance policy under chapter 48.66 RCW, the effect of any of which is to substantially reduce coverage from that received by a person considered a standard risk by at least one member within six months of the date of application.

(b) For purposes of (a)(i) of this subsection, by December 1, 2013, the board shall develop and implement a process to determine an applicant's eligibility based on the criteria specified in (a)(i) of this subsection.

(c) For purposes of (a)(iv) of this subsection (1), a person does not have access to a reasonable choice of plans unless the person has a choice of health maintenance organization or preferred provider organization medicare part C plans offered by at least three different carriers that have had provider networks in the person's county of residence for at least five years. The plan options must include coverage at least as comprehensive as a plan F medicare supplement plan combined with medicare parts A and B. The plan options must also provide access to adequate and stable provider networks that make up-to-date provider directories easily accessible on the carrier web site, and will provide them in hard copy, if requested. In addition, if no health maintenance organization or preferred provider organization plan includes the health care provider with whom the person has an established care relationship and from whom he or she has received treatment within the past twelve months, the person does not have reasonable access.

(2) The following persons are not eligible for coverage by the pool:

(a) Any person having terminated coverage in the pool unless (i) twelve months have lapsed since termination, or (ii) that person can show continuous other coverage which has been involuntarily terminated for any reason other than nonpayment of premiums. However, these exclusions do not apply to eligible individuals as defined in section 2741(b) of the federal health insurance portability and accountability act of 1996 (42 U.S.C. Sec. 300gg-41(b));

(b) Inmates of public institutions and those persons who become eligible for medical assistance after June 30, 2008, as defined in RCW 74.09.010. However, these exclusions do not apply to eligible individuals as defined in section 2741(b) of the federal health insurance portability and accountability act of 1996 (42 U.S.C. Sec. 300gg-41(b)).

(3) When a carrier or insurer regulated under chapter 48.15 RCW begins to offer an individual health benefit plan in a county where no carrier had been offering an individual health benefit plan:

(a) If the health benefit plan offered is other than a catastrophic health plan as defined in RCW 48.43.005, any person enrolled in a pool plan pursuant to subsection (1)(a)(i) of this section in that county shall no longer be eligible for coverage under that plan pursuant to subsection (1)(a)(i) of this section; and

(b) The pool administrator shall provide written notice to any person who is no longer eligible for coverage under a pool plan under this subsection (3) within thirty days of the administrator's determination that the person is no longer eligible. The notice shall: (i) Indicate that coverage under the plan will cease ninety days from the date that the notice is dated; (ii) describe any other coverage options, either in or outside of the pool, available to the person; and (iii) describe the enrollment process for the available options outside of the pool.

Sec. 3. RCW 48.41.160 and 2013 c 279 s 4 are each amended to read as follows:

(1) On or before December 31, 2007, the pool shall cancel all existing pool policies and replace them with policies that are identical to the existing policies except for the inclusion of a provision providing for a guarantee of the continuity of coverage consistent with this section. As a means to minimize the number of

policy changes for enrollees, replacement policies provided under this subsection also may include the plan modifications authorized in RCW 48.41.100, 48.41.110, and 48.41.120.

(2) A pool policy shall contain a guarantee of the individual's right to continued coverage, subject to the provisions of subsections (4), (5), (7), and (8) of this section.

(3) The guarantee of continuity of coverage required by this section shall not prevent the pool from canceling or nonrenewing a policy for:

(a) Nonpayment of premium;

(b) Violation of published policies of the pool;

(c) Failure of a covered person who becomes eligible for medicare benefits by reason of age to apply for a pool medical supplement plan, or a medicare supplement plan or other similar plan offered by a carrier pursuant to federal laws and regulations;

(d) Failure of a covered person to pay any deductible or copayment amount owed to the pool and not the provider of health care services;

(e) Covered persons committing fraudulent acts as to the pool;

(f) Covered persons materially breaching the pool policy; or

(g) Changes adopted to federal or state laws when such changes no longer permit the continued offering of such coverage.

(4)(a) The guarantee of continuity of coverage provided by this section requires that if the pool replaces a plan, it must make the replacement plan available to all individuals in the plan being replaced. The replacement plan must include all of the services covered under the replaced plan, and must not significantly limit access to the kind of services covered under the replacement plan through unreasonable cost-sharing requirements or otherwise. The pool may also allow individuals who are covered by a plan that is being replaced an unrestricted right to transfer to a fully comparable plan.

(b) The guarantee of continuity of coverage provided by this section requires that if the pool discontinues offering a plan: (i) The pool must provide notice to each individual of the discontinuation at least ninety days prior to the date of the discontinuation; (ii) the pool must offer to each individual provided coverage under the discontinued plan the option to enroll in any other plan currently offered by the pool for which the individual is otherwise eligible; and (iii) in exercising the option to discontinue a plan and in offering the option of coverage under (b)(ii) of this subsection, the pool must act uniformly without regard to any health status-related factor of enrolled individuals or individuals who may become eligible for this coverage.

(c) The pool cannot replace or discontinue a plan under this subsection (4) until it has completed an evaluation of the impact of replacing the plan upon:

(i) The cost and quality of care to pool enrollees;

(ii) Pool financing and enrollment;

(iii) The board's ability to offer comprehensive and other plans to its enrollees;

(iv) Other items identified by the board.

In its evaluation, the board must request input from the constituents represented by the board members.

(d) The guarantee of continuity of coverage provided by this section does not apply if the pool has zero enrollment in a plan.

(5) The pool may not change the rates for pool policies except on a class basis, with a clear disclosure in the policy of the pool's right to do so.

(6) A pool policy offered under this chapter shall provide that, upon the death of the individual in whose name the policy is issued, every other individual then covered under the policy may elect, within a period specified in the policy, to continue coverage under the same or a different policy.

(7) All pool policies issued on or after January 1, 2014, must reflect the new eligibility requirements of RCW 48.41.100 and contain a statement of the intent to discontinue the pool coverage on December 31, ((~~2017~~)) 2022, under pool nonmedicare plans.

(8) Pool policies issued prior to January 1, 2014, shall be modified effective January 1, ((~~2013~~)) 2018, consistent with subsection (3)(g) of this section, and contain a statement of the intent to discontinue pool coverage on December 31, ((~~2017~~)) 2022, under pool nonmedicare plans.

(9) The pool shall discontinue all nonmedicare pool plans effective December 31, ((~~2017~~)) 2022.

NEW SECTION. **Sec. 4.** If specific funding for purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the House March 1, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 111

[House Bill 1475]

GAMBLING COMMISSION OFFICERS--AUTHORITY

AN ACT Relating to clarifying the limited authority of gambling commission officers; and adding a new section to chapter 9.46 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 9.46 RCW to read as follows:

When physical injury to a person or substantial damage to property occurs, or is about to occur, within the presence of an officer of the commission designated with police powers pursuant to RCW 9.46.210, the designated officer is authorized to take such action as is reasonably necessary to prevent physical injury to a person or substantial damage to property or prevent further injury to a person or further substantial damage to property. A designated officer shall be immune from civil liability for damages arising out of the action of the designated officer to prevent physical injury to a person or substantial damage to property or prevent further injury to a person or further substantial damage to property, unless it is shown that the designated officer acted with gross negligence or bad faith.

Passed by the House March 6, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 112

[Substitute House Bill 1515]

PARKING PERMIT FOR PERSONS WITH DISABILITIES--HEALTH CARE PRACTITIONER AUTHORIZATION--FORMAT

AN ACT Relating to signed written authorizations for special parking privileges; and amending RCW 46.19.010.

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

Sec. 1. RCW 46.19.010 and 2014 c 124 s 2 are each amended to read as follows:

(1) A natural person who has a disability that meets one of the following criteria may apply for special parking privileges:

(a) Cannot walk two hundred feet without stopping to rest;

(b) Is severely limited in ability to walk due to arthritic, neurological, or orthopedic condition;

(c) Has such a severe disability that the person cannot walk without the use of or assistance from a brace, cane, another person, prosthetic device, wheelchair, or other assistive device;

(d) Uses portable oxygen;

(e) Is restricted by lung disease to an extent that forced expiratory respiratory volume, when measured by spirometry, is less than one liter per second or the arterial oxygen tension is less than sixty mm/hg on room air at rest;

(f) Impairment by cardiovascular disease or cardiac condition to the extent that the person's functional limitations are classified as class III or IV under standards accepted by the American heart association;

(g) Has a disability resulting from an acute sensitivity to automobile emissions that limits or impairs the ability to walk. The personal physician, advanced registered nurse practitioner, or physician assistant of the applicant shall document that the disability is comparable in severity to the others listed in this subsection;

(h) Has limited mobility and has no vision or whose vision with corrective lenses is so limited that the person requires alternative methods or skills to do efficiently those things that are ordinarily done with sight by persons with normal vision;

(i) Has an eye condition of a progressive nature that may lead to blindness; or

(j) Is restricted by a form of porphyria to the extent that the applicant would significantly benefit from a decrease in exposure to light.

(2) The disability must be determined by either:

(a) A licensed physician;

(b) An advanced registered nurse practitioner licensed under chapter 18.79 RCW; or

(c) A physician assistant licensed under chapter 18.71A or 18.57A RCW.

(3) A health care practitioner listed under subsection (2) of this section who is authorizing a parking permit for purposes of this chapter must provide a signed written authorization: On ((~~tamper-resistant~~)) a prescription pad or paper, as defined in RCW 18.64.500((~~, if the practitioner has prescriptive authority. An~~

~~authorized health care practitioner without prescriptive authority must provide the signed written authorization on his or her office letterhead. Such authorizations must be attached to the application for special parking privileges for persons with disabilities~~)); on office letterhead; or by electronic means, as described by the director in rule.

(4) The application for special parking privileges for persons with disabilities must contain:

(a) The following statement immediately below the physician's, advanced registered nurse practitioner's, or physician assistant's signature: "A parking permit for a person with disabilities may be issued only for a medical necessity that severely affects mobility or involves acute sensitivity to light (RCW 46.19.010). An applicant or health care practitioner who knowingly provides false information on this application is guilty of a gross misdemeanor. The penalty is up to three hundred sixty-four days in jail and a fine of up to $5,000 or both. In addition, the health care practitioner may be subject to sanctions under chapter 18.130 RCW, the Uniform Disciplinary Act"; and

(b) Other information as required by the department.

(5) A natural person who has a disability described in subsection (1) of this section and is expected to improve within twelve months may be issued a temporary placard for a period not to exceed twelve months. If the disability exists after twelve months, a new temporary placard must be issued upon receipt of a new application with certification from the person's physician as prescribed in subsections (3) and (4) of this section. Special license plates for persons with disabilities may not be issued to a person with a temporary disability.

(6) A natural person who qualifies for special parking privileges under this section must receive an identification card showing the name and date of birth of the person to whom the parking privilege has been issued and the serial number of the placard.

(7) A natural person who qualifies for permanent special parking privileges under this section may receive one of the following:

(a) Up to two parking placards;

(b) One set of special license plates for persons with disabilities if the person with the disability is the registered owner of the vehicle on which the license plates will be displayed;

(c) One parking placard and one set of special license plates for persons with disabilities if the person with the disability is the registered owner of the vehicle on which the license plates will be displayed; or

(d) One special parking year tab for persons with disabilities and one parking placard.

(8) Parking placards and identification cards described in this section must be issued free of charge.

(9) The parking placard and identification card must be immediately returned to the department upon the placard holder's death.

Passed by the House February 27, 2017.

Passed by the Senate March 31, 2017.

Approved by the Governor April 25, 2017.

Filed in Office of Secretary of State April 25, 2017.

CHAPTER 113

[House Bill 1593]

SMALL SECURITIES OFFERINGS--SECURITIES ACT--REGISTRATION EXEMPTIONS

AN ACT Relating to simplifying small securities offerings; amending RCW 21.20.880; and repealing RCW 21.20.883 and 21.20.886.

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

Sec. 1. RCW 21.20.880 and 2014 c 144 s 3 are each amended to read as follows:

(1) Any offer or sale of a security is exempt from RCW 21.20.040 through 21.20.300 and 21.20.327, except as expressly provided, if:

(a) The issuer first files the offering with the director and the director declares the offering ((~~is first declared~~)) exempt ((~~by the director after:~~

~~(i) The issuer files the offering with the director; or~~

~~(ii) A portal working in collaboration with the director files the offering with the director on behalf of the issuer under RCW 21.20.883~~));

(b) The offering is conducted in accordance with ((~~the requirements of section 3(a)(11) of the securities act of 1933 and securities and exchange commission rule 147, 17 C.F.R. Sec. 230.147~~)) an applicable exemption from registration under the securities act of 1933;

(c) The issuer is an entity ((~~organized and~~)) doing business in the state of Washington;

(d) ((~~Each investor provides evidence or certification of residency in the state of Washington at the time of purchase;~~

~~(e)~~)) The issuer files with the director an escrow agreement ((~~either directly or through a portal~~)) providing that all offering proceeds will be released to the issuer only when the aggregate capital raised from all investors equals or exceeds the minimum target offering, as determined by the director;

(((~~(f)~~))) (e) The aggregate purchase price of all securities sold by an issuer pursuant to the exemption provided by this section does not exceed one million dollars during any twelve-month period;

(((~~(g)~~))) (f) The aggregate amount sold to any investor, other than an "accredited investor" as that term is defined under the securities act of 1933, by one or more issuers during the twelve-month period preceding the date of the sale does not exceed:

(i) The greater of two thousand dollars or five percent of the annual income or net worth of the investor, as applicable, if either the annual income or the net worth of the investor is less than one hundred thousand dollars; or

(ii) Ten percent of the annual income or net worth of the investor, as applicable, up to one hundred thousand dollars, if either the annual income or net worth of the investor is one hundred thousand dollars or more;

(((~~(h)~~))) (g) The investor acknowledges by manual or electronic signature the following statement conspicuously presented at the time of sale on a page separate from other information relating to the offering: "I acknowledge that I am investing in a high-risk, speculative business venture, that I may lose all of my investment, and that I can afford the loss of my investment";

(((~~(i)~~))) (h) The issuer reasonably believes that all purchasers are purchasing for investment and not for sale in connection with a distribution of the security; and

((~~(j)~~)) (i) The issuer and investor provide any other information reasonably requested by the director.

(2) Attempted compliance with the exemption provided by this section does not act as an exclusive election. The issuer may claim any other applicable exemption.

(3) For as long as securities issued under the exemption provided by this section are outstanding, the issuer shall provide ((~~a quarterly~~)) an annual report to the issuer's shareholders and the director ((~~by making such report publicly accessible, free of charge, at the issuer's internet web site address within forty-five days of the end of each fiscal quarter~~)) no later than one hundred twenty days after the end of the fiscal year covered by the report. An issuer may provide the report to its shareholders by posting a copy of the report on the issuer's web site. The report must contain the following information:

(a) Executive officer and director compensation, including specifically the cash compensation earned by the executive officers and directors since the previous report and on an annual basis, and any bonuses or other compensation, including stock options or other rights to receive equity securities of the issuer or any affiliate of the issuer, received by them; and

(b) A brief analysis by management of the issuer of the business operations and financial condition of the issuer.

(4) Securities issued under the exemption provided by this section may not be transferred by the purchaser during a one-year period beginning on the date of purchase, unless the securities are transferred:

(a) To the issuer of the securities;

(b) To an accredited investor;

(c) As part of a registered offering; or

(d) To a member of the family of the purchaser or the equivalent, or in connection with the death or divorce or other similar circumstances, in the discretion of the director.

(5) The director shall adopt disqualification provisions under which this exemption shall not be available to any person or its predecessors, affiliates, officers, directors, underwriters, or other related persons. The provisions shall be substantially similar to the disqualification provisions adopted by the securities and exchange commission pursuant to the requirements of section 401(b)(2) of the Jobs act of 2012 or, if none, as adopted in Rule 506 of Regulation D. Notwithstanding the foregoing, this exemption shall become available on June 12, 2014.

(6) Any type of equity or convertible debt security may be offered under the exemption provided under this section.

(7) Subject to RCW 21.20.450, the director may adopt, amend, or repeal rules to implement this section, including the establishment of filing and transaction fees sufficient to cover the costs of administering this section.

NEW SECTION. **Sec. 2.** The following acts or parts of acts are each repealed:

(1) RCW 21.20.883 (Portals—Qualifications and use—Requirements) and 2016 c 61 s 16 & 2014 c 144 s 4; and

(2) RCW 21.20.886 (Rule making for small securities offerings) and 2014 c 144 s 5.

Passed by the House February 20, 2017.
Passed by the Senate April 4, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 114

[Engrossed House Bill 1728]

SEXUAL EXPLOITATION OF CHILDREN--SUBPOENAS--SPECIAL INQUIRY JUDGE

AN ACT Relating to protecting minors from sexual exploitation; amending RCW 10.27.170; adding a new chapter to Title 10 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** The legislature must continue to act to aid law enforcement in their efforts to prevent the unthinkable acts of sexual abuse of children and the horrendous social and emotional trauma experienced by victims of child pornography by expanding the tools available for law enforcement. The legislature finds that the expansion of the internet and computer-related technologies have led to a dramatic increase in the production and availability of child pornography by simplifying how it can be created, distributed, and collected. Between 2005 and 2009, the national center for missing and exploited children's child victim identification program has seen a four hundred thirty-two percent increase in child pornography films and files submitted for identification of the children depicted. The United States department of justice estimates that pornographers have recorded the abuse of more than one million children in the United States alone. Furthermore, there is a direct correlation between individuals who possess, download, and trade graphic images of child pornography and those who molest children. A well-known study conducted by crimes against children research center for the national center for missing and exploited children concluded that an estimated forty percent of those who possess child pornography have also directly victimized a child and fifteen percent have attempted to entice a child over the internet.

Victims of child pornography often experience severe and lasting harm from the permanent memorialization of the crimes committed against them. Child victims endure depression, withdrawal, anger, and other psychological disorders. Each and every time such an image is viewed, traded, printed, or downloaded, the child in that image is victimized again.

Investigators and prosecutors report serious challenges with combating child pornography because offenders can act anonymously on the internet. Investigators track the trading of child pornography by using internet protocol addresses, which are unique identifiers that each computer is assigned when it accesses the internet. Under federal law, if an internet service provider is presented with a subpoena and an internet protocol address by law enforcement, the provider must turn over the names and addresses of account holders matched to it. Access to such information allows investigators to efficiently evaluate investigative leads and determine whether to request a warrant for a specific internet user. The legislature finds that in investigations of child exploitation, the use of a special inquiry judge is the appropriate process for obtaining subpoenas

for the production of records from electronic communications providers under a less than probable cause standard while maintaining judicial oversight.

NEW SECTION. **Sec. 2.** (1) In a criminal investigation of an offense involving the sexual exploitation of children under chapter 9.68A RCW, the prosecuting attorney shall use the special inquiry judge process established under chapter 10.27 RCW when the prosecuting attorney determines it is necessary to the investigation to subpoena a provider of electronic communication services or remote computing services to obtain records relevant to the investigation, including, but not limited to, records or information that provide the following subscriber or customer information: (a) Name and address; (b) local and long distance telephone connection records, or records of session times and durations; (c) length of service and types of service utilized; (d) telephone or instrument number or other subscriber number or identity, including any temporarily assigned network address; and (e) means and source of payment for such service, including any credit card or bank account number.

(2) A provider who receives a subpoena for records as provided under subsection (1) of this section may not disclose the existence of the subpoena to the subscribers or customers whose records or information are requested or released under the subpoena.

(3) For the purposes of this section:

(a) "Electronic communication service" means any service that provides to users the ability to send or receive wire or electronic communications.

(b) "Provider" means a provider of electronic communicationservices or remote computing services.

(c) "Remote computing service" means the provision to the public of computer storage or processing services by means of an electronic communications system.

Sec. 3. RCW 10.27.170 and 1971 ex.s. c 67 s 17 are each amended to read as follows:

(1) When any public attorney, corporation counsel or city attorney has reason to suspect crime or corruption, within the jurisdiction of such attorney, and there is reason to believe that there are persons who may be able to give material testimony or provide material evidence concerning such suspected crime or corruption, such attorney may petition the judge designated as a special inquiry judge pursuant to RCW 10.27.050 for an order directed to such persons commanding them to appear at a designated time and place in said county and to then and there answer such questions concerning the suspected crime or corruption as the special inquiry judge may approve, or provide evidence as directed by the special inquiry judge.

(2) Upon petition of a prosecuting attorney for the establishment of a special inquiry judge proceeding in an investigation of sexual exploitation of children under section 2 of this act, the court shall establish the special inquiry judge proceeding, if appropriate, as soon as practicable but no later than seventy-two hours after the filing of the petition.

NEW SECTION. **Sec. 4.** Section 2 of this act constitutes a new chapter in Title 10 RCW.

Passed by the House March 1, 2017.
Passed by the Senate April 5, 2017.

Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 115

[House Bill 1757]

METHAMPHETAMINE CONTAMINATION--TRANSIENT ACCOMMODATIONS

AN ACT Relating to transient accommodations contaminated by methamphetamine; and amending RCW 64.44.005, 64.44.010, and 64.44.060.

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

Sec. 1. RCW 64.44.005 and 1990 c 213 s 1 are each amended to read as follows:

The legislature finds that some properties are being contaminated by hazardous chemicals used in unsafe or illegal ways in the manufacture of illegal drugs or by hazardous drugs contaminating transient accommodations regulated by the department. Innocent members of the public may be harmed by the residue left by these chemicals when the properties are subsequently rented or sold without having been decontaminated.

Sec. 2. RCW 64.44.010 and 2013 c 19 s 49 are each amended to read as follows:

The words and phrases defined in this section shall have the following meanings when used in this chapter unless the context clearly indicates otherwise.

(1) "Authorized contractor" means a person who decontaminates, demolishes, or disposes of contaminated property as required by this chapter who is certified by the department as provided for in RCW 64.44.060.

(2) "Contaminated" or "contamination" means polluted by hazardous chemicals so that the property is unfit for human habitation or use due to immediate or long-term hazards. Property that at one time was contaminated but has been satisfactorily decontaminated according to procedures established by the state board of health is not "contaminated."

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

(4) "Hazardous chemicals" means:

(a) Methamphetamine in amounts exceeding the decontamination standards set by the department when found in transient accommodations such as hotels, motels, bed and breakfasts, resorts, inns, crisis shelters, hostels, and retreats that are regulated by the department; and

(b) The following substances associated with the illegal manufacture of controlled substances: (((~~(a)~~))) (i) Hazardous substances as defined in RCW 70.105D.020; (((~~(b)~~))) (ii) precursor substances as defined in RCW 69.43.010 which the state board of health, in consultation with the pharmacy quality assurance commission, has determined present an immediate or long-term health hazard to humans; and (((~~(c)~~))) (iii) the controlled substance or substances being manufactured, as defined in RCW 69.50.101.

(5) "Officer" means a local health officer authorized under chapters 70.05, 70.08, and 70.46 RCW.

(6) "Property" means any real or personal property, or segregable part thereof, that is involved in or affected by the unauthorized manufacture,

distribution, ((~~or~~)) storage, or use of hazardous chemicals. This includes but is not limited to single-family residences, units of multiplexes, condominiums, apartment buildings, transient accommodations, boats, motor vehicles, trailers, manufactured housing, any shop, booth, garden, or storage shed, and all contents of the items referenced in this subsection.

Sec. 3. RCW 64.44.060 and 2013 c 251 s 6 are each amended to read as follows:

(1) A contractor, supervisor, or worker may not perform decontamination, demolition, or disposal work unless issued a certificate by the state department of health. The department shall establish performance standards for contractors, supervisors, and workers by rule in accordance with chapter 34.05 RCW, the administrative procedure act. The department shall train and test, or may approve courses to train and test, contractors, supervisors, and workers on the essential elements in assessing contaminated transient accommodations or property used as an illegal controlled substances manufacturing or storage site to determine hazard reduction measures needed, techniques for adequately reducing contaminants, use of personal protective equipment, methods for proper decontamination, demolition, removal, and disposal of contaminated property, and relevant federal and state regulations. Upon successful completion of the training, and after a background check, the contractor, supervisor, or worker shall be certified.

(2) The department may require the successful completion of annual refresher courses provided or approved by the department for the continued certification of the contractor or employee.

(3) The department shall provide for reciprocal certification of any individual trained to engage in decontamination, demolition, or disposal work in another state when the prior training is shown to be substantially similar to the training required by the department. The department may require such individuals to take an examination or refresher course before certification.

(4) The department may deny, suspend, revoke, or place restrictions on a certificate for failure to comply with the requirements of this chapter or any rule adopted pursuant to this chapter. A certificate may be denied, suspended, revoked, or have restrictions placed on it on any of the following grounds:

(a) Failing to perform decontamination, demolition, or disposal work under the supervision of trained personnel;

(b) Failing to perform decontamination, demolition, or disposal work using department of health certified decontamination personnel;

(c) Failing to file a work plan;

(d) Failing to perform work pursuant to the work plan;

(e) Failing to perform work that meets the requirements of the department and the requirements of the local health officers;

(f) Failing to properly dispose of contaminated property;

(g) Committing fraud or misrepresentation in: (i) Applying for or obtaining a certification, recertification, or reinstatement; (ii) seeking approval of a work plan; and (iii) documenting completion of work to the department or local health officer;

(h) Failing the evaluation and inspection of decontamination projects pursuant to RCW 64.44.075; or

(i) If the person has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order or a residential or visitation order. If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license or certificate shall be automatic upon the department's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order.

(5) A contractor, supervisor, or worker who violates any provision of this chapter may be assessed a fine not to exceed five hundred dollars for each violation.

(6) The department of health shall prescribe fees as provided for in RCW 43.70.250 for: The issuance and renewal of certificates, conducting background checks of applicants, the administration of examinations, and the review of training courses.

Passed by the House March 1, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 116

[Engrossed Substitute House Bill 1809]

CLEAN ALTERNATIVE FUEL COMMERCIAL VEHICLES--TAX CREDITS--VARIOUS CHANGES

AN ACT Relating to tax credits for clean alternative fuel commercial vehicles; amending RCW 82.16.0496; amending 2016 c 29 s 3 (uncodified); reenacting and amending RCW 82.04.4496; providing an effective date; and providing expiration dates.

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

Sec. 1. RCW 82.04.4496 and 2016 c 29 s 1 are each reenacted and amended to read as follows:

(1)(a) A person who is taxable under this chapter is allowed a credit against the tax imposed in this chapter according to the gross vehicle weight rating of the vehicle and the incremental cost of the vehicle purchased above the purchase price of a comparable conventionally fueled vehicle. The credit is limited, as set forth in the table below, to the lesser of the incremental cost amount or the maximum credit amount per vehicle purchased, and subject to a maximum annual credit amount per vehicle class.

Gross Vehicle Weight	Incremental Cost Amount	Maximum Credit Amount Per Vehicle	Maximum Annual Credit Per Vehicle Class
Up to 14,000 pounds	50% of incremental cost	((~~$5,000~~)) $25,000	$2,000,000
14,001 to 26,500 pounds	50% of incremental cost	((~~$10,000~~)) $50,000	$2,000,000
Above 26,500 pounds	50% of incremental cost	((~~$20,000~~)) $100,000	$2,000,000

(b) On September 1st of each year any unused credits from any weight class identified in the table in (a) of this subsection must be made available to applicants applying for credits under any other weight class listed.

(c) The credit provided in this subsection (1) is available for the lease of a vehicle. The credit amount for a leased vehicle is equal to the credit in this subsection (1) multiplied by the lease reduction factor. The person claiming the credit for a leased vehicle must be the lessee as identified in the lease contract.

(2) A person who is taxable under this chapter is allowed, subject to the maximum annual credit per vehicle class in subsection (1)(a) of this section, a credit against the tax imposed in this chapter for the lesser of twenty-five thousand dollars or thirty percent of the costs of converting a commercial vehicle to be principally powered by a clean alternative fuel with a United States environmental protection agency certified conversion.

(3) The total credits under this section may not exceed the lesser of two hundred fifty thousand dollars or twenty-five vehicles per person per calendar year.

(4) A person may not receive credit under this section for amounts claimed as credits under chapter 82.16 RCW.

(5) Credits are available on a first-in-time basis. The department must disallow any credits, or portion thereof, that would cause the total amount of credits claimed under this section, and RCW 82.16.0496, during any calendar year to exceed six million dollars. The department must provide notification on its web site monthly on the amount of credits that have been applied for, the amount issued, and the amount remaining before the statewide annual limit is reached. In addition, the department must provide written notice to any person who has applied to claim tax credits in excess of the limitation in this subsection.

(6) For the purposes of the limits provided in this section, a credit must be counted against such limits for the calendar year in which the credit is earned.

(7) To claim a credit under this section a person must electronically file with the department all returns, forms, and any other information required by the department, in an electronic format as provided or approved by the department. No refunds may be granted for credits under this section.

(8) To claim a credit under this section, the person applying must:

(a) Complete an application for the credit which must include:

(i) The name, business address, and tax identification number of the applicant;

(ii) A quote or unexecuted copy of the purchase requisition or order for the vehicle;

(iii) The type of alternative fuel to be used by the vehicle;

(iv) The incremental cost of the alternative fuel system;

(v) The anticipated delivery date of the vehicle;

(vi) The estimated annual fuel use of the vehicle in ((~~its~~)) the anticipated duties;

(vii) The gross weight of ((~~the~~)) each vehicle;

(viii) For leased vehicles, a copy of the lease contract that includes the gross capitalized cost, residual value, and name of the lessee; and

(ix) Any other information deemed necessary by the department to support administration or reporting of the program.

(b) Within fifteen days of notice of credit availability from the department, provide notice of intent to claim the credit including:

(i) A copy of the order for the vehicle, including the total cost for the vehicle;

(ii) The anticipated delivery date of the vehicle, which must be within one ((~~hundred twenty days~~)) year of acceptance of the credit; and

(iii) Any other information deemed necessary by the department to support administration or reporting of the program.

(c) Provide final documentation within fifteen days of receipt of the vehicle, including:

(i) A copy of the final invoice for the vehicle;

(ii) A copy of the factory build sheet or equivalent documentation;

(iii) The vehicle identification number of ((~~the~~)) each vehicle;

(iv) The incremental cost of the alternative fuel system;

(v) Attestations signed by both the seller and purchaser of ((~~the~~)) each vehicle attesting that the incremental cost of the alternative fuel system includes only the costs necessary for the vehicle to run on alternative fuel and no other vehicle options, equipment, or costs; and

(vi) Any other information deemed necessary by the department to support administration or reporting of the program.

(9) A person applying for credit under subsection (8) of this section may apply for multiple vehicles on the same application, but the application must include the required information for each vehicle included in the application.

(10) To administer the credits, the department must, at a minimum:

(a) Provide notification on its web site monthly of the amount of credits that have been applied for, claimed, and the amount remaining before the statewide annual limit is reached;

(b) Within fifteen days of receipt of the application, notify persons applying of the availability of tax credits in the year in which the vehicles applied for are anticipated to be delivered;

(c) Within fifteen days of receipt of the notice of intent to claim the tax credit, notify the applicant of the approval, denial, or missing information in their notice; and

(d) Within fifteen days of receipt of final documentation, review the documentation and notify the person applying of the acceptance of their final documentation.

((~~(10)~~)) (11) If a person fails to supply the information as required in subsection (8) of this section, the department must deny the application.

((~~(11)~~)) (12)(a) Taxpayers are only eligible for a credit under this section based on:

(i) Sales or leases of new commercial vehicles and qualifying used commercial vehicles with propulsion units that are principally powered by a clean alternative fuel; or

(ii) Costs to modify a commercial vehicle, including sales of tangible personal property incorporated into the vehicle and labor or service expenses incurred in modifying the vehicle, to be principally powered by a clean alternative fuel.

(b) A credit is earned when ((~~qualifying purchases are made~~)) the purchaser or the lessee takes receipt of the qualifying commercial vehicle or the conversion is complete.

(((~~(12)~~))) (13) A credit earned during one calendar year may be carried over to be credited against taxes incurred in the subsequent calendar year, but may not be carried over a second year.

(((~~(13)~~))) (14)(a) Beginning November 25, 2015, and on the 25th of February, May, August, and November of each year thereafter, the department must notify the state treasurer of the amount of credits taken under this section as reported on returns filed with the department during the preceding calendar quarter ending on the last day of December, March, June, and September, respectively.

(b) On the last day of March, June, September, and December of each year, the state treasurer, based upon information provided by the department, must transfer a sum equal to the dollar amount of the credit provided under this section from the multimodal transportation account to the general fund.

(((~~(14)~~))) (15) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Auto transportation company" means any corporation or person owning, controlling, operating, or managing any motor propelled vehicle, used in the business of transporting persons for compensation over public highways within the state of Washington, between fixed points or over a regular route.

(b) "Clean alternative fuel" means electricity, dimethyl ether, hydrogen, methane, natural gas, liquefied natural gas, compressed natural gas, or propane.

(((~~(b)~~))) (c) "Commercial vehicle" means any commercial vehicle that is purchased by a private business and that is used exclusively in the provision of commercial services or the transportation of commodities, merchandise, produce, refuse, freight, ((~~or~~)) animals, or passengers, and that is displaying a Washington state license plate. All commercial vehicles that provide transportation to passengers must be operated by an auto transportation company.

(((~~(c)~~))) (d) "Gross capitalized cost" means the agreed upon value of the commercial vehicle and including any other items a person pays over the lease term that are included in such cost.

(((~~(d)~~))) (e) "Lease reduction factor" means the vehicle gross capitalized cost less the residual value, divided by the gross capitalized cost.

(((~~(e)~~))) (f) "Qualifying used commercial vehicle" means vehicles that:

(i) Have an odometer reading of less than ((~~thirty~~)) four hundred fifty thousand miles;

(ii) Are less than ((~~two~~)) ten years past their original date of manufacture;

(iii) Were modified after the initial purchase with a United States environmental protection agency certified conversion that would allow the propulsion units to be principally powered by a clean alternative fuel; and

(iv) Are being sold for the first time after modification.

(((~~(f)~~))) (g) "Residual value" means the lease-end value of the vehicle as determined by the lessor, at the end of the lease term included in the lease contract.

(((~~(15)~~))) (16) Credits may be earned under this section from January 1, 2016, through January 1, 2021, except for credits for leased vehicles, which may be earned from July 1, 2016, through January 1, 2021.

(((~~(16)~~))) (17) Credits earned under this section may not be used after January 1, 2022.

(18) This section expires January 1, 2022.

Sec. 2. RCW 82.16.0496 and 2016 c 29 s 2 are each amended to read as follows:

(1)(a) A person who is taxable under this chapter is allowed a credit against the tax imposed in this chapter according to the gross vehicle weight rating of the vehicle and the incremental cost of the vehicle purchased above the purchase price of a comparable conventionally fueled vehicle. The credit is limited, as set forth in the table below, to the lesser of the incremental cost amount or the maximum credit amount per vehicle purchased, and subject to a maximum annual credit amount per vehicle class.

Gross Vehicle Weight	Incremental Cost Amount	Maximum Credit Amount Per Vehicle	Maximum Annual Credit Per Vehicle Class
Up to 14,000 pounds	50% of incremental cost	(($~~$5,000~~$)) $25,000	$2,000,000
14,001 to 26,500 pounds	50% of incremental cost	(($~~$10,000~~$)) $50,000	$2,000,000
Above 26,500 pounds	50% of incremental cost	(($~~$20,000~~$)) $100,000	$2,000,000

(b) On September 1st of each year any unused credits from any weight class identified in the table in (a) of this subsection must be made available to applicants applying for credits under any other weight class listed.

(c) The credit provided in this subsection (1) is available for the lease of a vehicle. The credit amount for a leased vehicle is equal to the credit in this subsection (1) multiplied by the lease reduction factor. The person claiming the credit for a leased vehicle must be the lessee as identified in the lease contract.

(2) A person who is taxable under this chapter is allowed, subject to the maximum annual credit per vehicle class in subsection (1)(a) of this section, a credit against the tax imposed in this chapter for the lesser of twenty-five thousand dollars or thirty percent of the costs of converting a commercial vehicle to be principally powered by a clean alternative fuel with a United States environmental protection agency certified conversion.

(3) The total credits under this section may not exceed two hundred fifty thousand dollars or twenty-five vehicles per person per calendar year.

(4) A person may not receive credit under this section for amounts claimed as credits under chapter 82.04 RCW.

(5) Credits are available on a first-in-time basis. The department must disallow any credits, or portion thereof, that would cause the total amount of credits claimed under this section, and RCW 82.04.4496, during any calendar year to exceed six million dollars. The department must provide notification on its web site monthly on the amount of credits that have been applied for, the amount issued, and the amount remaining before the statewide annual limit is reached. In addition, the department must provide written notice to any person who has applied to claim tax credits in excess of the limitation in this subsection.

(6) For the purposes of the limits provided in this section, a credit must be counted against such limits for the calendar year in which the credit is earned.

(7) To claim a credit under this section a person must electronically file with the department all returns, forms, and any other information required by the department, in an electronic format as provided or approved by the department. No refunds may be granted for credits under this section.

(8) To claim a credit under this section, the person applying must:

(a) Complete an application for the credit which must include:

(i) The name, business address, and tax identification number of the applicant;

(ii) A quote or unexecuted copy of the purchase requisition or order for the vehicle;

(iii) The type of alternative fuel to be used by the vehicle;

(iv) The incremental cost of the alternative fuel system;

(v) The anticipated delivery date of the vehicle;

(vi) The estimated annual fuel use of the vehicle in ((~~its~~)) the anticipated duties;

(vii) The gross weight of ((~~the~~)) each vehicle;

(viii) For leased vehicles, a copy of the lease contract that includes the gross capitalized cost, residual value, and name of the lessee; and

(ix) Any other information deemed necessary by the department to support administration or reporting of the program.

(b) Within fifteen days of notice of credit availability from the department, provide notice of intent to claim the credit including:

(i) A copy of the order for the vehicle, including the total cost for the vehicle;

(ii) The anticipated delivery date of the vehicle, which must be within one ((~~hundred twenty days~~)) year of acceptance of the credit; and

(iii) Any other information deemed necessary by the department to support administration or reporting of the program.

(c) Provide final documentation within fifteen days of receipt of the vehicle, including:

(i) A copy of the final invoice for the vehicle;

(ii) A copy of the factory build sheet or equivalent documentation;

(iii) The vehicle identification number of ((~~the~~)) each vehicle;

(iv) The incremental cost of the alternative fuel system;

(v) Attestations signed by both the seller and purchaser of the vehicle attesting that the incremental cost of the alternative fuel system includes only the costs necessary for the vehicle to run on alternative fuel and no other vehicle options, equipment, or costs; and

(vi) Any other information deemed necessary by the department to support administration or reporting of the program.

(9) A person applying for credit under subsection (8) of this section may apply for multiple vehicles on the same application, but the application must include the required information for each vehicle included in the application.

(10) To administer the credits, the department must, at a minimum:

(a) Provide notification on its web site monthly of the amount of credits that have been applied for, claimed, and the amount remaining before the statewide annual limit is reached;

(b) Within fifteen days of receipt of the application, notify persons applying of the availability of tax credits in the year in which the vehicles applied for are anticipated to be delivered;

(c) Within fifteen days of receipt of the notice of intent to claim the tax credit, notify the applicant of the approval, denial, or missing information in their notice; and

(d) Within fifteen days of receipt of final documentation, review the documentation and notify the person applying of the acceptance of their final documentation.

(((~~(10)~~))) (11) If a person fails to supply the information as required in subsection (8) of this section, the department must deny the application.

(((~~(11)~~))) (12)(a) Taxpayers are only eligible for a credit under this section based on:

(i) Sales or leases of new commercial vehicles and qualifying used commercial vehicles with propulsion units that are principally powered by a clean alternative fuel; or

(ii) Costs to modify a commercial vehicle, including sales of tangible personal property incorporated into the vehicle and labor or service expenses incurred in modifying the vehicle, to be principally powered by a clean alternative fuel.

(b) A credit is earned when ((~~qualifying purchases are made~~)) the purchaser or the lessee takes receipt of the qualifying commercial vehicle or the conversion is complete.

(((~~(12)~~))) (13) The definitions in RCW 82.04.4496 apply to this section.

(((~~(13)~~))) (14) A credit earned during one calendar year may be carried over to be credited against taxes incurred in the subsequent calendar year, but may not be carried over a second year.

(((~~(14)~~))) (15)(a) Beginning November 25, 2015, and on the 25th of February, May, August, and November of each year thereafter, the department must notify the state treasurer of the amount of credits taken under this section as reported on returns filed with the department during the preceding calendar quarter ending on the last day of December, March, June, and September, respectively.

(b) On the last day of March, June, September, and December of each year, the state treasurer, based upon information provided by the department, must transfer a sum equal to the dollar amount of the credit provided under this section from the multimodal transportation account to the general fund.

(((~~(15)~~))) (16) Credits may be earned under this section from January 1, 2016, through January 1, 2021, except for credits for leased vehicles, which may be earned from July 1, 2016, through January 1, 2021.

(((~~(16)~~))) (17) Credits earned under this section may not be used after January 1, 2022.

(18) This section expires January 1, 2022.

Sec. 3. 2016 c 29 s 3 (uncodified) is amended to read as follows:

(1) This section and sections 411 and 412 of this act may be known and cited as the clean fuel vehicle incentives act.

(2) The legislature finds that cleaner fuels reduce greenhouse gas emissions in the transportation sector and lead to a more sustainable environment. The legislature further finds that alternative fuel vehicles cost more than comparable models of conventional fuel vehicles, particularly in the commercial market. The

legislature further finds the higher cost of alternative fuel vehicles incentivize companies to purchase comparable models of conventional fuel vehicles. The legislature further finds that other states provide various tax credits and exemptions. The legislature further finds incentivizing businesses to purchase cleaner, alternative fuel vehicles is a collaborative step toward meeting the state's climate and environmental goals.

(3)(a) This subsection is the tax preference performance statement for the clean alternative fuel vehicle tax credits provided in ((~~RCW 82.04.4496 and 82.16.0496~~)) section 1, chapter . . . , Laws of 2017 (section 1 of this act), sections 1 and 2, chapter 29, Laws of 2016, and sections 411 and 412, chapter 44, Laws of 2015 3rd sp. sess. The performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(b) The legislature categorizes the tax preference as one intended to induce certain designated behavior by taxpayers.

(c) It is the legislature's specific public policy objective to provide a credit against business and occupation and public utility taxes to increase sales of commercial vehicles that use clean alternative fuel to ten percent of commercial vehicle sales by 2021.

(d) To measure the effectiveness of the credit provided in ((~~this act~~)) section 1, chapter . . ., Laws of 2017 (section 1 of this act), sections 1 and 2, chapter 29, Laws of 2016, and sections 411 and 412, chapter 44, Laws of 2015 3rd sp. sess. in achieving the specific public policy objective described in (c) of this subsection, the joint legislative audit and review committee must, at minimum, evaluate the changes in the number of commercial vehicles that are powered by clean alternative fuel that are registered in Washington state.

(e)(i) The department of licensing must provide data needed for the joint legislative audit and review committee's analysis in (d) of this subsection.

(ii) In addition to the data source described under (e)(i) of this subsection, the joint legislative audit and review committee may use any other data it deems necessary in performing the evaluation under (d) of this subsection.

NEW SECTION. **Sec. 4.** This act takes effect January 1, 2018.

Passed by the House March 1, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 117

[House Bill 1853]

NONOPERATIONAL HISTORICAL FACILITIES--REFERENCES

AN ACT Relating to removing references to specific nonoperational historical facilities from state statute; and amending RCW 27.34.395 and 27.34.900.

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

Sec. 1. RCW 27.34.395 and 2007 c 138 s 3 are each amended to read as follows:

The legislature affirms that the Washington state historical society is the state's designated partner representative for the Vancouver national historic reserve. Accordingly, the Washington state historical society shall:

(1) Participate in the regularly scheduled coordination meetings of the Vancouver national historic reserve partners;

(2) Participate in the development of management, education, and interpretive plans and policies associated with the Vancouver national historic reserve; and

(3) ((~~Partner with Washington State University and other agencies for purposes of managing the center for Columbia river history, headquartered on the Vancouver national historic reserve, and with the department for preservation and rehabilitation of the site; and~~

~~(4)~~)) Develop and submit to the office of financial management and the legislature operating and capital budget requests concurrent with the biennial cycle and oversee the management of all funds appropriated by the state for the Vancouver national historic reserve.

Sec. 2. RCW 27.34.900 and 1993 c 101 s 13 are each amended to read as follows:

The building and grounds designated as Block 2, Grainger's Addition to the City of Olympia, County of Thurston, acquired by the state under senate joint resolution No. 18, session of 1939, is hereby designated a part of the state capitol, to be known as the ((~~state capital historical museum. This structure is to be used to house and interpret the collection of the Washington state historical society. This section does not limit the society's use of other structures~~)) historic Lord mansion.

Passed by the House February 27, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 118

[House Bill 1931]

MANDATED CHILD ABUSE AND NEGLECT REPORTERS--INFORMATIONAL POSTERS

AN ACT Relating to posting child abuse and neglect mandated reporter requirements; and amending RCW 26.44.030.

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

Sec. 1. RCW 26.44.030 and 2016 c 166 s 4 are each amended to read as follows:

(1)(a) When any practitioner, county coroner or medical examiner, law enforcement officer, professional school personnel, registered or licensed nurse, social service counselor, psychologist, pharmacist, employee of the department of early learning, licensed or certified child care providers or their employees, employee of the department, juvenile probation officer, placement and liaison specialist, responsible living skills program staff, HOPE center staff, state family and children's ombuds or any volunteer in the ombuds's office, or host home program has reasonable cause to believe that a child has suffered abuse or neglect, he or she shall report such incident, or cause a report to be made, to the

proper law enforcement agency or to the department as provided in RCW 26.44.040.

(b) When any person, in his or her official supervisory capacity with a nonprofit or for-profit organization, has reasonable cause to believe that a child has suffered abuse or neglect caused by a person over whom he or she regularly exercises supervisory authority, he or she shall report such incident, or cause a report to be made, to the proper law enforcement agency, provided that the person alleged to have caused the abuse or neglect is employed by, contracted by, or volunteers with the organization and coaches, trains, educates, or counsels a child or children or regularly has unsupervised access to a child or children as part of the employment, contract, or voluntary service. No one shall be required to report under this section when he or she obtains the information solely as a result of a privileged communication as provided in RCW 5.60.060.

Nothing in this subsection (1)(b) shall limit a person's duty to report under (a) of this subsection.

For the purposes of this subsection, the following definitions apply:

(i) "Official supervisory capacity" means a position, status, or role created, recognized, or designated by any nonprofit or for-profit organization, either for financial gain or without financial gain, whose scope includes, but is not limited to, overseeing, directing, or managing another person who is employed by, contracted by, or volunteers with the nonprofit or for-profit organization.

(ii) "Organization" includes a sole proprietor, partnership, corporation, limited liability company, trust, association, financial institution, governmental entity, other than the federal government, and any other individual or group engaged in a trade, occupation, enterprise, governmental function, charitable function, or similar activity in this state whether or not the entity is operated as a nonprofit or for-profit entity.

(iii) "Reasonable cause" means a person witnesses or receives a credible written or oral report alleging abuse, including sexual contact, or neglect of a child.

(iv) "Regularly exercises supervisory authority" means to act in his or her official supervisory capacity on an ongoing or continuing basis with regards to a particular person.

(v) "Sexual contact" has the same meaning as in RCW 9A.44.010.

(c) The reporting requirement also applies to department of corrections personnel who, in the course of their employment, observe offenders or the children with whom the offenders are in contact. If, as a result of observations or information received in the course of his or her employment, any department of corrections personnel has reasonable cause to believe that a child has suffered abuse or neglect, he or she shall report the incident, or cause a report to be made, to the proper law enforcement agency or to the department as provided in RCW 26.44.040.

(d) The reporting requirement shall also apply to any adult who has reasonable cause to believe that a child who resides with them, has suffered severe abuse, and is able or capable of making a report. For the purposes of this subsection, "severe abuse" means any of the following: Any single act of abuse that causes physical trauma of sufficient severity that, if left untreated, could cause death; any single act of sexual abuse that causes significant bleeding, deep bruising, or significant external or internal swelling; or more than one act of

physical abuse, each of which causes bleeding, deep bruising, significant external or internal swelling, bone fracture, or unconsciousness.

(e) The reporting requirement also applies to guardians ad litem, including court-appointed special advocates, appointed under Titles 11 and 13 RCW and this title, who in the course of their representation of children in these actions have reasonable cause to believe a child has been abused or neglected.

(f) The reporting requirement in (a) of this subsection also applies to administrative and academic or athletic department employees, including student employees, of institutions of higher education, as defined in RCW 28B.10.016, and of private institutions of higher education.

(g) The report must be made at the first opportunity, but in no case longer than forty-eight hours after there is reasonable cause to believe that the child has suffered abuse or neglect. The report must include the identity of the accused if known.

(2) The reporting requirement of subsection (1) of this section does not apply to the discovery of abuse or neglect that occurred during childhood if it is discovered after the child has become an adult. However, if there is reasonable cause to believe other children are or may be at risk of abuse or neglect by the accused, the reporting requirement of subsection (1) of this section does apply.

(3) Any other person who has reasonable cause to believe that a child has suffered abuse or neglect may report such incident to the proper law enforcement agency or to the department of social and health services as provided in RCW 26.44.040.

(4) The department, upon receiving a report of an incident of alleged abuse or neglect pursuant to this chapter, involving a child who has died or has had physical injury or injuries inflicted upon him or her other than by accidental means or who has been subjected to alleged sexual abuse, shall report such incident to the proper law enforcement agency, including military law enforcement, if appropriate. In emergency cases, where the child's welfare is endangered, the department shall notify the proper law enforcement agency within twenty-four hours after a report is received by the department. In all other cases, the department shall notify the law enforcement agency within seventy-two hours after a report is received by the department. If the department makes an oral report, a written report must also be made to the proper law enforcement agency within five days thereafter.

(5) Any law enforcement agency receiving a report of an incident of alleged abuse or neglect pursuant to this chapter, involving a child who has died or has had physical injury or injuries inflicted upon him or her other than by accidental means, or who has been subjected to alleged sexual abuse, shall report such incident in writing as provided in RCW 26.44.040 to the proper county prosecutor or city attorney for appropriate action whenever the law enforcement agency's investigation reveals that a crime may have been committed. The law enforcement agency shall also notify the department of all reports received and the law enforcement agency's disposition of them. In emergency cases, where the child's welfare is endangered, the law enforcement agency shall notify the department within twenty-four hours. In all other cases, the law enforcement agency shall notify the department within seventy-two hours after a report is received by the law enforcement agency.

(6) Any county prosecutor or city attorney receiving a report under subsection (5) of this section shall notify the victim, any persons the victim requests, and the local office of the department, of the decision to charge or decline to charge a crime, within five days of making the decision.

(7) The department may conduct ongoing case planning and consultation with those persons or agencies required to report under this section, with consultants designated by the department, and with designated representatives of Washington Indian tribes if the client information exchanged is pertinent to cases currently receiving child protective services. Upon request, the department shall conduct such planning and consultation with those persons required to report under this section if the department determines it is in the best interests of the child. Information considered privileged by statute and not directly related to reports required by this section must not be divulged without a valid written waiver of the privilege.

(8) Any case referred to the department by a physician licensed under chapter 18.57 or 18.71 RCW on the basis of an expert medical opinion that child abuse, neglect, or sexual assault has occurred and that the child's safety will be seriously endangered if returned home, the department shall file a dependency petition unless a second licensed physician of the parents' choice believes that such expert medical opinion is incorrect. If the parents fail to designate a second physician, the department may make the selection. If a physician finds that a child has suffered abuse or neglect but that such abuse or neglect does not constitute imminent danger to the child's health or safety, and the department agrees with the physician's assessment, the child may be left in the parents' home while the department proceeds with reasonable efforts to remedy parenting deficiencies.

(9) Persons or agencies exchanging information under subsection (7) of this section shall not further disseminate or release the information except as authorized by state or federal statute. Violation of this subsection is a misdemeanor.

(10) Upon receiving a report of alleged abuse or neglect, the department shall make reasonable efforts to learn the name, address, and telephone number of each person making a report of abuse or neglect under this section. The department shall provide assurances of appropriate confidentiality of the identification of persons reporting under this section. If the department is unable to learn the information required under this subsection, the department shall only investigate cases in which:

(a) The department believes there is a serious threat of substantial harm to the child;

(b) The report indicates conduct involving a criminal offense that has, or is about to occur, in which the child is the victim; or

(c) The department has a prior founded report of abuse or neglect with regard to a member of the household that is within three years of receipt of the referral.

(11)(a) Upon receiving a report of alleged abuse or neglect, the department shall use one of the following discrete responses to reports of child abuse or neglect that are screened in and accepted for departmental response:

(i) Investigation; or

(ii) Family assessment.

(b) In making the response in (a) of this subsection the department shall:

(i) Use a method by which to assign cases to investigation or family assessment which are based on an array of factors that may include the presence of: Imminent danger, level of risk, number of previous child abuse or neglect reports, or other presenting case characteristics, such as the type of alleged maltreatment and the age of the alleged victim. Age of the alleged victim shall not be used as the sole criterion for determining case assignment;

(ii) Allow for a change in response assignment based on new information that alters risk or safety level;

(iii) Allow families assigned to family assessment to choose to receive an investigation rather than a family assessment;

(iv) Provide a full investigation if a family refuses the initial family assessment;

(v) Provide voluntary services to families based on the results of the initial family assessment. If a family refuses voluntary services, and the department cannot identify specific facts related to risk or safety that warrant assignment to investigation under this chapter, and there is not a history of reports of child abuse or neglect related to the family, then the department must close the family assessment response case. However, if at any time the department identifies risk or safety factors that warrant an investigation under this chapter, then the family assessment response case must be reassigned to investigation;

(vi) Conduct an investigation, and not a family assessment, in response to an allegation that, the department determines based on the intake assessment:

(A) Poses a risk of "imminent harm" consistent with the definition provided in RCW 13.34.050, which includes, but is not limited to, sexual abuse and sexual exploitation as defined in this chapter;

(B) Poses a serious threat of substantial harm to a child;

(C) Constitutes conduct involving a criminal offense that has, or is about to occur, in which the child is the victim;

(D) The child is an abandoned child as defined in RCW 13.34.030;

(E) The child is an adjudicated dependent child as defined in RCW 13.34.030, or the child is in a facility that is licensed, operated, or certified for care of children by the department under chapter 74.15 RCW, or by the department of early learning.

(c) The department may not be held civilly liable for the decision to respond to an allegation of child abuse or neglect by using the family assessment response under this section unless the state or its officers, agents, or employees acted with reckless disregard.

(12)(a) For reports of alleged abuse or neglect that are accepted for investigation by the department, the investigation shall be conducted within time frames established by the department in rule. In no case shall the investigation extend longer than ninety days from the date the report is received, unless the investigation is being conducted under a written protocol pursuant to RCW 26.44.180 and a law enforcement agency or prosecuting attorney has determined that a longer investigation period is necessary. At the completion of the investigation, the department shall make a finding that the report of child abuse or neglect is founded or unfounded.

(b) If a court in a civil or criminal proceeding, considering the same facts or circumstances as are contained in the report being investigated by the

department, makes a judicial finding by a preponderance of the evidence or higher that the subject of the pending investigation has abused or neglected the child, the department shall adopt the finding in its investigation.

(13) For reports of alleged abuse or neglect that are responded to through family assessment response, the department shall:

(a) Provide the family with a written explanation of the procedure for assessment of the child and the family and its purposes;

(b) Collaborate with the family to identify family strengths, resources, and service needs, and develop a service plan with the goal of reducing risk of harm to the child and improving or restoring family well-being;

(c) Complete the family assessment response within forty-five days of receiving the report; however, upon parental agreement, the family assessment response period may be extended up to ninety days;

(d) Offer services to the family in a manner that makes it clear that acceptance of the services is voluntary;

(e) Implement the family assessment response in a consistent and cooperative manner;

(f) Have the parent or guardian sign an agreement to participate in services before services are initiated that informs the parents of their rights under family assessment response, all of their options, and the options the department has if the parents do not sign the consent form.

(14)(a) In conducting an investigation or family assessment of alleged abuse or neglect, the department or law enforcement agency:

(i) May interview children. If the department determines that the response to the allegation will be family assessment response, the preferred practice is to request a parent's, guardian's, or custodian's permission to interview the child before conducting the child interview unless doing so would compromise the safety of the child or the integrity of the assessment. The interviews may be conducted on school premises, at day-care facilities, at the child's home, or at other suitable locations outside of the presence of parents. If the allegation is investigated, parental notification of the interview must occur at the earliest possible point in the investigation that will not jeopardize the safety or protection of the child or the course of the investigation. Prior to commencing the interview the department or law enforcement agency shall determine whether the child wishes a third party to be present for the interview and, if so, shall make reasonable efforts to accommodate the child's wishes. Unless the child objects, the department or law enforcement agency shall make reasonable efforts to include a third party in any interview so long as the presence of the third party will not jeopardize the course of the investigation; and

(ii) Shall have access to all relevant records of the child in the possession of mandated reporters and their employees.

(b) The Washington state school directors' association shall adopt a model policy addressing protocols when an interview, as authorized by this subsection, is conducted on school premises. In formulating its policy, the association shall consult with the department and the Washington association of sheriffs and police chiefs.

(15) If a report of alleged abuse or neglect is founded and constitutes the third founded report received by the department within the last twelve months involving the same child or family, the department shall promptly notify the

office of the family and children's ombuds of the contents of the report. The department shall also notify the ombuds of the disposition of the report.

(16) In investigating and responding to allegations of child abuse and neglect, the department may conduct background checks as authorized by state and federal law.

(17)(a) The department shall maintain investigation records and conduct timely and periodic reviews of all founded cases of abuse and neglect. The department shall maintain a log of screened-out nonabusive cases.

(b) In the family assessment response, the department shall not make a finding as to whether child abuse or neglect occurred. No one shall be named as a perpetrator and no investigative finding shall be entered in the department's child abuse or neglect database.

(18) The department shall use a risk assessment process when investigating alleged child abuse and neglect referrals. The department shall present the risk factors at all hearings in which the placement of a dependent child is an issue. Substance abuse must be a risk factor.

(19) Upon receipt of a report of alleged abuse or neglect the law enforcement agency may arrange to interview the person making the report and any collateral sources to determine if any malice is involved in the reporting.

(20) Upon receiving a report of alleged abuse or neglect involving a child under the court's jurisdiction under chapter 13.34 RCW, the department shall promptly notify the child's guardian ad litem of the report's contents. The department shall also notify the guardian ad litem of the disposition of the report. For purposes of this subsection, "guardian ad litem" has the meaning provided in RCW 13.34.030.

(21) The department shall make efforts as soon as practicable to determine the military status of parents whose children are subject to abuse or neglect allegations. If the department determines that a parent or guardian is in the military, the department shall notify a department of defense family advocacy program that there is an allegation of abuse and neglect that is screened in and open for investigation that relates to that military parent or guardian.

(22) The department shall make available on its public web site a downloadable and printable poster that includes the reporting requirements included in this section. The poster must be no smaller than eight and one-half by eleven inches with all information on one side. The poster must be made available in both the English and Spanish languages. Organizations that include employees or volunteers subject to the reporting requirements of this section must clearly display this poster in a common area. At a minimum, this poster must include the following:

(a) Who is required to report child abuse and neglect;

(b) The standard of knowledge to justify a report;

(c) The definition of reportable crimes;

(d) Where to report suspected child abuse and neglect; and

(e) What should be included in a report and the appropriate timing.

Passed by the House February 28, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 119

[House Bill 1959]

LOCAL GOVERNMENT RESTRICTIVE COVENANTS--REMOVAL--PUBLIC HEARING

AN ACT Relating to requiring a public hearing before a local government may remove a restrictive covenant from land owned by the local government; adding a new section to chapter 35.21 RCW; adding a new section to chapter 35A.21 RCW; adding a new section to chapter 36.01 RCW; and creating new sections.

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

NEW SECTION. **Sec. 1.** This act may be known and cited as the land covenant preservation and transparency act.

NEW SECTION. **Sec. 2.** The legislature finds that many pieces of property are provided to government agencies as part of agreements in which the land includes restrictive covenants. There is a desire that government agencies become more transparent when they want to change the use of property that has covenants that restrict what can be done with property, especially if the property was a gift to be used for parks, open space, habitat, or environmental mitigation and conservation. The legislature declares that any local government agency that intends to remove restrictive covenants from real property owned by the agency must do so through an open process in which citizens are made aware of the agency's intent to remove or modify the restrictive covenant before the legal action occurs.

NEW SECTION. **Sec. 3.** A new section is added to chapter 35.21 RCW to read as follows:

Any city, town, or municipal corporation must hold a public hearing upon a proposal to remove, vacate, or extinguish a restrictive covenant from property owned by the city, town, or municipal corporation before the action is finalized. The public hearing must allow individuals to provide testimony regarding the proposed action. The city, town, or municipal corporation must provide notice of the public hearing at least ten days before the hearing at its usual place of business and issue a press release to local media providing the date, time, location, and reason for the public hearing. The notice must be posted on the city, town, or municipal corporation's web site if it is updated for any reason before the hearing date. The notice must also identify the property and provide a brief explanation of the restrictive covenant to be removed, vacated, or extinguished. Any member of the public, in person or by counsel, may submit testimony at the public hearing.

NEW SECTION. **Sec. 4.** A new section is added to chapter 35A.21 RCW to read as follows:

Any code city must hold a public hearing upon a proposal to remove, vacate, or extinguish a restrictive covenant from property owned by the code city before the action is finalized. The public hearing must allow individuals to provide testimony regarding the proposed action. The code city must provide notice of the public hearing at least ten days before the hearing at its usual place of business and issue a press release to local media providing the date, time, location, and reason for the public hearing. The notice must be posted on the code city's web site if it is updated for any reason prior to the hearing date. The notice must also identify the property and provide a brief explanation of the restrictive covenant to be removed, vacated, or extinguished. Any member of the

public, in person or by counsel, may submit testimony regarding the proposed action at the public hearing.

NEW SECTION. **Sec. 5.** A new section is added to chapter 36.01 RCW to read as follows:

Any county must hold a public hearing upon a proposal to remove, vacate, or extinguish a restrictive covenant from property owned by the county before the action is finalized. The public hearing must allow individuals to provide testimony regarding the proposed action. The county must provide notice of the public hearing at least ten days before the hearing at its usual place of business and issue a press release to local media providing the date, time, location, and reason for the public hearing. The notice must be posted on the county's web site if it is updated for any reason before the hearing. The notice must also identify the property and provide a brief explanation of the restrictive covenant to be removed, vacated, or extinguished. Any member of the public, in person or by counsel, may submit testimony regarding the proposed action at the public hearing.

Passed by the House February 27, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 120

[Substitute Senate Bill 5069]

ASSOCIATE DEGREE PROGRAMS--STATE CORRECTIONAL INSTITUTIONS

AN ACT Relating to providing associate degree education to enhance education opportunities and public safety; amending RCW 72.09.460 and 72.09.465; adding a new section to chapter 28B.50 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** (1) The legislature finds that studies clearly and consistently demonstrate that incarcerated adults who obtain associate degree education and training are more likely to be employed following release, which leads to a dramatic reduction in recidivism rates, significant improvements in public safety, and a major return on investment. The legislature finds that reducing recidivism would decrease the financial burden to taxpayers and the emotional burden of victims.

(2) The legislature finds that research indicates that associate degree education and training is an effective evidence-based practice for reducing recidivism. An analysis commissioned by the United States department of justice determined that adults who received such education while incarcerated were forty-three percent less likely to recidivate.

(3) Ninety-five percent of incarcerated adults ultimately return to their communities to obtain employment and contribute to society. The legislature finds that according to the bureau of labor statistics, unemployment rates for people with only a high school education are twice that of those with an associate degree. Research has shown that adults who participated in such education while incarcerated were thirteen percent more likely to be employed.

(4) The legislature further finds that correctional education is cost-effective. A 2014 study by the Washington state institute for public policy estimated that the state received a return on investment of twenty dollars for every dollar invested in correctional education.

(5) It is the intent of the legislature to enhance public safety by reducing crime and increasing employment rates in a cost-effective manner by authorizing associate degree education and training of incarcerated adults through expanded partnerships between the community and technical colleges and the department of corrections.

(6) The legislature does not intend to provide additional funding to the department of corrections with chapter . . ., Laws of 2017 (this act) and intends that the department of corrections incorporate associate degree education into its available educational and vocational opportunities for offenders within existing funds set aside for this purpose.

NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.50 RCW to read as follows:

The college board may authorize any board of trustees within the system to promote and conduct associate degree education and training of incarcerated adults through new or expanded partnerships between the community and technical colleges and the department of corrections.

Sec. 3. RCW 72.09.460 and 2013 c 39 s 24 are each amended to read as follows:

(1) Recognizing that there is a positive correlation between education opportunities and reduced recidivism, it is the intent of the legislature to offer appropriate associate degree opportunities to inmates designed to prepare the inmate to enter the workforce.

(2) The legislature intends that all inmates be required to participate in department-approved education programs, work programs, or both, unless exempted as specifically provided in this section. Eligible inmates who refuse to participate in available education or work programs available at no charge to the inmates shall lose privileges according to the system established under RCW 72.09.130. Eligible inmates who are required to contribute financially to an education or work program and refuse to contribute shall be placed in another work program. Refusal to contribute shall not result in a loss of privileges.

((~~(2)~~)) (3) The legislature recognizes more inmates may agree to participate in education and work programs than are available. The department must make every effort to achieve maximum public benefit by placing inmates in available and appropriate education and work programs.

((~~(3)~~)) (4)(a) The department shall, to the extent possible and considering all available funds, prioritize its resources to meet the following goals for inmates in the order listed:

(i) Achievement of basic academic skills through obtaining a high school diploma or a high school equivalency certificate as provided in RCW 28B.50.536;

(ii) Achievement of vocational skills necessary for purposes of work programs and for an inmate to qualify for work upon release;

(iii) Additional work and education programs necessary for compliance with an offender's individual reentry plan under RCW 72.09.270 ((~~with the~~

~~exception of postsecondary education degree programs as provided in RCW 72.09.465~~)); and

(iv) Other appropriate vocational, work, or education programs that are not necessary for compliance with an offender's individual reentry plan under RCW 72.09.270 ((~~with the exception of postsecondary~~)) including associate degree education ((~~degree~~)) programs ((~~as provided in RCW 72.09.465~~)).

(b) If programming is provided pursuant to (a)(i) through (iii) of this subsection, the department shall pay the cost of such programming, including but not limited to books, materials, and supplies((~~, and postage costs related to correspondence courses~~)).

(c) If programming is provided pursuant to (a)(iv) of this subsection, inmates shall be required to pay all or a portion of the costs, including books, fees, and tuition, for participation in any vocational, work, or education program as provided in department policies. Department policies shall include a formula for determining how much an offender shall be required to pay. The formula shall include steps which correlate to an offender average monthly income or average available balance in a personal inmate savings account and which are correlated to a prorated portion or percent of the per credit fee for tuition, books, or other ancillary costs. The formula shall be reviewed every two years. A third party may pay directly to the department all or a portion of costs and tuition for any programming provided pursuant to (a)(iv) of this subsection on behalf of an inmate. Such payments shall not be subject to any of the deductions as provided in this chapter.

(d) The department may accept any and all donations and grants of money, equipment, supplies, materials, and services from any third party, including but not limited to nonprofit entities, and may receive, utilize, and dispose of same to complete the purposes of this section.

(e) Any funds collected by the department under (c) and (d) of this subsection and subsections ((~~(8) and~~)) (9) and (10) of this section shall be used solely for the creation, maintenance, or expansion of inmate educational and vocational programs.

((~~(4)~~)) (5) The department shall provide access to a program of education to all offenders who are under the age of eighteen and who have not met high school graduation requirements or requirements to earn a high school equivalency certificate as provided in RCW 28B.50.536 in accordance with chapter 28A.193 RCW. The program of education established by the department and education provider under RCW 28A.193.020 for offenders under the age of eighteen must provide each offender a choice of curriculum that will assist the inmate in achieving a high school diploma or high school equivalency certificate. The program of education may include but not be limited to basic education, prevocational training, work ethic skills, conflict resolution counseling, substance abuse intervention, and anger management counseling. The curriculum may balance these and other rehabilitation, work, and training components.

((~~(5)~~)) (6)(a) In addition to the policies set forth in this section, the department shall consider the following factors in establishing criteria for assessing the inclusion of education and work programs in an inmate's individual reentry plan and in placing inmates in education and work programs:

(i) An inmate's release date and custody level. An inmate shall not be precluded from participating in an education or work program solely on the basis of his or her release date, except that inmates with a release date of more than one hundred twenty months in the future shall not comprise more than ten percent of inmates participating in a new class I correctional industry not in existence on June 10, 2004;

(ii) An inmate's education history and basic academic skills;

(iii) An inmate's work history and vocational or work skills;

(iv) An inmate's economic circumstances, including but not limited to an inmate's family support obligations; and

(v) Where applicable, an inmate's prior performance in department-approved education or work programs;

(b) The department shall establish, and periodically review, inmate behavior standards and program goals for all education and work programs. Inmates shall be notified of applicable behavior standards and program goals prior to placement in an education or work program and shall be removed from the education or work program if they consistently fail to meet the standards or goals.

(((~~(6)~~))) (7) Eligible inmates who refuse to participate in available education or work programs available at no charge to the inmates shall lose privileges according to the system established under RCW 72.09.130. Eligible inmates who are required to contribute financially to an education or work program and refuse to contribute shall be placed in another work program. Refusal to contribute shall not result in a loss of privileges.

(((~~(7)~~))) (8) The department shall establish, by rule, objective medical standards to determine when an inmate is physically or mentally unable to participate in available education or work programs. When the department determines an inmate is permanently unable to participate in any available education or work program due to a health condition, the inmate is exempt from the requirement under subsection (((~~(1)~~))) (2) of this section. When the department determines an inmate is temporarily unable to participate in an education or work program due to a medical condition, the inmate is exempt from the requirement of subsection (((~~(1)~~))) (2) of this section for the period of time he or she is temporarily disabled. The department shall periodically review the medical condition of all inmates with temporary disabilities to ensure the earliest possible entry or reentry by inmates into available programming.

(((~~(8)~~))) (9) The department shall establish policies requiring an offender to pay all or a portion of the costs and tuition for any vocational training or postsecondary education program if the offender previously abandoned coursework related to associate degree education or vocational training without excuse as defined in rule by the department. Department policies shall include a formula for determining how much an offender shall be required to pay. The formula shall include steps which correlate to an offender average monthly income or average available balance in a personal inmate savings account and which are correlated to a prorated portion or percent of the per credit fee for tuition, books, or other ancillary costs. The formula shall be reviewed every two years. A third party may pay directly to the department all or a portion of costs and tuition for any program on behalf of an inmate under this subsection. Such

payments shall not be subject to any of the deductions as provided in this chapter.

((~~(9)~~)) (10) Notwithstanding any other provision in this section, an inmate sentenced to life without the possibility of release, sentenced to death under chapter 10.95 RCW, or subject to the provisions of 8 U.S.C. Sec. 1227:

(a) Shall not be required to participate in education programming except as may be necessary for the maintenance of discipline and security;

(b) May ((~~receive not more than one postsecondary academic~~)) not participate in an associate degree ((~~in a~~)) education program offered by the department or its contracted providers;

(c) May participate in prevocational or vocational training that may be necessary to participate in a work program;

(d) Shall be subject to the applicable provisions of this chapter relating to inmate financial responsibility for programming.

Sec. 4. RCW 72.09.465 and 2016 sp.s. c 36 s 946 are each amended to read as follows:

(1) The department ((~~shall, if funds are appropriated for the specific purpose,~~)) may implement ((~~postsecondary~~)) associate degree education ((~~degree~~)) programs ((~~within~~)) at state correctional institutions((~~, including the state correctional institution with the largest population of female inmates~~)). During the 2015-2017 fiscal biennium, the department may implement postsecondary degree programs within state institutions, including the state correctional institution with the largest population of females, within its existing funds and under the limitations in this section, to include any funding provided under subsection (3) of this section. The department ((~~shall~~)) may consider for inclusion in any ((~~postsecondary~~)) associate degree education ((~~degree~~)) program, any ((~~postsecondary~~)) education ((~~degree~~)) program from an accredited community or technical college, college, or university that is part of an associate ((~~of arts, baccalaureate, masters of arts, or other graduate~~)) workforce degree program designed to prepare the inmate to enter the workforce.

(2) ((~~Except as provided in subsection (3) of this section,~~)) Inmates not meeting the department's priority criteria for the state-funded associate degree education program shall be required to pay the costs for participation in ((~~any~~)) a postsecondary education degree program((~~s established under this subsection [section]~~)) if he or she elects to participate through self-pay, including costs of books, fees, tuition, or any other appropriate ancillary costs, by one or more of the following means:

(a) The inmate who is participating in the postsecondary education degree program ((~~shall~~)) may, during confinement, provide the required payment or payments to the department; or

(b) A third party shall provide the required payment or payments directly to the department on behalf of an inmate, and such payments shall not be subject to any of the deductions as provided in this chapter.

(3) The department may accept any and all donations and grants of money, equipment, supplies, materials, and services from any third party, including but not limited to nonprofit entities, and may receive, utilize, and dispose of same to provide postsecondary education to inmates.

(4) An inmate may be selected to participate in a state-funded associate degree education program, based on priority criteria determined by the department, in which the following conditions may be considered:

(a) Priority should be given to inmates within five years or less of release;

(b) The inmate does not already possess a postsecondary education degree; and

(c) The inmate's individual reentry plan includes participation in an associate degree education program that is:

(i) Offered at the inmate's state correctional institution;

(ii) Approved by the department as an eligible and effective postsecondary education degree program; and

(iii) Limited to an associate workforce degree.

(5) During the 2015-2017 fiscal biennium, an inmate may be selected to participate in a state-funded postsecondary education degree program, based on priority criteria determined by the department, in which the following conditions may be considered:

(a) Priority should be given to inmates within five years of release;

(b) The inmate does not already possess a postsecondary education degree; and

(c) The inmate's individual reentry plan includes participation in a postsecondary education degree program that is:

(i) Offered at the inmate's state correctional institution; and

(ii) Approved by the department as an eligible and effective postsecondary education degree program.

((~~(5)~~)) (6) Any funds collected by the department under this section shall be used solely for the creation, maintenance, or expansion of inmate postsecondary education degree programs.

Passed by the Senate February 15, 2017.

Passed by the House April 10, 2017.

Approved by the Governor April 25, 2017.

Filed in Office of Secretary of State April 25, 2017.

CHAPTER 121

[Senate Bill 5200]

DISCOVER PASS--SPOUSES--COMBINATION OF VOLUNTEER HOURS

AN ACT Relating to allowing spouses to combine volunteer hours for purposes of receiving a complimentary discover pass; and amending RCW 79A.80.020.

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

Sec. 1. RCW 79A.80.020 and 2013 2nd sp.s. c 15 s 1 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, a discover pass is required for any motor vehicle to:

(a) Park at any recreation site or lands; or

(b) Operate on any recreation site or lands.

(2) Except as provided in RCW 79A.80.110, the cost of a discover pass is thirty dollars. Every four years the office of financial management must review

the cost of the discover pass and, if necessary, recommend to the legislature an adjustment to the cost of the discover pass to account for inflation.

(3) A discover pass is valid for one year beginning from the date that the discover pass is marked for activation. The activation date may differ from the purchase date pursuant to any policies developed by the agencies.

(4) Sales of discover passes must be consistent with RCW 79A.80.100.

(5) The discover pass must contain space for two motor vehicle license plate numbers. A discover pass is valid only for those vehicle license plate numbers written on the pass. However, the agencies may offer for sale a family discover pass that is fully transferable among vehicles and does not require the placement of a license plate number on the pass to be valid. The agencies must collectively set a price for the sale of a family discover pass that is no more than fifty dollars. A discover pass is valid only for use with one motor vehicle at any one time.

(6)(a) One complimentary discover pass must be provided to a volunteer who performed twenty-four hours of service on agency- sanctioned volunteer projects in a year. The agency must provide vouchers to volunteers identifying the number of volunteer hours they have provided for each project. The vouchers may be brought to an agency to be redeemed for a discover pass.

(b) Married spouses under chapter 26.04 RCW may present an agency with combined vouchers demonstrating the collective performance of twenty-four hours of service on agency-sanctioned volunteer projects in a year to be redeemed for a single complimentary discover pass.

Passed by the Senate March 1, 2017.
Passed by the House April 7, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 122

[Senate Bill 5382]

IDENTICARDS--MINORS WITHOUT PERMANENT RESIDENCE--FEE

AN ACT Relating to the issuance of identicards at a reduced cost to applicants who are under the age of eighteen and without a permanent residence address; amending RCW 46.20.117 and 46.20.117; providing an effective date; and providing an expiration date.

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

Sec. 1. RCW 46.20.117 and 2012 c 80 s 6 are each amended to read as follows:

(1) **Issuance**. The department shall issue an identicard, containing a picture, if the applicant:

(a) Does not hold a valid Washington driver's license;

(b) Proves his or her identity as required by RCW 46.20.035; and

(c) Pays the required fee. Except as provided in subsection (5) of this section, the fee is ((~~forty-five dollars from October 1, 2012, to June 30, 2013, and~~)) fifty-four dollars ((~~after June 30, 2013~~)), unless an applicant is: (i) A recipient of continuing public assistance grants under Title 74 RCW, who is referred in writing by the secretary of social and health services; or (ii) under the age of eighteen and does not have a permanent residence address as determined

by the department by rule. For those persons, the fee must be the actual cost of production of the identicard.

(2) **Design and term**. The identicard must:

(a) Be distinctly designed so that it will not be confused with the official driver's license; and

(b) Except as provided in subsection (5) of this section, expire on the sixth anniversary of the applicant's birthdate after issuance.

(3) **Renewal**. An application for identicard renewal may be submitted by means of:

(a) Personal appearance before the department; or

(b) Mail or electronic commerce, if permitted by rule of the department and if the applicant did not renew his or her identicard by mail or by electronic commerce when it last expired.

An identicard may not be renewed by mail or by electronic commerce unless the renewal issued by the department includes a photograph of the identicard holder.

(4) **Cancellation**. The department may cancel an identicard if the holder of the identicard used the card or allowed others to use the card in violation of RCW 46.20.0921.

(5) **Alternative issuance/renewal/extension**. The department may issue or renew an identicard for a period other than ((~~five years from October 1, 2012, to June 30, 2013, or~~)) six years ((~~after June 30, 2013~~)), or may extend by mail or electronic commerce an identicard that has already been issued, in order to evenly distribute, as nearly as possible, the yearly renewal rate of identicard holders. The fee for an identicard issued or renewed for a period other than ((~~five years from October 1, 2012, to June 30, 2013, or~~)) six years ((~~after June 30, 2013~~)), or that has been extended by mail or electronic commerce, is nine dollars for each year that the identicard is issued, renewed, or extended. The department may adopt any rules as are necessary to carry out this subsection.

Sec. 2. RCW 46.20.117 and 2014 c 185 s 2 are each amended to read as follows:

(1) **Issuance**. The department shall issue an identicard, containing a picture, if the applicant:

(a) Does not hold a valid Washington driver's license;

(b) Proves his or her identity as required by RCW 46.20.035; and

(c) Pays the required fee. Except as provided in subsection (5) of this section, the fee is ((~~forty-five dollars from October 1, 2012, to June 30, 2013, and~~)) fifty-four dollars ((~~after June 30, 2013~~)), unless an applicant is: (i) A recipient of continuing public assistance grants under Title 74 RCW, who is referred in writing by the secretary of social and health services; or (ii) under the age of eighteen and does not have a permanent residence address as determined by the department by rule. For those persons, the fee must be the actual cost of production of the identicard.

(2)(a) **Design and term**. The identicard must:

(i) Be distinctly designed so that it will not be confused with the official driver's license; and

(ii) Except as provided in subsection (5) of this section, expire on the sixth anniversary of the applicant's birthdate after issuance.

(b) The identicard may include the person's status as a veteran, consistent with RCW 46.20.161(2).

(3) **Renewal**. An application for identicard renewal may be submitted by means of:

(a) Personal appearance before the department; or

(b) Mail or electronic commerce, if permitted by rule of the department and if the applicant did not renew his or her identicard by mail or by electronic commerce when it last expired.

An identicard may not be renewed by mail or by electronic commerce unless the renewal issued by the department includes a photograph of the identicard holder.

(4) **Cancellation**. The department may cancel an identicard if the holder of the identicard used the card or allowed others to use the card in violation of RCW 46.20.0921.

(5) **Alternative issuance/renewal/extension**. The department may issue or renew an identicard for a period other than ((~~five years from October 1, 2012, to June 30, 2013, or~~)) six years ((~~after June 30, 2013~~)), or may extend by mail or electronic commerce an identicard that has already been issued, in order to evenly distribute, as nearly as possible, the yearly renewal rate of identicard holders. The fee for an identicard issued or renewed for a period other than ((~~five years from October 1, 2012, to June 30, 2013, or~~)) six years ((~~after June 30, 2013~~)), or that has been extended by mail or electronic commerce, is nine dollars for each year that the identicard is issued, renewed, or extended. The department may adopt any rules as are necessary to carry out this subsection.

NEW SECTION. **Sec. 3.** Section 1 of this act expires August 30, 2017.

NEW SECTION. **Sec. 4.** Section 2 of this act takes effect August 30, 2017.

Passed by the Senate March 1, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 123

[Senate Bill 5488]

TRANSITIONAL BILINGUAL INSTRUCTION PROGRAM--ANNUAL REPORT--DATE

AN ACT Relating to the transitional bilingual instruction program reporting date; and amending RCW 28A.180.020.

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

Sec. 1. RCW 28A.180.020 and 1984 c 124 s 8 are each amended to read as follows:

The superintendent of public instruction shall review annually the transitional bilingual instruction program and shall submit a report of such review to the legislature on or before ((~~January 1~~)) February 1st of each year.

Passed by the Senate February 23, 2017.
Passed by the House April 10, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 124

[Senate Bill 5631]

UNIVERSITY OF WASHINGTON--ALTERNATIVE CONTRACTING--MINORITY AND WOMEN'S BUSINESS ENTERPRISES--EXPIRATION

AN ACT Relating to the University of Washington's alternative process for awarding contracts; amending RCW 28B.20.744; repealing RCW 43.131.413 and 43.131.414; providing an effective date; and declaring an emergency.

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

Sec. 1. RCW 28B.20.744 and 2015 3rd sp.s. c 3 s 7043 are each amended to read as follows:

(1) This section provides an alternative process for awarding contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of university buildings and facilities in which critical patient care or highly specialized medical research is located. These provisions may be used, in lieu of other procedures to award contracts for such work, when the estimated cost of the work is equal to or less than five million dollars and the project involves construction, renovation, remodeling, or alteration of improvements within a building that is used directly for critical patient care or highly specialized medical research.

(2) The university may create a single critical patient care or specialized medical research facilities roster or may create multiple critical patient care or specialized medical research facilities rosters for different trade specialties or categories of anticipated work. At least once a year, the university shall publish in a newspaper of general circulation and with the office of minority and women's business enterprises, a notice of the existence of the roster or rosters and solicit a statement of qualifications from contractors who wish to be on the roster or rosters of prime contractors. In addition, qualified contractors shall be added to the roster or rosters at any time they submit a written request, necessary records, and meet the qualifications established by the university. The university may require eligible contractors desiring to be placed on a roster to keep current records of any applicable licenses, certifications, registrations, bonding, insurance, or other appropriate matters on file with the university with input from the women-owned and minority-owned business community as a condition of being placed on a roster or rosters. Placement on a roster shall be on the basis of qualifications.

(3) The public solicitation of qualifications shall include but not be limited to:

(a) A description of the types of projects to be completed and where possible may include programmatic, performance, and technical requirements and specifications;

(b) The reasons for using the critical patient care and specialized medical research roster process;

(c) A description of the qualifications to be required of a contractor, including submission of an accident prevention program;

(d) A description of the process the university will use to evaluate qualifications, including evaluation factors and the relative weight of factors;

(e) The form of the contract to be awarded;

(f) A description of the administrative process by which the required qualifications, evaluation process, and project types may be appealed; and

(g) A description of the administrative process by which decisions of the university may be appealed.

(4) The university shall establish a committee that includes one representative from the minority-owned business community and one representative from the women-owned business community to evaluate the contractors submitting qualifications. Evaluation criteria for selection of the contractor or contractors to be included on a roster shall include, but not be limited to:

(a) Ability of a contractor's professional personnel;

(b) A contractor's past performance on similar projects, including but not limited to medical facilities, and involving either negotiated work or other public works contracts;

(c) The contractor's ability to meet time and budget requirements;

(d) The contractor's ability to provide preconstruction services, as appropriate;

(e) The contractor's capacity to successfully complete the project;

(f) The contractor's approach to executing projects;

(g) The contractor's approach to safety and the contractor's safety history; ((~~and~~))

(h) The contractor's record of performance, integrity, judgment, and skills;

(i) The contractor's record of including office of minority and women's business enterprises-certified, minority, women, veteran, and small businesses; and

(j) The contractor's past history of use of small business entities, disadvantaged business enterprises, minority business enterprises, women business enterprises, and minority women business enterprises over the last five years on projects of five million dollars or less and the contractor's proposed outreach plan and commitment to include such firms.

(5) Contractors meeting the evaluation committee's criteria for selection must be placed on the applicable roster or rosters.

(6) When a project is selected for delivery through this roster process, the university must establish a procedure for securing written quotations from all contractors on a roster to assure that a competitive price is established. Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. Plans and specifications must be included in the invitation but may not be detailed. Award of a project must be made to the responsible bidder submitting the lowest responsive bid.

(7) The university shall make an effort to solicit proposals from certified minority or certified woman-owned contractors. The university business diversity program shall establish aspirational goals for small business entities, disadvantaged business enterprises, minority business enterprises, women business enterprises, and minority women business enterprises for each roster based on the projected subcontracting opportunities and to the extent permitted by the Washington state civil rights act, RCW 49.60.400.

(8) Beginning in September 2010 and every other September thereafter, the university shall provide a report to the capital projects advisory review board

which must, at a minimum, include a list of rosters used, contracts awarded, ((~~and a description of outreach to and participation by women and minority-owned businesses~~)) office of minority and women's business enterprises-certified small business entities, disadvantaged business enterprises, veterans, and women and minority-owned business use rates on the projects.

(9) Beginning in September 2015 and every September thereafter, the university shall report to the office of minority and women's business enterprises and to the appropriate legislative fiscal committees the number of qualified women and minority-owned business contractors on the roster or rosters and the number of contracts awarded to women and minority-owned businesses.

(10) The university shall require contractors to solicit proposals from office of minority and women's business enterprises-certified firms.

NEW SECTION. **Sec. 2.** The following acts or parts of acts are each repealed:

(1) RCW 43.131.413 (Alternative process for awarding contracts—University buildings and facilities for critical patient care or specialized medical research—Termination) and 2015 3rd sp.s. c 3 s 7041 & 2010 c 245 s 12; and

(2) RCW 43.131.414 (Alternative process for awarding contracts—University buildings and facilities for critical patient care or specialized medical research—Repeal) and 2015 3rd sp.s. c 3 s 7042 & 2010 c 245 s 13.

NEW SECTION. **Sec. 3.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2017.

Passed by the Senate February 28, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 125

[Engrossed Substitute Senate Bill 5810]

ATTEMPTED MURDER--STATUTE OF LIMITATIONS

AN ACT Relating to adding attempted murder to the list of offenses that may not be prosecuted more than ten years their commission; amending RCW 9A.04.080; and declaring an emergency.

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

Sec. 1. RCW 9A.04.080 and 2013 c 17 s 1 are each amended to read as follows:

(1) Prosecutions for criminal offenses shall not be commenced after the periods prescribed in this section.

(a) The following offenses may be prosecuted at any time after their commission:

(i) Murder;

(ii) Homicide by abuse;

(iii) Arson if a death results;

(iv) Vehicular homicide;

(v) Vehicular assault if a death results;

(vi) Hit-and-run injury-accident if a death results (RCW 46.52.020(4)).

(b) Except as provided in (c) of this subsection, the following offenses shall not be prosecuted more than ten years after their commission:

(i) Any felony committed by a public officer if the commission is in connection with the duties of his or her office or constitutes a breach of his or her public duty or a violation of the oath of office;

(ii) Arson if no death results;

(iii)(A) Violations of RCW 9A.44.040 or 9A.44.050 if the rape is reported to a law enforcement agency within one year of its commission.

(B) If a violation of RCW 9A.44.040 or 9A.44.050 is not reported within one year, the rape may not be prosecuted more than three years after its commission; ((~~or~~))

(iv) Indecent liberties under RCW 9A.44.100(1)(b); or

(v) Attempted murder.

(c) Violations of the following statutes, when committed against a victim under the age of eighteen, may be prosecuted up to the victim's thirtieth birthday: RCW 9A.44.040 (rape in the first degree), 9A.44.050 (rape in the second degree), 9A.44.073 (rape of a child in the first degree), 9A.44.076 (rape of a child in the second degree), 9A.44.079 (rape of a child in the third degree), 9A.44.083 (child molestation in the first degree), 9A.44.086 (child molestation in the second degree), 9A.44.089 (child molestation in the third degree), 9A.44.100(1)(b) (indecent liberties), 9A.64.020 (incest), or 9.68A.040 (sexual exploitation of a minor).

(d) The following offenses shall not be prosecuted more than six years after their commission or their discovery, whichever occurs later:

(i) Violations of RCW 9A.82.060 or 9A.82.080;

(ii) Any felony violation of chapter 9A.83 RCW;

(iii) Any felony violation of chapter 9.35 RCW;

(iv) Theft in the first or second degree under chapter 9A.56 RCW when accomplished by color or aid of deception; or

(v) Trafficking in stolen property in the first or second degree under chapter 9A.82 RCW in which the stolen property is a motor vehicle or major component part of a motor vehicle as defined in RCW 46.80.010.

(e) The following offenses shall not be prosecuted more than five years after their commission: Any class C felony under chapter 74.09, 82.36, or 82.38 RCW.

(f) Bigamy shall not be prosecuted more than three years after the time specified in RCW 9A.64.010.

(g) A violation of RCW 9A.56.030 must not be prosecuted more than three years after the discovery of the offense when the victim is a tax exempt corporation under 26 U.S.C. Sec. 501(c)(3).

(h) No other felony may be prosecuted more than three years after its commission; except that in a prosecution under RCW 9A.44.115, if the person who was viewed, photographed, or filmed did not realize at the time that he or she was being viewed, photographed, or filmed, the prosecution must be commenced within two years of the time the person who was viewed or in the photograph or film first learns that he or she was viewed, photographed, or filmed.

(i) No gross misdemeanor may be prosecuted more than two years after its commission.

(j) No misdemeanor may be prosecuted more than one year after its commission.

(2) The periods of limitation prescribed in subsection (1) of this section do not run during any time when the person charged is not usually and publicly resident within this state.

(3) In any prosecution for a sex offense as defined in RCW 9.94A.030, the periods of limitation prescribed in subsection (1) of this section run from the date of commission or one year from the date on which the identity of the suspect is conclusively established by deoxyribonucleic acid testing or by photograph as defined in RCW 9.68A.011, whichever is later.

(4) If, before the end of a period of limitation prescribed in subsection (1) of this section, an indictment has been found or a complaint or an information has been filed, and the indictment, complaint, or information is set aside, then the period of limitation is extended by a period equal to the length of time from the finding or filing to the setting aside.

NEW SECTION. **Sec. 2.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate March 6, 2017.
Passed by the House April 21, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 126

[Senate Bill 5813]

MINORS--TRAFFICKING AND LURING OFFENSES--CHILD PORNOGRAPHY PUNISHMENTS

AN ACT Relating to crimes against minors; amending RCW 9A.40.100, 9.68A.070, 9.68A.050, and 9.68A.060; and prescribing penalties.

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

Sec. 1. RCW 9A.40.100 and 2014 c 188 s 1 are each amended to read as follows:

(1) A person is guilty of trafficking in the first degree when:

(a) Such person:

(i) Recruits, harbors, transports, transfers, provides, obtains, buys, purchases, or receives by any means another person knowing, or in reckless disregard of the fact, (A) that force, fraud, or coercion as defined in RCW 9A.36.070 will be used to cause the person to engage in:

(I) Forced labor;

(II) Involuntary servitude;

(III) A sexually explicit act; or

(IV) A commercial sex act, or (B) that the person has not attained the age of eighteen years and is caused to engage in a sexually explicit act or a commercial sex act; or

(ii) Benefits financially or by receiving anything of value from participation in a venture that has engaged in acts set forth in (a)(i) of this subsection; and

(b) The acts or venture set forth in (a) of this subsection:

(i) Involve committing or attempting to commit kidnapping;

(ii) Involve a finding of sexual motivation under RCW 9.94A.835;

(iii) Involve the illegal harvesting or sale of human organs; or

(iv) Result in a death.

(2) Trafficking in the first degree is a class A felony.

(3)(a) A person is guilty of trafficking in the second degree when such person:

(i) Recruits, harbors, transports, transfers, provides, obtains, buys, purchases, or receives by any means another person knowing, or in reckless disregard of the fact, that force, fraud, or coercion as defined in RCW 9A.36.070 will be used to cause the person to engage in forced labor, involuntary servitude, a sexually explicit act, or a commercial sex act, or that the person has not attained the age of eighteen years and is caused to engage in a sexually explicit act or a commercial sex act; or

(ii) Benefits financially or by receiving anything of value from participation in a venture that has engaged in acts set forth in (a)(i) of this subsection.

(b) Trafficking in the second degree is a class A felony.

(4)(a) In any prosecution under this chapter in which the offense or degree of the offense depends on the victim's age, it is not a defense that the perpetrator did not know the victim's age, or that the perpetrator believed the victim to be older, as the case may be.

(b) A person who is either convicted or given a deferred sentence or a deferred prosecution or who has entered into a statutory or nonstatutory diversion agreement as a result of an arrest for a violation of a trafficking crime shall be assessed a ten thousand dollar fee.

((~~(b)~~)) (c) The court shall not reduce, waive, or suspend payment of all or part of the fee assessed in this section unless it finds, on the record, that the offender does not have the ability to pay the fee in which case it may reduce the fee by an amount up to two-thirds of the maximum allowable fee.

((~~(c)~~)) (d) Fees assessed under this section shall be collected by the clerk of the court and remitted to the treasurer of the county where the offense occurred for deposit in the county general fund, except in cases in which the offense occurred in a city or town that provides for its own law enforcement, in which case these amounts shall be remitted to the treasurer of the city or town for deposit in the general fund of the city or town. Revenue from the fees must be used for local efforts to reduce the commercial sale of sex including, but not limited to, increasing enforcement of commercial sex laws.

(i) At least fifty percent of the revenue from fees imposed under this section must be spent on prevention, including education programs for offenders, such as john school, and rehabilitative services, such as mental health and substance abuse counseling, parenting skills, training, housing relief, education, vocational training, drop-in centers, and employment counseling.

(ii) Revenues from these fees are not subject to the distribution requirements under RCW 3.50.100, 3.62.020, 3.62.040, 10.82.070, or 35.20.220.

(5) If the victim of any offense identified in this section is a minor, force, fraud, or coercion are not necessary elements of an offense and consent to the sexually explicit act or commercial sex act does not constitute a defense.

(6) For purposes of this section:

(a) "Commercial sex act" means any act of sexual contact or sexual intercourse, both as defined in chapter 9A.44 RCW, for which something of value is given or received by any person; and

(b) "Sexually explicit act" means a public, private, or live photographed, recorded, or videotaped act or show intended to arouse or satisfy the sexual desires or appeal to the prurient interests of patrons for which something of value is given or received.

Sec. 2. RCW 9.68A.070 and 2010 c 227 s 6 are each amended to read as follows:

(1)(a) A person commits the crime of possession of depictions of a minor engaged in sexually explicit conduct in the first degree when he or she knowingly possesses a visual or printed matter depicting a minor engaged in sexually explicit conduct as defined in RCW 9.68A.011(4) (a) through (e).

(b) Possession of depictions of a minor engaged in sexually explicit conduct in the first degree is a class B felony punishable under chapter 9A.20 RCW.

(c) For the purposes of determining the unit of prosecution under this subsection, each depiction or image of visual or printed matter constitutes a separate offense.

(2)(a) A person commits the crime of possession of depictions of a minor engaged in sexually explicit conduct in the second degree when he or she knowingly possesses any visual or printed matter depicting a minor engaged in sexually explicit conduct as defined in RCW 9.68A.011(4) (f) or (g).

(b) Possession of depictions of a minor engaged in sexually explicit conduct in the second degree is a class ((C)) B felony punishable under chapter 9A.20 RCW.

(c) For the purposes of determining the unit of prosecution under this subsection, each incident of possession of one or more depictions or images of visual or printed matter constitutes a separate offense.

Sec. 3. RCW 9.68A.050 and 2010 c 227 s 4 are each amended to read as follows:

(1)(a) A person commits the crime of dealing in depictions of a minor engaged in sexually explicit conduct in the first degree when he or she:

(i) Knowingly develops, duplicates, publishes, prints, disseminates, exchanges, finances, attempts to finance, or sells a visual or printed matter that depicts a minor engaged in an act of sexually explicit conduct as defined in RCW 9.68A.011(4) (a) through (e); or

(ii) Possesses with intent to develop, duplicate, publish, print, disseminate, exchange, or sell any visual or printed matter that depicts a minor engaged in an act of sexually explicit conduct as defined in RCW 9.68A.011(4) (a) through (e).

(b) Dealing in depictions of a minor engaged in sexually explicit conduct in the first degree is a class B felony punishable under chapter 9A.20 RCW.

(c) For the purposes of determining the unit of prosecution under this subsection, each depiction or image of visual or printed matter constitutes a separate offense.

(2)(a) A person commits the crime of dealing in depictions of a minor engaged in sexually explicit conduct in the second degree when he or she:

(i) Knowingly develops, duplicates, publishes, prints, disseminates, exchanges, finances, attempts to finance, or sells any visual or printed matter

that depicts a minor engaged in an act of sexually explicit conduct as defined in RCW 9.68A.011(4) (f) or (g); or

(ii) Possesses with intent to develop, duplicate, publish, print, disseminate, exchange, or sell any visual or printed matter that depicts a minor engaged in an act of sexually explicit conduct as defined in RCW 9.68A.011(4) (f) or (g).

(b) Dealing in depictions of a minor engaged in sexually explicit conduct in the second degree is a class ((C)) B felony punishable under chapter 9A.20 RCW.

(c) For the purposes of determining the unit of prosecution under this subsection, each incident of dealing in one or more depictions or images of visual or printed matter constitutes a separate offense.

Sec. 4. RCW 9.68A.060 and 2010 c 227 s 5 are each amended to read as follows:

(1)(a) A person commits the crime of sending or bringing into the state depictions of a minor engaged in sexually explicit conduct in the first degree when he or she knowingly sends or causes to be sent, or brings or causes to be brought, into this state for sale or distribution, a visual or printed matter that depicts a minor engaged in sexually explicit conduct as defined in RCW 9.68A.011(4) (a) through (e).

(b) Sending or bringing into the state depictions of a minor engaged in sexually explicit conduct in the first degree is a class B felony punishable under chapter 9A.20 RCW.

(c) For the purposes of determining the unit of prosecution under this subsection, each depiction or image of visual or printed matter constitutes a separate offense.

(2)(a) A person commits the crime of sending or bringing into the state depictions of a minor engaged in sexually explicit conduct in the second degree when he or she knowingly sends or causes to be sent, or brings or causes to be brought, into this state for sale or distribution, any visual or printed matter that depicts a minor engaged in sexually explicit conduct as defined in RCW 9.68A.011(4) (f) or (g).

(b) Sending or bringing into the state depictions of a minor engaged in sexually explicit conduct in the second degree is a class ((C)) B felony punishable under chapter 9A.20 RCW.

(c) For the purposes of determining the unit of prosecution under this subsection, each incident of sending or bringing into the state one or more depictions or images of visual or printed matter constitutes a separate offense.

Passed by the Senate March 8, 2017.
Passed by the House April 6, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 127

[Senate Bill 5826]

VETERAN AND NATIONAL GUARD TUITION WAIVERS--ELIGIBILITY

AN ACT Relating to eligibility for veteran or national guard tuition waivers; and amending RCW 28B.15.621.

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

Sec. 1. RCW 28B.15.621 and 2015 c 55 s 222 are each amended to read as follows:

(1) The legislature finds that active military and naval veterans, reserve military and naval veterans, and national guard members called to active duty have served their country and have risked their lives to defend the lives of all Americans and the freedoms that define and distinguish our nation. The legislature intends to honor active military and naval veterans, reserve military and naval veterans, and national guard members who have served on active military or naval duty for the public service they have provided to this country.

(2) Subject to the limitations in RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community and technical colleges, may waive all or a portion of tuition and fees for an eligible veteran or national guard member.

(3) The governing boards of the state universities, the regional universities, The Evergreen State College, and the community and technical colleges, may waive all or a portion of tuition and fees for a military or naval veteran who is a Washington domiciliary, but who did not serve on foreign soil or in international waters or in another location in support of those serving on foreign soil or in international waters and who does not qualify as an eligible veteran or national guard member under subsection (8) of this section. However, there shall be no state general fund support for waivers granted under this subsection.

(4) Subject to the conditions in subsection (5) of this section and the limitations in RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community and technical colleges, shall waive all tuition and fees for the following persons:

(a) A child and the spouse or the domestic partner or surviving spouse or surviving domestic partner of an eligible veteran or national guard member who became totally disabled as a result of serving in active federal military or naval service, or who is determined by the federal government to be a prisoner of war or missing in action; and

(b) A child and the surviving spouse or surviving domestic partner of an eligible veteran or national guard member who lost his or her life as a result of serving in active federal military or naval service.

(5) The conditions in this subsection (5) apply to waivers under subsection (4) of this section.

(a) A child must be a Washington domiciliary between the age of seventeen and twenty-six to be eligible for the tuition waiver. A child's marital status does not affect eligibility.

(b)(i) A surviving spouse or surviving domestic partner must be a Washington domiciliary.

(ii) Except as provided in (b)(iii) of this subsection, a surviving spouse or surviving domestic partner has ten years from the date of the death, total disability, or federal determination of prisoner of war or missing in action status of the eligible veteran or national guard member to receive benefits under the waiver. Upon remarriage or registration in a subsequent domestic partnership, the surviving spouse or surviving domestic partner is ineligible for the waiver of all tuition and fees.

(iii) If a death results from total disability, the surviving spouse has ten years from the date of death in which to receive benefits under the waiver.

(c) Each recipient's continued participation is subject to the school's satisfactory progress policy.

(d) Tuition waivers for graduate students are not required for those who qualify under subsection (4) of this section but are encouraged.

(e) Recipients who receive a waiver under subsection (4) of this section may attend full-time or part-time. Total credits earned using the waiver may not exceed two hundred quarter credits, or the equivalent of semester credits.

(6) Required waivers of all tuition and fees under subsection (4) of this section shall not affect permissive waivers of tuition and fees under subsection (3) of this section.

(7) Private vocational schools and private higher education institutions are encouraged to provide waivers consistent with the terms in subsections (2) through (5) of this section.

(8) The definitions in this subsection apply throughout this section.

(a) "Child" means a biological child, adopted child, or stepchild.

(b) "Eligible veteran or national guard member" means 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, under either Title 10 or Title 32 of the United States Code, 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, and if discharged from service, has received an honorable discharge.

(c) "Totally disabled" means a person who has been determined to be one hundred percent disabled by the federal department of veterans affairs.

(d) "Washington domiciliary" means a person whose true, fixed, and permanent house and place of habitation is the state of Washington. "Washington domiciliary" includes a person who is residing in rental housing or residing in base housing. In ascertaining whether a child or surviving spouse or surviving domestic partner is domiciled in the state of Washington, public institutions of higher education shall, to the fullest extent possible, rely upon the standards provided in RCW 28B.15.013.

(9) As used in subsection (4) of this section, "fees" includes all assessments for costs incurred as a condition to a student's full participation in coursework and related activities at an institution of higher education.

(10) The governing boards of the state universities, the regional universities, The Evergreen State College, and the community and technical colleges shall report to the higher education committees of the legislature by November 15, 2010, and every two years thereafter, regarding the status of implementation of the waivers under subsection (4) of this section. The reports shall include the following data and information:

(a) Total number of waivers;

(b) Total amount of tuition waived;

(c) Total amount of fees waived;

(d) Average amount of tuition and fees waived per recipient;

(e) Recipient demographic data that is disaggregated by distinct ethnic categories within racial subgroups; and

(f) Recipient income level, to the extent possible.

Passed by the Senate March 3, 2017.
Passed by the House April 7, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 128

[Substitute Senate Bill 5272]

FORCED PROSTITUTION--VACATING CONVICTIONS--ELIGIBILITY--PROCEDURE

AN ACT Relating to vacating convictions arising from offenses committed as a result of being a victim of trafficking, promoting prostitution, or promoting commercial sexual abuse of a minor; amending RCW 9.96.070; and reenacting and amending RCW 9.96.060.

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

Sec. 1. RCW 9.96.060 and 2014 c 176 s 1 and 2014 c 109 s 1 are each reenacted and amended to read as follows:

(1) Every person convicted of a misdemeanor or gross misdemeanor offense who has completed all of the terms of the sentence for the misdemeanor or gross misdemeanor offense may apply to the sentencing court for a vacation of the applicant's record of conviction for the offense. If the court finds the applicant meets the tests prescribed in subsection (2) of this section, the court may in its discretion vacate the record of conviction by: (a)(i) Permitting the applicant to withdraw the applicant's plea of guilty and to enter a plea of not guilty; or (ii) if the applicant has been convicted after a plea of not guilty, the court setting aside the verdict of guilty; and (b) the court dismissing the information, indictment, complaint, or citation against the applicant and vacating the judgment and sentence.

(2) An applicant may not have the record of conviction for a misdemeanor or gross misdemeanor offense vacated if any one of the following is present:

(a) There are any criminal charges against the applicant pending in any court of this state or another state, or in any federal court;

(b) The offense was a violent offense as defined in RCW 9.94A.030 or an attempt to commit a violent offense;

(c) The offense was a violation of RCW 46.61.502 (driving while under the influence), 46.61.504 (actual physical control while under the influence), 9.91.020 (operating a railroad, etc. while intoxicated), or the offense is considered a "prior offense" under RCW 46.61.5055 and the applicant has had a subsequent alcohol or drug violation within ten years of the date of arrest for the prior offense;

(d) The offense was any misdemeanor or gross misdemeanor violation, including attempt, of chapter 9.68 RCW (obscenity and pornography), chapter 9.68A RCW (sexual exploitation of children), or chapter 9A.44 RCW (sex offenses);

(e) The applicant was convicted of a misdemeanor or gross misdemeanor offense as defined in RCW 10.99.020, or the court determines after a review of the court file that the offense was committed by one family member or household member against another, or the court, after considering the damage to person or property that resulted in the conviction, any prior convictions for crimes defined in RCW 10.99.020, or for comparable offenses in another state or in federal court, and the totality of the records under review by the court

regarding the conviction being considered for vacation, determines that the offense involved domestic violence, and any one of the following factors exist:

(i) The applicant has not provided written notification of the vacation petition to the prosecuting attorney's office that prosecuted the offense for which vacation is sought, or has not provided that notification to the court;

(ii) The applicant has previously had a conviction for domestic violence. For purposes of this subsection, however, if the current application is for more than one conviction that arose out of a single incident, none of those convictions counts as a previous conviction;

(iii) The applicant has signed an affidavit under penalty of perjury affirming that the applicant has not previously had a conviction for a domestic violence offense, and a criminal history check reveals that the applicant has had such a conviction; or

(iv) Less than five years have elapsed since the person completed the terms of the original conditions of the sentence, including any financial obligations and successful completion of any treatment ordered as a condition of sentencing;

(f) For any offense other than those described in (e) of this subsection, less than three years have passed since the person completed the terms of the sentence, including any financial obligations;

(g) The offender has been convicted of a new crime in this state, another state, or federal court since the date of conviction;

(h) The applicant has ever had the record of another conviction vacated; or

(i) The applicant is currently restrained, or has been restrained within five years prior to the vacation application, by a domestic violence protection order, a no-contact order, an antiharassment order, or a civil restraining order which restrains one party from contacting the other party.

(3) Subject to RCW 9.96.070, every person convicted of prostitution under RCW 9A.88.030 who committed the offense as a result of being a victim of trafficking, RCW 9A.40.100, promoting prostitution in the first degree, RCW 9A.88.070, promoting commercial sexual abuse of a minor, RCW 9.68A.101, or trafficking in persons under the trafficking victims protection act of 2000, 22 U.S.C. Sec. 7101 et seq. may apply to the sentencing court for vacation of the applicant's record of conviction for the prostitution offense. An applicant may not have the record of conviction for prostitution vacated if any one of the following is present:

(a) There are any criminal charges against the applicant pending in any court of this state or another state, or in any federal court, for any crime other than prostitution; or

(b) The offender has been convicted of another crime, except prostitution, in this state, another state, or federal court since the date of conviction. The limitation in this subsection (3)(b) does not apply to convictions where the offender proves by a preponderance of the evidence that he or she committed the crime as a result of being a victim of trafficking, RCW 9A.40.100, promoting prostitution in the first degree, RCW 9A.88.070, promoting commercial sexual abuse of a minor, RCW 9.68A.101, or trafficking in persons under the trafficking victims protection act of 2000, 22 U.S.C. Sec. 7101 et seq., according to the requirements provided in RCW 9.96.070 for each respective conviction.

(4) Every person convicted prior to January 1, 1975, of violating any statute or rule regarding the regulation of fishing activities, including, but not limited to,

RCW 75.08.260, 75.12.060, 75.12.070, 75.12.160, 77.16.020, 77.16.030, 77.16.040, 77.16.060, and 77.16.240 who claimed to be exercising a treaty Indian fishing right, may apply to the sentencing court for vacation of the applicant's record of the misdemeanor, gross misdemeanor, or felony conviction for the offense. If the person is deceased, a member of the person's family or an official representative of the tribe of which the person was a member may apply to the court on behalf of the deceased person. Notwithstanding the requirements of RCW 9.94A.640, the court shall vacate the record of conviction if:

(a) The applicant is a member of a tribe that may exercise treaty Indian fishing rights at the location where the offense occurred; and

(b) The state has been enjoined from taking enforcement action of the statute or rule to the extent that it interferes with a treaty Indian fishing right as determined under *United States v. Washington*, 384 F. Supp. 312 (W.D. Wash. 1974), or *Sohappy v. Smith*, 302 F. Supp. 899 (D. Oregon 1969), and any posttrial orders of those courts, or any other state supreme court or federal court decision.

(5) Once the court vacates a record of conviction under this section, the person shall be released from all penalties and disabilities resulting from the offense and the fact that the person has been convicted of the offense shall not be included in the person's criminal history for purposes of determining a sentence in any subsequent conviction. For all purposes, including responding to questions on employment or housing applications, a person whose conviction has been vacated under this section may state that he or she has never been convicted of that crime. Nothing in this section affects or prevents the use of an offender's prior conviction in a later criminal prosecution.

(6) All costs incurred by the court and probation services shall be paid by the person making the motion to vacate the record unless a determination is made pursuant to chapter 10.101 RCW that the person making the motion is indigent, at the time the motion is brought.

(7) The clerk of the court in which the vacation order is entered shall immediately transmit the order vacating the conviction to the Washington state patrol identification section and to the local police agency, if any, which holds criminal history information for the person who is the subject of the conviction. The Washington state patrol and any such local police agency shall immediately update their records to reflect the vacation of the conviction, and shall transmit the order vacating the conviction to the federal bureau of investigation. A conviction that has been vacated under this section may not be disseminated or disclosed by the state patrol or local law enforcement agency to any person, except other criminal justice enforcement agencies.

Sec. 2. RCW 9.96.070 and 2014 c 109 s 2 are each amended to read as follows:

(1) In order to vacate a record of conviction for a prostitution offense pursuant to RCW 9.96.060(3) as a result of being a victim of trafficking, RCW 9A.40.100, the applicant must prove each of the following elements by a preponderance of the evidence:

(a)(i) The applicant was recruited, harbored, transported, provided, obtained, bought, purchased, or received by another person;

(ii) The person who committed any of the acts in (a)(i) of this subsection against the applicant acted knowingly or in reckless disregard for the fact that

force, fraud, or coercion would be used to cause the applicant to engage in a sexually explicit act or commercial sex act; and

(iii) The applicant's conviction record for prostitution and other convictions under RCW 9.96.060(3)(b), if applicable, resulted from such acts; or

(b)(i) The applicant was recruited, harbored, transported, provided, obtained, bought, purchased, or received by another person;

(ii) The person who committed any of the acts in (b)(i) of this subsection against the applicant acted knowingly or in reckless disregard for the fact that the applicant had not attained the age of eighteen and would be caused to engage in a sexually explicit act or commercial sex act; and

(iii) The applicant's record of conviction for prostitution and other convictions under RCW 9.96.060(3)(b), if applicable, resulted from such acts.

(2) In order to vacate a record of conviction for a prostitution offense pursuant to RCW 9.96.060(3) as a result of being a victim of promoting prostitution in the first degree, RCW 9A.88.070, the applicant must prove each of the following elements by a preponderance of the evidence:

(a)(i) The applicant was compelled by threat or force to engage in prostitution;

(ii) The person who compelled the applicant acted knowingly; and

(iii) The applicant's conviction record for prostitution and other convictions under RCW 9.96.060(3)(b), if applicable, resulted from the compulsion; or

(b)(i) The applicant has a mental incapacity or developmental disability that renders the applicant incapable of consent;

(ii) The applicant was compelled to engage in prostitution;

(iii) The person who compelled the applicant acted knowingly; and

(iv) The applicant's record of conviction for prostitution and other convictions under RCW 9.96.060(3)(b), if applicable, resulted from the compulsion.

(3) In order to vacate a record of conviction for a prostitution offense pursuant to RCW 9.96.060(3) as a result of being a victim of promoting commercial sexual abuse of a minor, RCW 9.68A.101, the applicant must prove each of the following elements by a preponderance of the evidence:

(a)(i) The applicant had not attained the age of eighteen at the time of the prostitution offense;

(ii) A person advanced commercial sexual abuse or a sexually explicit act of the applicant at the time he or she had not attained the age of eighteen;

(iii) The person committing the acts in (a)(ii) of this subsection acted knowingly; and

(iv) The applicant's record of conviction for prostitution and other convictions under RCW 9.96.060(3)(b), if applicable, resulted from any of the acts in (a)(ii) of this subsection.

(b) For purposes of this subsection (3), a person:

(i) "Advanced commercial sexual abuse" of the applicant if, acting other than as a minor receiving compensation for personally rendered sexual conduct or as a person engaged in commercial sexual abuse of a minor, he or she causes or aids a person to commit or engage in commercial sexual abuse of a minor, procures or solicits customers for commercial sexual abuse of a minor, provides persons or premises for the purposes of engaging in commercial sexual abuse of a minor, operates or assists in the operation of a house or enterprise for the

purposes of engaging in commercial sexual abuse of a minor, or engages in any other conduct designed to institute, aid, cause, assist, or facilitate an act or enterprise of commercial sexual abuse of a minor;

(ii) "Advanced a sexually explicit act" of the applicant if he or she causes or aids a sexually explicit act of a minor, procures or solicits customers for a sexually explicit act of a minor, provides persons or premises for the purposes of a sexually explicit act of a minor, or engages in any other conduct designed to institute, aid, cause, assist, or facilitate a sexually explicit act of a minor.

(4) In order to vacate a record of conviction for a prostitution offense pursuant to RCW 9.96.060(3) as a result of being a victim of trafficking in persons under the trafficking victims protection act of 2000, 22 U.S.C. Sec. 7101 et seq., the applicant must prove each of the following elements by a preponderance of the evidence:

(a) The applicant was induced by force, fraud, or coercion to engage in a commercial sex act and the record of conviction for prostitution and other convictions under RCW 9.96.060(3)(b), if applicable, resulted from the inducement; or

(b) The applicant was induced to engage in a commercial sex act prior to reaching the age of eighteen and the record of conviction for prostitution and other convictions under RCW 9.96.060(3)(b), if applicable, resulted from the inducement.

(5) Any motion for vacation of a conviction under RCW 9.96.060(3) and this section must be supported by the sworn testimony of the applicant at a hearing before the court.

Passed by the Senate February 22, 2017.
Passed by the House April 5, 2017.
Approved by the Governor April 25, 2017.
Filed in Office of Secretary of State April 25, 2017.

CHAPTER 129

[Engrossed Substitute House Bill 1017]

SCHOOL SITING--RURAL AREAS--GROWTH MANAGEMENT ACT

AN ACT Relating to the siting of schools and school facilities; adding new sections to chapter 36.70A RCW; and providing an expiration date.

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

***NEW SECTION. Sec. 1.** A new section is added to chapter 36.70A RCW to read as follows:

(1) This chapter does not prohibit a county planning under RCW 36.70A.040 from authorizing the extension of public facilities and utilities to serve a school sited in a rural area that serves students from a rural area and an urban area so long as the following requirements are met:

(a) The applicable school district board of directors has adopted a policy addressing school service area and facility needs and educational program requirements;

(b) The applicable school district has made a finding, with the concurrence of the county legislative authority and the legislative authorities of any affected cities, that the district's proposed site is suitable to site the

school and any associated recreational facilities that the district has determined cannot reasonably be colocated on an existing school site, taking into consideration the policy adopted in (a) of this subsection and the extent to which vacant or developable land within the growth area meets those requirements;

(c) The county and any affected cities agree to the extension of public facilities and utilities to serve the school sited in a rural area that serves urban and rural students at the time of concurrence in (b) of this subsection;

(d) If the public facility or utility is extended beyond the urban growth area to serve a school, the public facility or utility must serve only the school and the costs of such extension must be borne by the applicable school district based on a reasonable nexus to the impacts of the school, except as provided in subsection (3) of this section; and

(e) Any impacts associated with the siting of the school are mitigated as required by the state environmental policy act, chapter 43.21C RCW.

(2) This chapter does not prohibit either the expansion or modernization of an existing school in the rural area or the placement of portable classrooms at an existing school in the rural area.

(3) Where a public facility or utility has been extended beyond the urban growth area to serve a school, the public facility or utility may, where consistent with RCW 36.70A.110(4), serve a property or properties in addition to the school if a property owner so requests, provided that the county and any affected cities agree with the request and provided that the property is located no further from the public facility or utility than the distance that, if the property were within the urban growth area, the property would be required to connect to the public facility or utility. In such an instance, the school district may, for a period not to exceed twenty years, require reimbursement from a requesting property owner for a proportional share of the construction costs incurred by the school district for the extension of the public facility or utilities.

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

NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A RCW to read as follows:

(1) A county may authorize the siting in a rural area of a school that serves students from an urban area, even where otherwise prohibited by a multicounty planning policy, under the following circumstances:

(a) The county has a population of more than eight hundred forty thousand but fewer than one million five hundred thousand and abuts at least six other counties;

(b) The county must have adopted in its comprehensive plan a policy concerning the siting of schools in rural areas;

(c) Any impacts associated with the siting of such a school are mitigated as required by the state environmental policy act, chapter 43.21C RCW; and

(d) The county must be a participant in a multicounty planning policy as described in RCW 36.70A.210.

(2) A multicounty planning policy in which any county referenced in subsection (1) of this section is a participant must be amended, at its next regularly scheduled update, to include a policy that addresses the siting of schools in rural areas of all counties subject to the multicounty planning policy.

(3) A school sited under this section may not collect or impose the impact fees described in RCW 82.02.050.

(4) This section expires June 30, 2031.

NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A RCW to read as follows:

In a county that chooses to site schools under section 2 of this act, each school district within the county must participate in the county's periodic updates required by RCW 36.70A.130(1)(b) by:

(1) Coordinating its enrollment forecasts and projections with the county's adopted population projections;

(2) Identifying school siting criteria with the county, cities, and regional transportation planning organizations;

(3) Identifying suitable school sites with the county and cities, with priority to siting urban-serving schools in existing cities and towns in locations where students can safely walk and bicycle to the school from their homes and that can effectively be served with transit; and

(4) Working with the county and cities to identify school costs and funding for the capital facilities plan element required by RCW 36.70A.070(3).

Passed by the House April 18, 2017.

Passed by the Senate April 11, 2017.

Approved by the Governor April 26, 2017, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State April 26, 2017.

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

"I am returning herewith, without my approval as to Section 1, Engrossed Substitute House Bill No. 1017 entitled:

"AN ACT Relating to the siting of schools and school facilities."

Engrossed Substitute House Bill 1017 seeks to address the important and complicated subject of siting schools outside of Urban Growth Areas. While this bill adequately addresses many aspects of the issue, I remained concerned about three items that I would like to resolve with the legislature during the special session.

First, any extension of urban services to serve a rural school must be limited to the size and scale needed to support the long-term needs of the school. Second, the land surrounding a new rural school must maintain its rural character and housing density as specified in RCW 36.70A.070(5). Finally, in order for schools to be sited outside the Urban Growth Boundary Line, school districts must demonstrate that there is no suitable land available within the Urban Growth Area.

For these reasons I have vetoed Section 1 of Engrossed Substitute House Bill No. 1017.

With the exception of Section 1, Engrossed Substitute House Bill No. 1017 is approved."

CHAPTER 130

[House Bill 1091]

MARRIAGE SOLEMNIZATION--TRIBAL COURT JUDGES

AN ACT Relating to solemnizing marriages; and amending RCW 26.04.050.

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

Sec. 1. RCW 26.04.050 and 2012 c 3 s 4 are each amended to read as follows:

The following named officers and persons, active or retired, are hereby authorized to solemnize marriages, to wit: Justices of the supreme court, judges of the court of appeals, judges of the superior courts, supreme court commissioners, court of appeals commissioners, superior court commissioners, judges of courts of limited jurisdiction as defined in RCW 3.02.010, judges of tribal courts from a federally recognized tribe, and any regularly licensed or ordained minister or any priest, imam, rabbi, or similar official of any religious organization((~~, and judges of courts of limited jurisdiction as defined in RCW 3.02.010~~)). The solemnization of a marriage by a tribal court judge pursuant to authority under this section does not create tribal court jurisdiction and does not affect state court authority as otherwise provided by law to enter a judgment for purposes of any dissolution, legal separation, or other proceedings related to the marriage that is binding on the parties and entitled to full faith and credit.

Passed by the House April 13, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 131

[House Bill 1250]

MARIJUANA RETAIL OUTLETS--FREE LOCKABLE DRUG BOXES

AN ACT Relating to authorizing retail marijuana outlets to give a free lockable drug box to adults age twenty-one years and over and to qualifying patients age eighteen years and over subject to restrictions; amending RCW 69.50.357; and prescribing penalties.

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

Sec. 1. RCW 69.50.357 and 2016 c 171 s 1 are each amended to read as follows:

(1)(a) Retail outlets may not sell products or services other than marijuana concentrates, useable marijuana, marijuana-infused products, or paraphernalia intended for the storage or use of marijuana concentrates, useable marijuana, or marijuana-infused products.

(b)(i) Retail outlets may receive lockable boxes, intended for the secure storage of marijuana products and paraphernalia, and related literature as a donation from another person or entity, that is not a marijuana producer, processor, or retailer, for donation to their customers.

(ii) Retail outlets may donate the lockable boxes and provide the related literature to any person eligible to purchase marijuana products under subsection (2) of this section. Retail outlets may not use the donation of lockable boxes or literature as an incentive or as a condition of a recipient's purchase of a marijuana product or paraphernalia.

(iii) Retail outlets may also purchase and sell lockable boxes, provided that the sales price is not less than the cost of acquisition.

(2) Licensed marijuana retailers may not employ persons under twenty-one years of age or allow persons under twenty-one years of age to enter or remain on the premises of a retail outlet. However, qualifying patients between eighteen

and twenty-one years of age with a recognition card may enter and remain on the premises of a retail outlet holding a medical marijuana endorsement and may purchase products for their personal medical use. Qualifying patients who are under the age of eighteen with a recognition card and who accompany their designated providers may enter and remain on the premises of a retail outlet holding a medical marijuana endorsement, but may not purchase products for their personal medical use.

(3)(a) Licensed marijuana retailers must ensure that all employees are trained on the rules adopted to implement this chapter, identification of persons under the age of twenty-one, and other requirements adopted by the state liquor and cannabis board to ensure that persons under the age of twenty-one are not permitted to enter or remain on the premises of a retail outlet.

(b) Licensed marijuana retailers with a medical marijuana endorsement must ensure that all employees are trained on the subjects required by (a) of this subsection as well as identification of authorizations and recognition cards. Employees must also be trained to permit qualifying patients who hold recognition cards and are between the ages of eighteen and twenty-one to enter the premises and purchase marijuana for their personal medical use and to permit qualifying patients who are under the age of eighteen with a recognition card to enter the premises if accompanied by their designated providers.

(4) Licensed marijuana retailers may not display any signage outside of the licensed premises, other than two signs identifying the retail outlet by the licensee's business or trade name. Each sign must be no larger than one thousand six hundred square inches, be permanently affixed to a building or other structure, and be posted not less than one thousand feet from any elementary school, secondary school, or playground.

(5) Except for the purposes of disposal as authorized by the state liquor and cannabis board, no licensed marijuana retailer or employee of a retail outlet may open or consume, or allow to be opened or consumed, any marijuana concentrates, useable marijuana, or marijuana-infused product on the outlet premises.

(6) The state liquor and cannabis board must fine a licensee one thousand dollars for each violation of any subsection of this section. Fines collected under this section must be deposited into the dedicated marijuana account created under RCW 69.50.530.

Passed by the House April 13, 2017.
Passed by the Senate April 6, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 132

[House Bill 1262]

ACCESSIBLE PARKING SPACES--VAN ACCESSIBLE

AN ACT Relating to accessible parking spaces for people with disabilities; adding a new section to chapter 19.27 RCW; and providing an effective date.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 19.27 RCW to read as follows:

(1) In addition to the requirements under RCW 46.61.581, each accessible parking space reserved for a person with a physical disability and designated as "van accessible" under the Americans with disabilities act must have a ninety-six inch or greater adjacent access aisle. The adjacent access aisle space must be in addition to the adjacent van parking space. Two van accessible parking spaces may share a common adjacent access aisle.

(2) A sign must be erected at the head of each access aisle that prohibits parking in any access aisle located adjacent to an accessible parking space reserved for a person with a physical disability. The sign may include additional language such as, but not limited to, an indication of any penalty for parking in an access aisle.

(3) By January 1, 2018, the building code council shall adopt rules to implement in the building code the access aisle width and access aisle marking requirements of this section.

NEW SECTION. **Sec. 2.** This act takes effect January 1, 2018.

Passed by the House February 15, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 133

[House Bill 1274]

GAMBLING--CHARITABLE AND NONPROFIT ORGANIZATIONS--MEMBER REQUIREMENTS

AN ACT Relating to the bona fide charitable or nonprofit organization member requirement; and amending RCW 9.46.0209.

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

Sec. 1. RCW 9.46.0209 and 2009 c 137 s 1 are each amended to read as follows:

(1)(a) "Bona fide charitable or nonprofit organization," as used in this chapter, means:

(i) Any organization duly existing under the provisions of chapter 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized under the provisions of chapters 15.76 or 36.37 RCW, or any nonprofit corporation duly existing under the provisions of chapter 24.03 RCW for charitable, benevolent, eleemosynary, educational, civic, patriotic, political, social, fraternal, athletic or agricultural purposes only, or any nonprofit organization, whether incorporated or otherwise, when found by the commission to be organized and operating for one or more of the aforesaid purposes only, all of which in the opinion of the commission have been organized and are operated primarily for purposes other than the operation of gambling activities authorized under this chapter; or

(ii) Any corporation which has been incorporated under Title 36 U.S.C. and whose principal purposes are to furnish volunteer aid to members of the armed forces of the United States and also to carry on a system of national and international relief and to apply the same in mitigating the sufferings caused by

pestilence, famine, fire, floods, and other national calamities and to devise and carry on measures for preventing the same.

(b) An organization defined under (a) of this subsection must:

(i) Have been organized and continuously operating for at least twelve calendar months immediately preceding making application for any license to operate a gambling activity, or the operation of any gambling activity authorized by this chapter for which no license is required; and

(ii) ((~~Have not less than fifteen bona fide active members each with the right to an equal vote in the election of the officers, or board members, if any, who determine the policies of the organization in order to receive a gambling license; and~~

~~(iii)~~)) Demonstrate to the commission that it has made significant progress toward the accomplishment of the purposes of the organization during the twelve consecutive month period preceding the date of application for a license or license renewal. The fact that contributions to an organization do not qualify for charitable contribution deduction purposes or that the organization is not otherwise exempt from payment of federal income taxes pursuant to the internal revenue code of 1954, as amended, shall constitute prima facie evidence that the organization is not a bona fide charitable or nonprofit organization for the purposes of this section.

(c) Any person, association or organization which pays its employees, including members, compensation other than is reasonable therefor under the local prevailing wage scale shall be deemed paying compensation based in part or whole upon receipts relating to gambling activities authorized under this chapter and shall not be a bona fide charitable or nonprofit organization for the purposes of this chapter.

(2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide nonprofit organization also includes:

(a) A credit union organized and operating under state or federal law. All revenue less prizes and expenses received from raffles conducted by credit unions must be devoted to purposes authorized under this section for charitable and nonprofit organizations; and

(b) A group of executive branch state employees that:

(i) Has requested and received revocable approval from the agency's chief executive official, or such official's designee, to conduct one or more raffles in compliance with this section;

(ii) Conducts a raffle solely to raise funds for either the state combined fund drive, created under RCW 41.04.033; an entity approved to receive funds from the state combined fund drive; or a charitable or benevolent entity, including but not limited to a person or family in need, as determined by a majority vote of the approved group of employees. No person or other entity may receive compensation in any form from the group for services rendered in support of this purpose;

(iii) Promptly provides such information about the group's receipts, expenditures, and other activities as the agency's chief executive official or designee may periodically require, and otherwise complies with this section and RCW 9.46.0315; and

(iv) Limits the participation in the raffle such that raffle tickets are sold only to, and winners are determined only from, the employees of the agency.

(3) For the purposes of RCW 9.46.0277, a bona fide nonprofit organization also includes a county, city, or town, provided that all revenue less prizes and expenses from raffles conducted by the county, city, or town must be used for community activities or tourism promotion activities.

Passed by the House February 27, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 134

[House Bill 1281]

RURAL COUNTY LIBRARY DISTRICT BOARDS OF TRUSTEES--CERTAIN COUNTIES--COMPOSITION

AN ACT Relating to modifying the appointment process for trustees of rural county library districts in counties with one million or more residents; amending RCW 27.12.190; and adding a new section to chapter 27.12 RCW.

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

Sec. 1. RCW 27.12.190 and 1982 c 123 s 8 are each amended to read as follows:

The management and control of a library shall be vested in a board of either five or seven trustees as hereinafter in this section provided. In cities and towns five trustees shall be appointed by the mayor with the consent of the legislative body. In counties, rural county library districts, and island library districts, except as provided in section 2 of this act, five trustees shall be appointed by the board of county commissioners. In a regional library district a board of either five or seven trustees shall be appointed by the joint action of the legislative bodies concerned. In intercounty rural library districts a board of either five or seven trustees shall be appointed by the joint action of the boards of county commissioners of each of the counties included in a district. The first appointments for boards comprised of but five trustees shall be for terms of one, two, three, four, and five years respectively, and thereafter a trustee shall be appointed annually to serve for five years. The first appointments for boards comprised of seven trustees shall be for terms of one, two, three, four, five, six, and seven years respectively, and thereafter a trustee shall be appointed annually to serve for seven years. No person shall be appointed to any board of trustees for more than two consecutive terms. Vacancies shall be filled for unexpired terms as soon as possible in the manner in which members of the board are regularly chosen.

A library trustee shall not receive a salary or other compensation for services as trustee, but necessary expenses actually incurred shall be paid from the library funds.

A library trustee in the case of a city or town may be removed only by vote of the legislative body. A trustee of a county library, a rural county library district library, or an island library district library may be removed for just cause by the county commissioners after a public hearing upon a written complaint stating the ground for removal, which complaint, with a notice of the time and place of hearing, shall have been served upon the trustee at least fifteen days

before the hearing. A trustee of an intercounty rural library district may be removed by the joint action of the board of county commissioners of the counties involved in the same manner as provided herein for the removal of a trustee of a county library.

NEW SECTION. **Sec. 2.** A new section is added to chapter 27.12 RCW to read as follows:

In any county with an adopted home rule charter and one million or more residents, the board of trustees of a rural county library district will be made up of seven members who are appointed by the county executive and confirmed by the county legislative authority. Members shall be residents of either those cities or towns that, through annexation, have become part of the rural county library district or unincorporated areas of the county, and that represent the geographic diversity of the library district. The composition of an initial seven-member rural county library district board of trustees will comprise the existing five trustees, who will serve out their existing terms, and two new trustees, whose positions shall have initial terms of one and two years respectively. Thereafter a trustee shall be appointed to serve for five years to fill each expired term. No person may be appointed to any board of trustees for more than two consecutive terms.

Passed by the House March 8, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 135

[Engrossed Substitute House Bill 1296]

TAX PREFERENCES--ANNUAL REPORTS CONSOLIDATION

AN ACT Relating to consolidating and simplifying the annual report and annual survey used for economic development tax incentives; amending RCW 82.32.534, 82.32.590, 82.32.600, 82.32.605, 82.32.607, 82.32.710, 82.32.808, 82.04.240, 82.04.2404, 82.04.2909, 82.04.426, 82.04.4277, 82.04.4461, 82.04.4463, 82.04.448, 82.04.4481, 82.04.4483, 82.04.449, 82.08.805, 82.08.965, 82.08.9651, 82.08.970, 82.08.980, 82.08.986, 82.12.022, 82.12.025651, 82.12.805, 82.12.965, 82.12.9651, 82.12.970, 82.12.980, 82.16.0421, 82.29A.137, 82.60.070, 82.63.020, 82.63.045, 82.74.040, 82.74.050, 82.75.040, 82.75.070, 82.82.020, 82.82.040, 84.36.645, and 84.36.655; reenacting and amending RCW 82.04.260 and 82.32.790; repealing RCW 82.32.585; providing an effective date; and providing a contingent effective date.

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

Sec. 1. RCW 82.32.534 and 2016 c 175 s 1 are each amended to read as follows:

(1)(a)(i) Beginning in calendar year 2018, every person claiming a tax preference that requires ((~~a~~)) an annual tax performance report under this section must file a complete annual report with the department. The report is due by May 31st of the year following any calendar year in which a person becomes eligible to claim the tax preference that requires a report under this section.

(ii) If the tax preference is a deferral of tax, the first annual tax performance report must be filed by May 31st of the calendar year following the calendar year in which the investment project is certified by the department as operationally complete, and an annual tax performance report must be filed by May 31st of each of the seven succeeding calendar years.

(iii) The department may extend the due date for timely filing of annual reports under this section as provided in RCW 82.32.590.

(b) The report must include information detailing employment((,)) and wages((, and employer-provided health and retirement benefits)) for employment positions in Washington for the year that the tax preference was claimed. However, persons engaged in manufacturing commercial airplanes or components of such airplanes may report employment, wage, and benefit information per job at the manufacturing site for the year that the tax preference was claimed. The report must not include names of employees. The report must also detail employment by the total number of full-time, part-time, and temporary positions for the year that the tax preference was claimed. In lieu of reporting employment and wage data required under this subsection, taxpayers may instead opt to allow the employment security department to release the same employment and wage information from unemployment insurance records to the department and the joint legislative audit and review committee. This option is intended to reduce the reporting burden for taxpayers, and each taxpayer electing to use this option must affirm that election in accordance with procedures approved by the employment security department.

(c) Persons receiving the benefit of the tax preference provided by RCW 82.16.0421 or claiming any of the tax preferences provided by RCW 82.04.2909, 82.04.4481, 82.08.805, 82.12.805, or 82.12.022(5) must indicate on the annual report the quantity of product produced in this state during the time period covered by the report.

(d) If a person filing a report under this section did not file a report with the department in the previous calendar year, the report filed under this section must also include employment, wage, and benefit information for the calendar year immediately preceding the calendar year for which a tax preference was claimed.

(2)(a) As part of the annual report, the department and the joint legislative audit and review committee may request additional information necessary to measure the results of, or determine eligibility for, the tax preference.

(b) The report must include the amount of the tax preference claimed for the calendar year covered by the report. For a person that claimed an exemption provided in RCW 82.08.025651 or 82.12.025651, the report must include the amount of tax exempted under those sections in the prior calendar year for each general area or category of research and development for which exempt machinery and equipment and labor and services were acquired in the prior calendar year.

(3) Other than information requested under subsection (2)(a) of this section, the information contained in an annual report filed under this section is not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request.

(4)(a) Except as otherwise provided by law, if a person claims a tax preference that requires an annual report under this section but fails to submit a complete report by the due date or any extension under RCW 82.32.590, the department must declare:

(i) Thirty-five percent of the amount of the tax preference claimed for the previous calendar year to be immediately due and payable; ((and))

(ii) An additional fifteen percent of the amount of the tax preference claimed for the previous calendar year to be immediately due and payable if the person has previously been assessed under this subsection (4) for failure to submit a report under this section for the same tax preference; and

(iii) If the tax preference is a deferral of tax, the amount immediately due under this subsection is twelve and one-half percent of the deferred tax. If the economic benefits of the deferral are passed to a lessee, the lessee is responsible for payment to the extent the lessee has received the economic benefit.

(b) The department may not assess interest or penalties on amounts due under this subsection.

(5) The department must use the information from this section to prepare summary descriptive statistics by category. No fewer than three taxpayers may be included in any category. The department must report these statistics to the legislature each year by December 31st.

(6) For the purposes of this section:

(a) "Person" has the meaning provided in RCW 82.04.030 and also includes the state and its departments and institutions.

(b) "Tax preference" has the meaning provided in RCW 43.136.021 and includes only the tax preferences requiring a ((~~survey~~)) report under this section.

NEW SECTION. **Sec. 2.** RCW 82.32.585 (Annual survey requirement for tax preferences) and 2016 c 175 s 2, 2014 c 97 s 103, 2011 c 23 s 6, & 2010 c 114 s 102 are each repealed.

Sec. 3. RCW 82.32.590 and 2011 c 174 s 306 are each amended to read as follows:

(1) If the department finds that the failure of a taxpayer to file an annual ((~~survey under RCW 82.32.585 or annual~~)) tax performance report under RCW 82.32.534 by the due date was the result of circumstances beyond the control of the taxpayer, the department must extend the time for filing the ((~~survey or~~)) tax performance report. The extension is for a period of thirty days from the date the department issues its written notification to the taxpayer that it qualifies for an extension under this section. The department may grant additional extensions as it deems proper.

(2) In making a determination whether the failure of a taxpayer to file an ((~~annual survey or~~)) annual tax performance report by the due date was the result of circumstances beyond the control of the taxpayer, the department must be guided by rules adopted by the department for the waiver or cancellation of penalties when the underpayment or untimely payment of any tax was due to circumstances beyond the control of the taxpayer.

(3)(a) Subject to the conditions in this subsection (3), a taxpayer who fails to file an annual tax performance report ((~~or annual survey~~)) required under subsection (1) of this section by the due date of the report ((~~or survey~~)) is entitled to an extension of the due date. A request for an extension under this subsection (3) must be made in writing to the department.

(b) To qualify for an extension under this subsection (3), a taxpayer must have filed all annual tax performance reports ((~~and surveys~~)), if any, due in prior years under subsection (1) of this section by their respective due dates, beginning with annual reports ((~~and surveys~~)) due in calendar year 2010.

(c) An extension under this subsection (3) is for ninety days from the original due date of the annual tax performance report ((~~or survey~~)).

(d) No taxpayer may be granted more than one ninety-day extension under this subsection (3).

Sec. 4. RCW 82.32.600 and 2010 c 114 s 136 are each amended to read as follows:

(1) Persons required to file annual ((~~surveys or annual reports under RCW 82.32.534 or 82.32.585~~)) tax performance reports under RCW 82.32.534 must electronically file with the department all ((~~surveys,~~)) reports, returns, and any other forms or information the department requires in an electronic format as provided or approved by the department. As used in this section, "returns" has the same meaning as "return" in RCW 82.32.050.

(2) Any ((~~survey,~~)) report, return, or any other form or information required to be filed in an electronic format under subsection (1) of this section is not filed until received by the department in an electronic format.

(3) The department may waive the electronic filing requirement in subsection (1) of this section for good cause shown.

Sec. 5. RCW 82.32.605 and 2013 2nd sp.s. c 13 s 1004 are each amended to read as follows:

(1) Every taxpayer claiming an exemption under RCW 82.08.956 or 82.12.956 must file with the department a complete annual ((~~survey as required under RCW 82.32.585~~)) tax performance report under RCW 82.32.534, except that the taxpayer must file a separate ((~~survey~~)) tax performance report for each facility owned or operated in the state of Washington.

(2) This section expires June 30, 2024.

Sec. 6. RCW 82.32.607 and 2013 2nd sp.s. c 13 s 1503 are each amended to read as follows:

Every taxpayer claiming an exemption under RCW 82.08.962 or 82.12.962 must file with the department a complete annual ((~~survey as required under RCW 82.32.585~~)) tax performance report under RCW 82.32.534, except that the taxpayer must file a separate ((~~survey~~)) tax performance report for each facility owned or operated in the state of Washington developed with machinery, equipment, services, or labor for which the exemption under RCW 43.136.058, 82.08.962, and 82.12.962 is claimed.

Sec. 7. RCW 82.32.710 and 2010 c 114 s 137 are each amended to read as follows:

(1) A client under the terms of a professional employer agreement is deemed to be the sole employer of a covered employee for purposes of eligibility for any tax credit, exemption, or other tax incentive, arising as the result of the employment of covered employees, provided in RCW 82.04.4333, 82.04.44525, 82.04.448, 82.04.4483, 82.08.965, 82.12.965, 82.16.0495, or 82.60.049 or chapter 82.62 or 82.70 RCW, or any other provision in this title. A client, and not the professional employer organization, is entitled to the benefit of any tax credit, exemption, or other tax incentive arising as the result of the employment of covered employees of that client.

(2) A client under the terms of a professional employer agreement is deemed to be the sole employer of a covered employee for purposes of tax performance reports ((~~or surveys~~)) that require the reporting of employment

information relating to covered employees of the client, as provided in RCW 82.32.534 ((~~or 82.32.585~~)). A client, and not the professional employer organization, is required to complete any ((~~survey or~~)) tax performance report that requires the reporting of employment information relating to covered employees of that client.

(3) For the purposes of this section, "client," "covered employee," "professional employer agreement," and "professional employer organization" have the same meanings as in RCW 82.04.540.

Sec. 8. RCW 82.32.808 and 2013 2nd sp.s. c 13 s 1702 are each amended to read as follows:

(1) As provided in this section, every bill enacting a new tax preference must include a tax preference performance statement, unless the legislation enacting the new tax preference contains an explicit exemption from the requirements of this section.

(2) A tax preference performance statement must state the legislative purpose for the new tax preference. The tax preference performance statement must indicate one or more of the following general categories, by reference to the applicable category specified in this subsection, as the legislative purpose of the new tax preference:

(a) Tax preferences intended to induce certain designated behavior by taxpayers;

(b) Tax preferences intended to improve industry competitiveness;

(c) Tax preferences intended to create or retain jobs;

(d) Tax preferences intended to reduce structural inefficiencies in the tax structure;

(e) Tax preferences intended to provide tax relief for certain businesses or individuals; or

(f) A general purpose not identified in (a) through (e) of this subsection.

(3) In addition to identifying the general legislative purpose of the tax preference under subsection (2) of this section, the tax preference performance statement must provide additional detailed information regarding the legislative purpose of the new tax preference.

(4) A new tax preference performance statement must specify clear, relevant, and ascertainable metrics and data requirements that allow the joint legislative audit and review committee and the legislature to measure the effectiveness of the new tax preference in achieving the purpose designated under subsection (2) of this section.

(5) If the tax preference performance statement for a new tax preference indicates a legislative purpose described in subsection (2)(b) or (c) of this section, any taxpayer claiming the new tax preference must file an annual ((~~survey~~)) tax performance report in accordance with RCW ((~~82.32.585~~)) 82.32.534.

(6)(a) Taxpayers claiming a new tax preference must report the amount of the tax preference claimed by the taxpayer to the department as otherwise required by statute or determined by the department as part of the taxpayer's regular tax reporting responsibilities. For new tax preferences allowing certain types of gross income of the business to be excluded from business and occupation or public utility taxation, the tax return must explicitly report the amount of the exclusion, regardless of whether it is structured as an exemption

or deduction, if the taxpayer is otherwise required to report taxes to the department on a monthly or quarterly basis. For a new sales and use tax exemption, the total ((~~sales or uses~~)) purchase price or value of the exempt product or service subject to the exemption claimed by the buyer must be reported on an addendum to the buyer's tax return if the buyer is otherwise required to report taxes to the department on a monthly or quarterly basis and the buyer is required to submit an exemption certificate, or similar document, to the seller.

(b) This subsection does not apply to:

(i) Property tax exemptions;

(ii) Tax preferences required by constitutional law;

(iii) Tax preferences for which the tax benefit to the taxpayer is less than one thousand dollars per calendar year; or

(iv) Taxpayers who are annual filers.

(c) The department may waive the filing requirements of this subsection for taxpayers who are not required to file electronically any return((~~,~~)) or report((~~, or survey~~)) under this chapter.

(7)(a) Except as otherwise provided in this subsection, the amount claimed by a taxpayer for any new tax preference is subject to public disclosure and is not considered confidential tax information under RCW 82.32.330, if the reporting periods subject to disclosure ended at least twenty-four months prior to the date of disclosure and the taxpayer is required to report the amount of the tax preference claimed by the taxpayer to the department under subsection (6) of this section.

(b)(i) The department may waive the public disclosure requirement under (a) of this subsection (7) for good cause. Good cause may be demonstrated by a reasonable showing of economic harm to a taxpayer if the information specified under this subsection is disclosed. The waiver under this subsection (7)(b)(i) only applies to the new tax preferences provided in chapter 13, Laws of 2013 2nd sp. sess.

(ii) The amount of the tax preference claimed by a taxpayer during a calendar year is confidential under RCW 82.32.330 and may not be disclosed under this subsection if the amount for the calendar year is less than ten thousand dollars.

(c) In lieu of the disclosure and waiver requirements under this subsection, the requirements under RCW ((~~82.32.585~~)) 82.32.534 apply to any tax preference that requires a ((~~survey~~)) tax performance report.

(8) If a new tax preference does not include the information required under subsections (2) through (4) of this section, the joint legislative audit and review committee is not required to perform a tax preference review under chapter 43.136 RCW, and it is legislatively presumed that it is the intent of the legislature to allow the new tax preference to expire upon its scheduled expiration date.

(9) For the purposes of this section, "tax preference" and "new tax preference" have the same meaning as provided in RCW 82.32.805.

Sec. 9. RCW 82.04.240 and 2010 c 114 s 104 are each amended to read as follows:

(1) Upon every person engaging within this state in business as a manufacturer, except persons taxable as manufacturers under other provisions of

this chapter; as to such persons the amount of the tax with respect to such business is equal to the value of the products, including byproducts, manufactured, multiplied by the rate of 0.484 percent.

(2)(a) Upon every person engaging within this state in the business of manufacturing semiconductor materials, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured, or, in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.275 percent. For the purposes of this subsection "semiconductor materials" means silicon crystals, silicon ingots, raw polished semiconductor wafers, compound semiconductors, integrated circuits, and microchips.

(b) A person reporting under the tax rate provided in this subsection (2) must file a complete annual tax performance report with the department under RCW 82.32.534.

(c) This subsection (2) expires twelve years after the effective date of this act.

(3) The measure of the tax is the value of the products, including byproducts, so manufactured regardless of the place of sale or the fact that deliveries may be made to points outside the state.

Sec. 10. RCW 82.04.2404 and 2010 c 114 s 105 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of manufacturing or processing for hire semiconductor materials, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured, or, in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.275 percent.

(2) For the purposes of this section "semiconductor materials" means silicon crystals, silicon ingots, raw polished semiconductor wafers, and compound semiconductor wafers.

(3) A person reporting under the tax rate provided in this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(4) This section expires December 1, 2018.

Sec. 11. RCW 82.04.260 and 2015 3rd sp.s. c 6 s 602 and 2015 3rd sp.s. c 6 s 205 are each reenacted and amended to read as follows:

(1) Upon every person engaging within this state in the business of manufacturing:

(a) Wheat into flour, barley into pearl barley, soybeans into soybean oil, canola into canola oil, canola meal, or canola by-products, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business is equal to the value of the flour, pearl barley, oil, canola meal, or canola by-product manufactured, multiplied by the rate of 0.138 percent;

(b) Beginning July 1, 2025, seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; or selling manufactured seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing, to purchasers who transport in the ordinary course of business the goods out of this state; as to such

persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales, multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state;

(c)(i) ((~~Beginning July 1, 2025~~)) Except as provided otherwise in (c)(iii) of this subsection, from July 1, 2025, until January 1, 2036, dairy products; or selling dairy products that the person has manufactured to purchasers who either transport in the ordinary course of business the goods out of state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product; as to such persons the tax imposed is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.

(ii) For the purposes of this subsection (1)(c), "dairy products" means:

(A) Products, not including any marijuana-infused product, that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including by-products from the manufacturing of the dairy products, such as whey and casein; and

(B) Products comprised of not less than seventy percent dairy products that qualify under (c)(ii)(A) of this subsection, measured by weight or volume.

(iii) The preferential tax rate provided to taxpayers under this subsection (1)(c) does not apply to sales of dairy products on or after July 1, 2023, where a dairy product is used by the purchaser as an ingredient or component in the manufacturing in Washington of a dairy product;

(d)(i) Beginning July 1, 2025, fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables, or selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.

(ii) For purposes of this subsection (1)(d), "fruits" and "vegetables" do not include marijuana, useable marijuana, or marijuana-infused products;

(e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or biodiesel feedstock, as those terms are defined in RCW 82.29A.135; as to such persons the amount of tax with respect to the business is equal to the value of alcohol fuel, biodiesel fuel, or biodiesel feedstock manufactured, multiplied by the rate of 0.138 percent; and

(f) Wood biomass fuel as defined in RCW 82.29A.135; as to such persons the amount of tax with respect to the business is equal to the value of wood biomass fuel manufactured, multiplied by the rate of 0.138 percent.

(2) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to such business is equal to the value of the peas split or processed, multiplied by the rate of 0.138 percent.

(3) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

(4) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale only and not at retail; as to such persons the tax imposed is equal to the gross proceeds derived from such sales multiplied by the rate of 0.138 percent.

(5) Upon every person engaging within this state in the business of acting as a travel agent or tour operator; as to such persons the amount of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(6) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax with respect to only international activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(7) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business is equal to the gross proceeds derived from such activities multiplied by the rate of 0.275 percent. Persons subject to taxation under this subsection are exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee. Specific activities included in this definition are: Wharfage, handling, loading, unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; documentation services in connection with the receipt, delivery, checking, care, custody and control of cargo required in the transfer of cargo; imported automobile handling prior to delivery to consignee; terminal stevedoring and incidental vessel services, including but not limited to plugging and unplugging refrigerator service to containers, trailers, and other refrigerated cargo receptacles, and securing ship hatch covers.

(8)(a) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW 43.145.010; as to such persons the amount of the tax with respect to such business is equal to the gross income of the business, excluding any fees imposed under chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

(b) If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state must be determined in accordance with the methods of apportionment required under RCW 82.04.460.

(9) Upon every person engaging within this state as an insurance producer or title insurance agent licensed under chapter 48.17 RCW or a surplus line broker licensed under chapter 48.15 RCW; as to such persons, the amount of the tax with respect to such licensed activities is equal to the gross income of such business multiplied by the rate of 0.484 percent.

(10) Upon every person engaging within this state in business as a hospital, as defined in chapter 70.41 RCW, that is operated as a nonprofit corporation or by the state or any of its political subdivisions, as to such persons, the amount of tax with respect to such activities is equal to the gross income of the business multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5 percent thereafter.

(11)(a) Beginning October 1, 2005, upon every person engaging within this state in the business of manufacturing commercial airplanes, or components of such airplanes, or making sales, at retail or wholesale, of commercial airplanes or components of such airplanes, manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of:

(i) 0.4235 percent from October 1, 2005, through June 30, 2007; and

(ii) 0.2904 percent beginning July 1, 2007.

(b) Beginning July 1, 2008, upon every person who is not eligible to report under the provisions of (a) of this subsection (11) and is engaging within this state in the business of manufacturing tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes, or making sales, at retail or wholesale, of such tooling manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, be equal to the gross income of the business, multiplied by the rate of 0.2904 percent.

(c) For the purposes of this subsection (11), "commercial airplane" and "component" have the same meanings as provided in RCW 82.32.550.

(d) In addition to all other requirements under this title, a person reporting under the tax rate provided in this subsection (11) must file a complete annual tax performance report with the department under RCW 82.32.534.

(e)(i) Except as provided in (e)(ii) of this subsection (11), this subsection (11) does not apply on and after July 1, 2040.

(ii) With respect to the manufacturing of commercial airplanes or making sales, at retail or wholesale, of commercial airplanes, this subsection (11) does

not apply on and after July 1st of the year in which the department makes a determination that any final assembly or wing assembly of any version or variant of a commercial airplane that is the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850 has been sited outside the state of Washington. This subsection (11)(e)(ii) only applies to the manufacturing or sale of commercial airplanes that are the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850.

(12)(a) Until July 1, 2024, upon every person engaging within this state in the business of extracting timber or extracting for hire timber; as to such persons the amount of tax with respect to the business is, in the case of extractors, equal to the value of products, including by-products, extracted, or in the case of extractors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.

(b) Until July 1, 2024, upon every person engaging within this state in the business of manufacturing or processing for hire: (i) Timber into timber products or wood products; or (ii) timber products into other timber products or wood products; as to such persons the amount of the tax with respect to the business is, in the case of manufacturers, equal to the value of products, including by-products, manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.

(c) Until July 1, 2024, upon every person engaging within this state in the business of selling at wholesale: (i) Timber extracted by that person; (ii) timber products manufactured by that person from timber or other timber products; or (iii) wood products manufactured by that person from timber or timber products; as to such persons the amount of the tax with respect to the business is equal to the gross proceeds of sales of the timber, timber products, or wood products multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.

(d) Until July 1, 2024, upon every person engaging within this state in the business of selling standing timber; as to such persons the amount of the tax with respect to the business is equal to the gross income of the business multiplied by the rate of 0.2904 percent. For purposes of this subsection (12)(d), "selling standing timber" means the sale of timber apart from the land, where the buyer is required to sever the timber within thirty months from the date of the original contract, regardless of the method of payment for the timber and whether title to the timber transfers before, upon, or after severance.

(e) For purposes of this subsection, the following definitions apply:

(i) "Biocomposite surface products" means surface material products containing, by weight or volume, more than fifty percent recycled paper and that also use nonpetroleum-based phenolic resin as a bonding agent.

(ii) "Paper and paper products" means products made of interwoven cellulosic fibers held together largely by hydrogen bonding. "Paper and paper products" includes newsprint; office, printing, fine, and pressure-sensitive papers; paper napkins, towels, and toilet tissue; kraft bag, construction, and other kraft industrial papers; paperboard, liquid packaging containers, containerboard,

corrugated, and solid-fiber containers including linerboard and corrugated medium; and related types of cellulosic products containing primarily, by weight or volume, cellulosic materials. "Paper and paper products" does not include books, newspapers, magazines, periodicals, and other printed publications, advertising materials, calendars, and similar types of printed materials.

(iii) "Recycled paper" means paper and paper products having fifty percent or more of their fiber content that comes from postconsumer waste. For purposes of this subsection (12)(e)(iii), "postconsumer waste" means a finished material that would normally be disposed of as solid waste, having completed its life cycle as a consumer item.

(iv) "Timber" means forest trees, standing or down, on privately or publicly owned land. "Timber" does not include Christmas trees that are cultivated by agricultural methods or short-rotation hardwoods as defined in RCW 84.33.035.

(v) "Timber products" means:

(A) Logs, wood chips, sawdust, wood waste, and similar products obtained wholly from the processing of timber, short-rotation hardwoods as defined in RCW 84.33.035, or both;

(B) Pulp, including market pulp and pulp derived from recovered paper or paper products; and

(C) Recycled paper, but only when used in the manufacture of biocomposite surface products.

(vi) "Wood products" means paper and paper products; dimensional lumber; engineered wood products such as particleboard, oriented strand board, medium density fiberboard, and plywood; wood doors; wood windows; and biocomposite surface products.

(f) Except for small harvesters as defined in RCW 84.33.035, a person reporting under the tax rate provided in this subsection (12) must file a complete annual ((~~survey~~)) tax performance report with the department under RCW ((~~82.32.585~~)) 82.32.534.

(13) Upon every person engaging within this state in inspecting, testing, labeling, and storing canned salmon owned by another person, as to such persons, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

(14)(a) Upon every person engaging within this state in the business of printing a newspaper, publishing a newspaper, or both, the amount of tax on such business is equal to the gross income of the business multiplied by the rate of 0.35 percent until July 1, 2024, and 0.484 percent thereafter.

(b) A person reporting under the tax rate provided in this subsection (14) must file a complete annual tax performance report with the department under RCW 82.32.534.

Sec. 12. RCW 82.04.2909 and 2015 3rd sp.s. c 6 s 502 are each amended to read as follows:

(1) Upon every person who is an aluminum smelter engaging within this state in the business of manufacturing aluminum; as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of .2904 percent.

(2) Upon every person who is an aluminum smelter engaging within this state in the business of making sales at wholesale of aluminum manufactured by

that person, as to such persons the amount of tax with respect to such business is equal to the gross proceeds of sales of the aluminum multiplied by the rate of .2904 percent.

(3) A person reporting under the tax rate provided in this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(4) This section expires January 1, 2027.

Sec. 13. RCW 82.04.426 and 2010 c 114 s 110 are each amended to read as follows:

(1) The tax imposed by RCW 82.04.240(2) does not apply to any person in respect to the manufacturing of semiconductor microchips.

(2) For the purposes of this section:

(a) "Manufacturing semiconductor microchips" means taking raw polished semiconductor wafers and embedding integrated circuits on the wafers using processes such as masking, etching, and diffusion; and

(b) "Integrated circuit" means a set of microminiaturized, electronic circuits.

(3) A person reporting under the tax rate provided in this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(4) This section expires nine years after the effective date of this act.

Sec. 14. RCW 82.04.4277 and 2016 sp.s. c 29 s 532 are each amended to read as follows:

(1) A health or social welfare organization may deduct from the measure of tax amounts received as compensation for providing mental health services or chemical dependency services under a government-funded program.

(2) A behavioral health organization may deduct from the measure of tax amounts received from the state of Washington for distribution to a health or social welfare organization that is eligible to deduct the distribution under subsection (1) of this section.

(3) A person claiming a deduction under this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Chemical dependency" has the same meaning as provided in RCW 70.96A.020.

(b) "Health or social welfare organization" has the meaning provided in RCW 82.04.431.

(c) "Mental health services" and "behavioral health organization" have the meanings provided in RCW 71.24.025.

(5) This section expires January 1, 2020.

Sec. 15. RCW 82.04.4461 and 2013 3rd sp.s. c 2 s 9 are each amended to read as follows:

(1)(a)(i) In computing the tax imposed under this chapter, a credit is allowed for each person for qualified aerospace product development. For a person who is a manufacturer or processor for hire of commercial airplanes or components of such airplanes, credit may be earned for expenditures occurring after December 1, 2003. For all other persons, credit may be earned only for expenditures occurring after June 30, 2008.

(ii) For purposes of this subsection, "commercial airplane" and "component" have the same meanings as provided in RCW 82.32.550.

(b) Before July 1, 2005, any credits earned under this section must be accrued and carried forward and may not be used until July 1, 2005. These carryover credits may be used at any time thereafter, and may be carried over until used. Refunds may not be granted in the place of a credit.

(2) The credit is equal to the amount of qualified aerospace product development expenditures of a person, multiplied by the rate of 1.5 percent.

(3) Except as provided in subsection (1)(b) of this section the credit must be claimed against taxes due for the same calendar year in which the qualified aerospace product development expenditures are incurred. Credit earned on or after July 1, 2005, may not be carried over. The credit for each calendar year may not exceed the amount of tax otherwise due under this chapter for the calendar year. Refunds may not be granted in the place of a credit.

(4) Any person claiming the credit must file a form prescribed by the department that must include the amount of the credit claimed, an estimate of the anticipated aerospace product development expenditures during the calendar year for which the credit is claimed, an estimate of the taxable amount during the calendar year for which the credit is claimed, and such additional information as the department may prescribe.

(5) The definitions in this subsection apply throughout this section.

(a) "Aerospace product" has the meaning given in RCW 82.08.975.

(b) "Aerospace product development" means research, design, and engineering activities performed in relation to the development of an aerospace product or of a product line, model, or model derivative of an aerospace product, including prototype development, testing, and certification. The term includes the discovery of technological information, the translating of technological information into new or improved products, processes, techniques, formulas, or inventions, and the adaptation of existing products and models into new products or new models, or derivatives of products or models. The term does not include manufacturing activities or other production-oriented activities, however the term does include tool design and engineering design for the manufacturing process. The term does not include surveys and studies, social science and humanities research, market research or testing, quality control, sale promotion and service, computer software developed for internal use, and research in areas such as improved style, taste, and seasonal design.

(c) "Qualified aerospace product development" means aerospace product development performed within this state.

(d) "Qualified aerospace product development expenditures" means operating expenses, including wages, compensation of a proprietor or a partner in a partnership as determined by the department, benefits, supplies, and computer expenses, directly incurred in qualified aerospace product development by a person claiming the credit provided in this section. The term does not include amounts paid to a person or to the state and any of its departments and institutions, other than a public educational or research institution to conduct qualified aerospace product development. The term does not include capital costs and overhead, such as expenses for land, structures, or depreciable property.

(e) "Taxable amount" means the taxable amount subject to the tax imposed in this chapter required to be reported on the person's tax returns during the year in which the credit is claimed, less any taxable amount for which a credit is allowed under RCW 82.04.440.

(6) In addition to all other requirements under this title, a person claiming the credit under this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(7) Credit may not be claimed for expenditures for which a credit is claimed under RCW 82.04.4452.

(8) This section expires July 1, 2040.

Sec. 16. RCW 82.04.4463 and 2013 3rd sp.s. c 2 s 10 are each amended to read as follows:

(1) In computing the tax imposed under this chapter, a credit is allowed for property taxes and leasehold excise taxes paid during the calendar year.

(2) The credit is equal to:

(a)(i)(A) Property taxes paid on buildings, and land upon which the buildings are located, constructed after December 1, 2003, and used exclusively in manufacturing commercial airplanes or components of such airplanes; and

(B) Leasehold excise taxes paid with respect to buildings constructed after January 1, 2006, the land upon which the buildings are located, or both, if the buildings are used exclusively in manufacturing commercial airplanes or components of such airplanes; and

(C) Property taxes or leasehold excise taxes paid on, or with respect to, buildings constructed after June 30, 2008, the land upon which the buildings are located, or both, and used exclusively for aerospace product development, manufacturing tooling specifically designed for use in manufacturing commercial airplanes or their components, or in providing aerospace services, by persons not within the scope of (a)(i)(A) and (B) of this subsection (2) and are taxable under RCW 82.04.290(3), 82.04.260(11)(b), or 82.04.250(3); or

(ii) Property taxes attributable to an increase in assessed value due to the renovation or expansion, after: (A) December 1, 2003, of a building used exclusively in manufacturing commercial airplanes or components of such airplanes; and (B) June 30, 2008, of buildings used exclusively for aerospace product development, manufacturing tooling specifically designed for use in manufacturing commercial airplanes or their components, or in providing aerospace services, by persons not within the scope of (a)(ii)(A) of this subsection (2) and are taxable under RCW 82.04.290(3), 82.04.260(11)(b), or 82.04.250(3); and

(b) An amount equal to:

(i)(A) Property taxes paid, by persons taxable under RCW 82.04.260(11)(a), on machinery and equipment exempt under RCW 82.08.02565 or 82.12.02565 and acquired after December 1, 2003;

(B) Property taxes paid, by persons taxable under RCW 82.04.260(11)(b), on machinery and equipment exempt under RCW 82.08.02565 or 82.12.02565 and acquired after June 30, 2008; or

(C) Property taxes paid, by persons taxable under RCW 82.04.250(3) or 82.04.290(3), on computer hardware, computer peripherals, and software exempt under RCW 82.08.975 or 82.12.975 and acquired after June 30, 2008.

(ii) For purposes of determining the amount eligible for credit under (i)(A) and (B) of this subsection (2)(b), the amount of property taxes paid is multiplied by a fraction.

(A) The numerator of the fraction is the total taxable amount subject to the tax imposed under RCW 82.04.260(11) (a) or (b) on the applicable business activities of manufacturing commercial airplanes, components of such airplanes, or tooling specifically designed for use in the manufacturing of commercial airplanes or components of such airplanes.

(B) The denominator of the fraction is the total taxable amount subject to the tax imposed under all manufacturing classifications in chapter 82.04 RCW.

(C) For purposes of both the numerator and denominator of the fraction, the total taxable amount refers to the total taxable amount required to be reported on the person's returns for the calendar year before the calendar year in which the credit under this section is earned. The department may provide for an alternative method for calculating the numerator in cases where the tax rate provided in RCW 82.04.260(11) for manufacturing was not in effect during the full calendar year before the calendar year in which the credit under this section is earned.

(D) No credit is available under (b)(i)(A) or (B) of this subsection (2) if either the numerator or the denominator of the fraction is zero. If the fraction is greater than or equal to nine-tenths, then the fraction is rounded to one.

(E) As used in (b)(ii)(C) of this subsection (2), "returns" means the tax returns for which the tax imposed under this chapter is reported to the department.

(3) The definitions in this subsection apply throughout this section, unless the context clearly indicates otherwise.

(a) "Aerospace product development" has the same meaning as provided in RCW 82.04.4461.

(b) "Aerospace services" has the same meaning given in RCW 82.08.975.

(c) "Commercial airplane" and "component" have the same meanings as provided in RCW 82.32.550.

(4) A credit earned during one calendar year may be carried over to be credited against taxes incurred in a subsequent calendar year, but may not be carried over a second year. No refunds may be granted for credits under this section.

(5) In addition to all other requirements under this title, a person claiming the credit under this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(6) This section expires July 1, 2040.

Sec. 17. RCW 82.04.448 and 2010 c 114 s 117 are each amended to read as follows:

(1) Subject to the limits and provisions of this section, a credit is authorized against the tax otherwise due under RCW 82.04.240(2) for persons engaged in the business of manufacturing semiconductor materials. For the purposes of this section "semiconductor materials" has the same meaning as provided in RCW 82.04.240(2).

(2)(a) The credit under this section equals three thousand dollars for each employment position used in manufacturing production that takes place in a new building exempt from sales and use tax under RCW 82.08.965 and 82.12.965. A

credit is earned for the calendar year a person fills a position. Additionally a credit is earned for each year the position is maintained over the subsequent consecutive years, up to eight years. Those positions that are not filled for the entire year are eligible for fifty percent of the credit if filled less than six months, and the entire credit if filled more than six months.

(b) To qualify for the credit, the manufacturing activity of the person must be conducted at a new building that qualifies for the exemption from sales and use tax under RCW 82.08.965 and 82.12.965.

(c) In those situations where a production building in existence on the effective date of this section will be phased out of operation, during which time employment at the new building at the same site is increased, the person is eligible for credit for employment at the existing building and new building, with the limitation that the combined eligible employment not exceed full employment at the new building. "Full employment" has the same meaning as in RCW 82.08.965. The credit may not be earned until the commencement of commercial production, as that term is used in RCW 82.08.965.

(3) No application is necessary for the tax credit. The person is subject to all of the requirements of chapter 82.32 RCW. In no case may a credit earned during one calendar year be carried over to be credited against taxes incurred in a subsequent calendar year. No refunds may be granted for credits under this section.

(4) If at any time the department finds that a person is not eligible for tax credit under this section, the amount of taxes for which a credit has been claimed is immediately due. The department must assess interest, but not penalties, on the taxes for which the person is not eligible. The interest must be assessed at the rate provided for delinquent excise taxes under chapter 82.32 RCW, is retroactive to the date the tax credit was taken, and accrues until the taxes for which a credit has been used are repaid.

(5) A person claiming the credit under this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(6) Credits may be claimed after twelve years after the effective date of this act, for those buildings at which commercial production began before twelve years after the effective date of this act, subject to all of the eligibility criteria and limitations of this section.

(7) This section expires twelve years after the effective date of this act.

Sec. 18. RCW 82.04.4481 and 2015 3rd sp.s. c 6 s 503 are each amended to read as follows:

(1) In computing the tax imposed under this chapter, a credit is allowed for all property taxes paid during the calendar year on property owned by a direct service industrial customer and reasonably necessary for the purposes of an aluminum smelter.

(2) A person claiming the credit under this section is subject to all the requirements of chapter 82.32 RCW. A credit earned during one calendar year may be carried over to be credited against taxes incurred in the subsequent calendar year, but may not be carried over a second year. Credits carried over must be applied to tax liability before new credits. No refunds may be granted for credits under this section.

(3) Credits may not be claimed under this section for property taxes levied for collection in 2027 and thereafter.

(4) A person claiming the credit provided in this section must file a complete annual tax performance report with the department under RCW 82.32.534.

Sec. 19. RCW 82.04.4483 and 2010 c 114 s 119 are each amended to read as follows:

(1) Subject to the limits and provisions of this section, a credit is authorized against the tax otherwise due under this chapter for persons engaged in a rural county in the business of manufacturing computer software or programming, as those terms are defined in this section.

(2) A person who partially or totally relocates a business from one rural county to another rural county is eligible for any new qualifying employment positions created as a result of the relocation but is not eligible to receive credit for the jobs moved from one county to the other.

(3)(a) To qualify for the credit, the qualifying activity of the person must be conducted in a rural county and the new qualified employment position must be located in the rural county.

(b) If an activity is conducted both from a rural county and outside of a rural county, the credit is available if at least ninety percent of the qualifying activity is conducted within a rural county. If the qualifying activity is a service taxable activity, the place where the work is performed is the place at which the activity is conducted.

(4)(a) The credit under this section ((~~shall~~)) equals one thousand dollars for each new qualified employment position created after January 1, 2004, in an eligible area. A credit is earned for the calendar year the person is hired to fill the position. Additionally a credit is earned for each year the position is maintained over the subsequent consecutive years, up to four years. The county must meet the definition of a rural county at the time the position is filled. If the county does not have a rural county status the following year or years, the position is still eligible for the remaining years if all other conditions are met.

(b) Participants who claimed credit under RCW 82.04.4456 for qualified employment positions created before December 31, 2003, are eligible to earn credit for each year the position is maintained over the subsequent consecutive years, for up to four years, which four years include any years claimed under RCW 82.04.4456. Those persons who did not receive a credit under RCW 82.04.4456 before December 31, 2003, are not eligible to earn credit for qualified employment positions created before December 31, 2003.

(c) Credit is authorized for new employees hired for new qualified employment positions created on or after January 1, 2004. New qualified employment positions filled by existing employees are eligible for the credit under this section only if the position vacated by the existing employee is filled by a new hire. A business that is a sole proprietorship without any employees is equivalent to one employee position and this type of business is eligible to receive credit for one position.

(d) If a position is filled before July 1st, the position is eligible for the full yearly credit for that calendar year. If it is filled after June 30th, the position is eligible for half of the credit for that calendar year.

(5) No application is necessary for the tax credit. The person must keep records necessary for the department to verify eligibility under this section. This information includes information relating to description of qualifying activity

conducted in the rural county and outside the rural county by the person as well as detailed records on positions and employees.

(6) If at any time the department finds that a person is not eligible for tax credit under this section, the amount of taxes for which a credit has been claimed is immediately due. The department must assess interest, but not penalties, on the taxes for which the person is not eligible. The interest must be assessed at the rate provided for delinquent excise taxes under chapter 82.32 RCW, applies retroactively to the date the tax credit was taken, and accrues until the taxes for which a credit has been used are repaid.

(7) The credit under this section may be used against any tax due under this chapter, but in no case may a credit earned during one calendar year be carried over to be credited against taxes incurred in a subsequent calendar year. A person is not eligible to receive a credit under this section if the person is receiving credit for the same position under chapter 82.62 RCW or RCW 82.04.44525 or is taking a credit under this chapter for information technology help desk services conducted from a rural county. No refunds may be granted for credits under this section.

(8) Transfer of ownership does not affect credit eligibility. However, the successive credits are available to the successor for remaining periods in the five years only if the eligibility conditions of this section are met.

(9) A person claiming a tax credit under this section must file a complete annual ((~~survey~~)) tax performance report with the department under RCW ((~~82.32.585~~)) 82.32.534.

(10) As used in this section:

(a) "Computer software" has the meaning as defined in RCW 82.04.215 after June 30, 2004, and includes "software" as defined in RCW 82.04.215 before July 1, 2004.

(b) "Manufacturing" means the same as "to manufacture" under RCW 82.04.120. Manufacturing includes the activities of both manufacturers and processors for hire.

(c) "Programming" means the activities that involve the creation or modification of computer software, as that term is defined in this chapter, and that are taxable as a service under RCW 82.04.290(2) or as a retail sale under RCW 82.04.050.

(d) "Qualifying activity" means manufacturing of computer software or programming.

(e) "Qualified employment position" means a permanent full-time position doing programming of computer software or manufacturing of computer software. This excludes administrative, professional, service, executive, and other similar positions. If an employee is either voluntarily or involuntarily separated from employment, the employment position is considered filled on a full-time basis if the employer is either training or actively recruiting a replacement employee. Full-time means a position for at least thirty-five hours a week.

(f) "Rural county" means the same as in RCW 82.14.370.

(11) No credit may be taken or accrued under this section on or after January 1, 2011.

Sec. 20. RCW 82.04.449 and 2012 c 46 s 3 are each amended to read as follows:

(1) In computing the tax imposed under this chapter, a credit is allowed for participants in the Washington customized employment training program created in RCW 28B.67.020. The credit allowed under this section is equal to fifty percent of the value of a participant's payments to the employment training finance account created in RCW 28B.67.030. If a participant in the program does not meet the requirements of RCW 28B.67.020(2)(b)(ii), the participant must remit to the department the value of any credits taken plus interest. The credit earned by a participant in one calendar year may be carried over to be credited against taxes incurred in a subsequent calendar year. No credit may be allowed for repayment of training allowances received from the Washington customized employment training program on or after July 1, 2021.

(2) A person claiming the credit provided in this section must file a complete annual ((~~survey~~)) tax performance report with the department under RCW ((~~82.32.585~~)) 82.32.534.

Sec. 21. RCW 82.08.805 and 2015 3rd sp.s. c 6 s 504 are each amended to read as follows:

(1) A person who has paid tax under RCW 82.08.020 for personal property used at an aluminum smelter, tangible personal property that will be incorporated as an ingredient or component of buildings or other structures at an aluminum smelter, or for labor and services rendered with respect to such buildings, structures, or personal property, is eligible for an exemption from the state share of the tax in the form of a credit, as provided in this section. A person claiming an exemption must pay the tax and may then take a credit equal to the state share of retail sales tax paid under RCW 82.08.020. The person must submit information, in a form and manner prescribed by the department, specifying the amount of qualifying purchases or acquisitions for which the exemption is claimed and the amount of exempted tax.

(2) For the purposes of this section, "aluminum smelter" has the same meaning as provided in RCW 82.04.217.

(3) A person claiming the tax preference provided in this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(4) Credits may not be claimed under this section for taxable events occurring on or after January 1, 2027.

Sec. 22. RCW 82.08.965 and 2010 c 114 s 123 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to charges made for labor and services rendered in respect to the constructing of new buildings used for the manufacturing of semiconductor materials, to sales of tangible personal property that will be incorporated as an ingredient or component of such buildings during the course of the constructing, or to labor and services rendered in respect to installing, during the course of constructing, building fixtures not otherwise eligible for the exemption under RCW 82.08.02565(2)(b). The exemption is available only when the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(2) To be eligible under this section the manufacturer or processor for hire must meet the following requirements for an eight-year period, such period

beginning the day the new building commences commercial production, or a portion of tax otherwise due will be immediately due and payable pursuant to subsection (3) of this section:

(a) The manufacturer or processor for hire must maintain at least seventy-five percent of full employment at the new building for which the exemption under this section is claimed.

(b) Before commencing commercial production at a new facility the manufacturer or processor for hire must meet with the department to review projected employment levels in the new buildings. The department, using information provided by the taxpayer, must make a determination of the number of positions that would be filled at full employment. This number must be used throughout the eight-year period to determine whether any tax is to be repaid. This information is not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request.

(c) In those situations where a production building in existence on the effective date of this section will be phased out of operation during which time employment at the new building at the same site is increased, the manufacturer or processor for hire must maintain seventy-five percent of full employment at the manufacturing site overall.

(d) No application is necessary for the tax exemption. The person is subject to all the requirements of chapter 82.32 RCW. A person claiming the exemption under this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(3) If the employment requirement is not met for any one calendar year, one-eighth of the exempt sales and use taxes will be due and payable by April 1st of the following year. The department must assess interest to the date the tax was imposed, but not penalties, on the taxes for which the person is not eligible.

(4) The exemption applies to new buildings, or parts of buildings, that are used exclusively in the manufacturing of semiconductor materials, including the storage of raw materials and finished product.

(5) For the purposes of this section:

(a) "Commencement of commercial production" is deemed to have occurred when the equipment and process qualifications in the new building are completed and production for sale has begun; and

(b) "Full employment" is the number of positions required for full capacity production at the new building, for positions such as line workers, engineers, and technicians.

(c) "Semiconductor materials" has the same meaning as provided in RCW 82.04.240(2).

(6) No exemption may be taken after twelve years after the effective date of this act, however all of the eligibility criteria and limitations are applicable to any exemptions claimed before that date.

(7) This section expires twelve years after the effective date of this act.

Sec. 23. RCW 82.08.9651 and 2014 c 97 s 405 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of gases and chemicals used by a manufacturer or processor for hire in the production of semiconductor materials. This exemption is limited to gases and chemicals used in the production process to grow the product, deposit or grow permanent or

sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other such uses whereby the gases and chemicals come into direct contact with the product during the production process, or uses of gases and chemicals to clean the chambers and other like equipment in which such processing takes place. For the purposes of this section, "semiconductor materials" has the meaning provided in RCW 82.04.2404 and 82.04.294(3).

(2)(((~~(a) Except as provided under (b) of this subsection (2),~~)) A person claiming the exemption under this section must file a complete annual ((~~survey with the department under RCW 82.32.585.~~

~~(b) A person claiming the exemption under this section and who is required to file a complete annual report with the department under RCW 82.32.534 as a result of claiming the tax preference provided by RCW 82.04.2404 is not also required to file a complete annual survey under RCW 82.32.585~~)) tax performance report with the department under RCW 82.32.534.

(3) No application is necessary for the tax exemption. The person is subject to all of the requirements of chapter 82.32 RCW.

(4) This section expires December 1, 2018.

Sec. 24. RCW 82.08.970 and 2010 c 114 s 125 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of gases and chemicals used by a manufacturer or processor for hire in the manufacturing of semiconductor materials. This exemption is limited to gases and chemicals used in the manufacturing process to grow the product, deposit or grow permanent or sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other such uses whereby the gases and chemicals come into direct contact with the product during the manufacturing process, or uses of gases and chemicals to clean the chambers and other like equipment in which such processing takes place. For the purposes of this section, "semiconductor materials" has the same meaning as provided in RCW 82.04.240(2).

(2) A person claiming the exemption under this section must file a complete annual tax performance report with the department under RCW 82.32.534. No application is necessary for the tax exemption. The person is subject to all of the requirements of chapter 82.32 RCW.

(3) This section expires twelve years after the effective date of this act.

Sec. 25. RCW 82.08.980 and 2013 3rd sp.s. c 2 s 3 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to:

(a) Charges, for labor and services rendered in respect to the constructing of new buildings, made to (i) a manufacturer engaged in the manufacturing of commercial airplanes or the fuselages or wings of commercial airplanes or (ii) a port district, political subdivision, or municipal corporation, to be leased to a manufacturer engaged in the manufacturing of commercial airplanes or the fuselages or wings of commercial airplanes;

(b) Sales of tangible personal property that will be incorporated as an ingredient or component of such buildings during the course of the constructing; or

(c) Charges made for labor and services rendered in respect to installing, during the course of constructing such buildings, building fixtures not otherwise eligible for the exemption under RCW 82.08.02565(2)(b).

(2) The exemption is available only when the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(3) No application is necessary for the tax exemption in this section. However, in order to qualify under this section before starting construction, the port district, political subdivision, or municipal corporation must have entered into an agreement with the manufacturer to build such a facility. A person claiming the exemption under this section is subject to all the requirements of chapter 82.32 RCW. In addition, the person must file a complete annual tax performance report with the department under RCW 82.32.534.

(4) The exemption in this section applies to buildings or parts of buildings, including buildings or parts of buildings used for the storage of raw materials or finished product, that are used primarily in the manufacturing of any one or more of the following products:

(a) Commercial airplanes;

(b) Fuselages of commercial airplanes; or

(c) Wings of commercial airplanes.

(5) For the purposes of this section, "commercial airplane" has the meaning given in RCW 82.32.550.

(6) This section expires July 1, 2040.

Sec. 26. RCW 82.08.986 and 2015 3rd sp.s. c 6 s 302 are each amended to read as follows:

(1) An exemption from the tax imposed by RCW 82.08.020 is provided for sales to qualifying businesses and to qualifying tenants of eligible server equipment to be installed, without intervening use, in an eligible computer data center, and to charges made for labor and services rendered in respect to installing eligible server equipment. Until January 1, 2026, the exemption also applies to sales to qualifying businesses and to qualifying tenants of eligible power infrastructure, including labor and services rendered in respect to constructing, installing, repairing, altering, or improving eligible power infrastructure.

(2)(a) In order to claim the exemption under this section, a qualifying business or a qualifying tenant must submit an application to the department for an exemption certificate. The application must include the information necessary, as required by the department, to determine that a business or tenant qualifies for the exemption under this section. The department must issue exemption certificates to qualifying businesses and qualifying tenants. The department may assign a unique identification number to each exemption certificate issued under this section.

(b) A qualifying business or a qualifying tenant claiming the exemption under this section must present the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(c) With respect to computer data centers for which the commencement of construction occurs after July 1, 2015, but before July 1, 2019, the exemption provided in this section is limited to no more than eight computer data centers,

with total eligible data centers provided under this section limited to twelve from July 1, 2015, through July 1, 2025. Tenants of qualified data centers do not constitute additional data centers under the limit. The exemption is available on a first-in-time basis based on the date the application required under this section is received by the department. Exemption certificates expire two years after the date of issuance, unless construction has been commenced.

(3)(a) Within six years of the date that the department issued an exemption certificate under this section to a qualifying business or a qualifying tenant with respect to an eligible computer data center, the qualifying business or qualifying tenant must establish that net employment at the eligible computer data center has increased by a minimum of:

(i) Thirty-five family wage employment positions; or

(ii) Three family wage employment positions for each twenty thousand square feet of space or less that is newly dedicated to housing working servers at the eligible computer data center. For qualifying tenants, the number of family wage employment positions that must be increased under this subsection (3)(a)(ii) is based only on the space occupied by the qualifying tenant in the eligible computer data center.

(b) In calculating the net increase in family wage employment positions:

(i) The owner of an eligible computer data center, in addition to its own net increase in family wage employment positions, may include:

(A) The net increase in family wage employment positions employed by qualifying tenants; and

(B) The net increase in family wage employment positions described in (c)(ii)(B) of this subsection (3).

(ii)(A) Qualifying tenants, in addition to their own net increase in family wage employment positions, may include:

(I) A portion of the net increase in family wage employment positions employed by the owner; and

(II) A portion of the net increase in family wage employment positions described in (c)(ii)(B) of this subsection (3).

(B) The portion of the net increase in family wage employment positions to be counted under this subsection (3)(b)(ii) by each qualifying tenant must be in proportion to the amount of space in the eligible computer data center occupied by the qualifying tenant compared to the total amount of space in the eligible computer data center occupied by all qualifying tenants.

(c)(i) For purposes of this subsection, family wage employment positions are new permanent employment positions requiring forty hours of weekly work, or their equivalent, on a full-time basis at the eligible computer data center and receiving a wage equivalent to or greater than one hundred fifty percent of the per capita personal income of the county in which the qualified project is located. An employment position may not be counted as a family wage employment position unless the employment position is entitled to health insurance coverage provided by the employer of the employment position. For purposes of this subsection (3)(c), "new permanent employment position" means an employment position that did not exist or that had not previously been filled as of the date that the department issued an exemption certificate to the owner or qualifying tenant of an eligible computer data center, as the case may be.

(ii)(A) Family wage employment positions include positions filled by employees of the owner of the eligible computer data center and by employees of qualifying tenants.

(B) Family wage employment positions also include individuals performing work at an eligible computer data center as an independent contractor hired by the owner of the eligible computer data center or as an employee of an independent contractor hired by the owner of the eligible computer data center, if the work is necessary for the operation of the computer data center, such as security and building maintenance, and provided that all of the requirements in (c)(i) of this subsection (3) are met.

(d) All previously exempted sales and use taxes are immediately due and payable for a qualifying business or qualifying tenant that does not meet the requirements of this subsection.

(4) A qualifying business or a qualifying tenant claiming an exemption under this section or RCW 82.12.986 must complete an annual tax performance report with the department as required under RCW 82.32.534.

(5)(a) The exemption provided in this section does not apply to:

(i) Any person who has received the benefit of the deferral program under chapter 82.60 RCW on: (A) The construction, renovation, or expansion of a structure or structures used as a computer data center; or (B) machinery or equipment used in a computer data center; and

(ii) Any person affiliated with a person within the scope of (a)(i) of this subsection (5).

(b) If a person claims an exemption under this section and subsequently receives the benefit of the deferral program under chapter 82.60 RCW on either the construction, renovation, or expansion of a structure or structures used as a computer data center or machinery or equipment used in a computer data center, the person must repay the amount of taxes exempted under this section. Interest as provided in chapter 82.32 RCW applies to amounts due under this section until paid in full.

(6) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Affiliated" means that one person has a direct or indirect ownership interest of at least twenty percent in another person.

(b) "Building" means a fully enclosed structure with a weather resistant exterior wall envelope or concrete or masonry walls designed in accordance with the requirements for structures under chapter 19.27 RCW. This definition of "building" only applies to computer data centers for which commencement of construction occurs on or after July 1, 2015.

(c)(i) "Computer data center" means a facility comprised of one or more buildings, which may be comprised of multiple businesses, constructed or refurbished specifically, and used primarily, to house working servers, where the facility has the following characteristics: (A) Uninterruptible power supplies, generator backup power, or both; (B) sophisticated fire suppression and prevention systems; and (C) enhanced physical security, such as: Restricted access to the facility to selected personnel; permanent security guards; video camera surveillance; an electronic system requiring passcodes, keycards, or biometric scans, such as hand scans and retinal or fingerprint recognition; or similar security features.

(ii) For a computer data center comprised of multiple buildings, each separate building constructed or refurbished specifically, and used primarily, to house working servers is considered a computer data center if it has all of the characteristics listed in (c)(i)(A) through (C) of this subsection (6).

(iii) A facility comprised of one building or more than one building must have a combined square footage of at least one hundred thousand square feet.

(d) "Electronic data storage and data management services" include, but are not limited to: Providing data storage and backup services, providing computer processing power, hosting enterprise software applications, and hosting web sites. The term also includes providing services such as email, web browsing and searching, media applications, and other online services, regardless of whether a charge is made for such services.

(e)(i) "Eligible computer data center" means a computer data center:

(A) Located in a rural county as defined in RCW 82.14.370;

(B) Having at least twenty thousand square feet dedicated to housing working servers, where the server space has not previously been dedicated to housing working servers; and

(C) For which the commencement of construction occurs:

(I) After March 31, 2010, and before July 1, 2011;

(II) After March 31, 2012, and before July 1, 2015; or

(III) After June 30, 2015, and before July 1, 2025.

(ii) For purposes of this section, "commencement of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for construction of the computer data center. The construction of a computer data center includes the expansion, renovation, or other improvements made to existing facilities, including leased or rented space. "Commencement of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities that are initiated before the issuance of a building permit for the construction of the foundation of a computer data center.

(iii) With respect to facilities in existence on April 1, 2010, that are expanded, renovated, or otherwise improved after March 31, 2010, or facilities in existence on April 1, 2012, that are expanded, renovated, or otherwise improved after March 31, 2012, or facilities in existence on July 1, 2015, that are expanded, renovated, or otherwise improved after June 30, 2015, an eligible computer data center includes only the portion of the computer data center meeting the requirements in (e)(i)(B) of this subsection (6).

(f) "Eligible power infrastructure" means all fixtures and equipment owned by a qualifying business or qualifying tenant and necessary for the transformation, distribution, or management of electricity that is required to operate eligible server equipment within an eligible computer data center. The term includes generators; wiring; cogeneration equipment; and associated fixtures and equipment, such as electrical switches, batteries, and distribution, testing, and monitoring equipment. The term does not include substations.

(g) "Eligible server equipment" means:

(i) For a qualifying business whose computer data center qualifies as an eligible computer data center under (e)(i)(C)(I) of this subsection (6), the original server equipment installed in an eligible computer data center on or after April 1, 2010, and before January 1, 2026, and replacement server equipment.

For purposes of this subsection (6)(g)(i), "replacement server equipment" means server equipment that:

(A) Replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986; and

(B) Is installed and put into regular use before April 1, 2018.

(ii) For a qualifying business whose computer data center qualifies as an eligible computer data center under (e)(i)(C)(II) of this subsection (6), "eligible server equipment" means the original server equipment installed in an eligible computer data center on or after April 1, 2012, and before January 1, 2026, and replacement server equipment. For purposes of this subsection (6)(g)(ii), "replacement server equipment" means server equipment that:

(A) Replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986; and

(B) Is installed and put into regular use before April 1, 2024.

(iii)(A) For a qualifying business whose computer data center qualifies as an eligible computer data center under (e)(i)(C)(III) of this subsection (6), "eligible server equipment" means the original server equipment installed in a building within an eligible computer data center on or after July 1, 2015, and replacement server equipment. Server equipment installed in movable or fixed stand-alone, prefabricated, or modular units, including intermodal shipping containers, is not "directly installed in a building." For purposes of this subsection (6)(g)(iii)(A), "replacement server equipment" means server equipment that replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986; and

(B) Is installed and put into regular use no later than twelve years after the date of the certificate of occupancy.

(iv) For a qualifying tenant who leases space within an eligible computer data center, "eligible server equipment" means the original server equipment installed within the space it leases from an eligible computer data center on or after April 1, 2010, and before January 1, 2026, and replacement server equipment. For purposes of this subsection (6)(g)(iv), "replacement server equipment" means server equipment that:

(A) Replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986;

(B) Is installed and put into regular use before April 1, 2024; and

(C) For tenants leasing space in an eligible computer data center built after July 1, 2015, is installed and put into regular use no later than twelve years after the date of the certificate of occupancy.

(h) "Qualifying business" means a business entity that exists for the primary purpose of engaging in commercial activity for profit and that is the owner of an eligible computer data center. The term does not include the state or federal government or any of their departments, agencies, and institutions; tribal governments; political subdivisions of this state; or any municipal, quasi-municipal, public, or other corporation created by the state or federal government, tribal government, municipality, or political subdivision of the state.

(i) "Qualifying tenant" means a business entity that exists for the primary purpose of engaging in commercial activity for profit and that leases space from a qualifying business within an eligible computer data center. The term does not include the state or federal government or any of their departments, agencies, and institutions; tribal governments; political subdivisions of this state; or any municipal, quasi-municipal, public, or other corporation created by the state or federal government, tribal government, municipality, or political subdivision of the state. The term also does not include a lessee of space in an eligible computer data center under (e)(i)(C)(I) of this subsection (6), if the lessee and lessor are affiliated and:

(i) That space will be used by the lessee to house server equipment that replaces server equipment previously installed and operated in that eligible computer data center by the lessor or another person affiliated with the lessee; or

(ii) Prior to May 2, 2012, the primary use of the server equipment installed in that eligible computer data center was to provide electronic data storage and data management services for the business purposes of either the lessor, persons affiliated with the lessor, or both.

(j) "Server equipment" means the computer hardware located in an eligible computer data center and used exclusively to provide electronic data storage and data management services for internal use by the owner or lessee of the computer data center, for clients of the owner or lessee of the computer data center, or both. "Server equipment" also includes computer software necessary to operate the computer hardware. "Server equipment" does not include personal computers, the racks upon which the server equipment is installed, and computer peripherals such as keyboards, monitors, printers, and mice.

Sec. 27. RCW 82.12.022 and 2015 3rd sp.s. c 6 s 506 are each amended to read as follows:

(1) A use tax is levied on every person in this state for the privilege of using natural gas or manufactured gas, including compressed natural gas and liquefied natural gas, within this state as a consumer.

(2) The tax must be levied and collected in an amount equal to the value of the article used by the taxpayer multiplied by the rate in effect for the public utility tax on gas distribution businesses under RCW 82.16.020. The "value of the article used" does not include any amounts that are paid for the hire or use of a gas distribution business as defined in RCW 82.16.010(2) in transporting the gas subject to tax under this subsection if those amounts are subject to tax under that chapter.

(3) The tax levied in this section does not apply to the use of natural or manufactured gas delivered to the consumer by other means than through a pipeline.

(4) The tax levied in this section does not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid a tax under RCW 82.16.020 with respect to the gas for which exemption is sought under this subsection.

(5)(a) The tax levied in this section does not apply to the use of natural or manufactured gas by an aluminum smelter as that term is defined in RCW 82.04.217 before January 1, 2027.

(b) A person claiming the exemption provided in this subsection (5) must file a complete annual tax performance report with the department under RCW 82.32.534.

(6) The tax imposed by this section does not apply to the use of natural gas, compressed natural gas, or liquefied natural gas, if the consumer uses the gas for transportation fuel as defined in RCW 82.16.310.

(7) There is a credit against the tax levied under this section in an amount equal to any tax paid by:

(a) The person who sold the gas to the consumer when that tax is a gross receipts tax similar to that imposed pursuant to RCW 82.16.020 by another state with respect to the gas for which a credit is sought under this subsection; or

(b) The person consuming the gas upon which a use tax similar to the tax imposed by this section was paid to another state with respect to the gas for which a credit is sought under this subsection.

(8) The use tax imposed in this section must be paid by the consumer to the department.

(9) There is imposed a reporting requirement on the person who delivered the gas to the consumer to make a quarterly report to the department. Such report must contain the volume of gas delivered, name of the consumer to whom delivered, and such other information as the department may require by rule.

(10) The department may adopt rules under chapter 34.05 RCW for the administration and enforcement of sections 1 through 6, chapter 384, Laws of 1989.

Sec. 28. RCW 82.12.025651 and 2011 c 23 s 5 are each amended to read as follows:

(1) The provisions of this chapter do not apply in respect to the use by a public research institution of machinery and equipment used primarily in a research and development operation, or to the use of labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.

(2) The definitions in RCW 82.08.025651 apply to this section.

(3) A public research institution receiving the benefit of the exemption provided in this section must file a complete annual ((~~survey~~)) tax performance report with the department under RCW ((~~82.32.585~~)) 82.32.534.

Sec. 29. RCW 82.12.805 and 2015 3rd sp.s. c 6 s 505 are each amended to read as follows:

(1) A person who is subject to tax under RCW 82.12.020 for personal property used at an aluminum smelter, or for tangible personal property that will be incorporated as an ingredient or component of buildings or other structures at an aluminum smelter, or for labor and services rendered with respect to such buildings, structures, or personal property, is eligible for an exemption from the state share of the tax in the form of a credit, as provided in this section. The amount of the credit equals the state share of use tax computed to be due under RCW 82.12.020. The person must submit information, in a form and manner prescribed by the department, specifying the amount of qualifying purchases or acquisitions for which the exemption is claimed and the amount of exempted tax.

(2) For the purposes of this section, "aluminum smelter" has the same meaning as provided in RCW 82.04.217.

(3) A person reporting under the tax rate provided in this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(4) Credits may not be claimed under this section for taxable events occurring on or after January 1, 2027.

Sec. 30. RCW 82.12.965 and 2010 c 114 s 129 are each amended to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of tangible personal property that will be incorporated as an ingredient or component of new buildings used for the manufacturing of semiconductor materials during the course of constructing such buildings or to labor and services rendered in respect to installing, during the course of constructing, building fixtures not otherwise eligible for the exemption under RCW 82.08.02565(2)(b).

(2) The eligibility requirements, conditions, and definitions in RCW 82.08.965 apply to this section, including the filing of a complete annual tax performance report with the department under RCW 82.32.534.

(3) No exemption may be taken twelve years after the effective date of this act, however all of the eligibility criteria and limitations are applicable to any exemptions claimed before that date.

(4) This section expires twelve years after the effective date of this act.

Sec. 31. RCW 82.12.9651 and 2014 c 97 s 406 are each amended to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of gases and chemicals used by a manufacturer or processor for hire in the production of semiconductor materials. This exemption is limited to gases and chemicals used in the production process to grow the product, deposit or grow permanent or sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other such uses whereby the gases and chemicals come into direct contact with the product during the production process, or uses of gases and chemicals to clean the chambers and other like equipment in which such processing takes place. For purposes of this section, "semiconductor materials" has the meaning provided in RCW 82.04.2404 and 82.04.294(3).

(2)(((~~(a) Except as provided under (b) of this subsection (2),~~)) A person claiming the exemption under this section must file a complete annual ((~~survey with the department under RCW 82.32.585.~~

~~(b) A person claiming the exemption under this section and who is required to file a complete annual report with the department under RCW 82.32.534 as a result of claiming the tax preference provided by RCW 82.04.2404 is not also required to file a complete annual survey under RCW 82.32.585~~)) tax performance report with the department under RCW 82.32.534.

(3) No application is necessary for the tax exemption. The person is subject to all of the requirements of chapter 82.32 RCW.

(4) This section expires December 1, 2018.

Sec. 32. RCW 82.12.970 and 2010 c 114 s 131 are each amended to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of gases and chemicals used by a manufacturer or processor for hire in the manufacturing of semiconductor materials. This exemption is limited to gases and chemicals used in the manufacturing process to grow the product, deposit or grow permanent or sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other such uses whereby the gases and chemicals come into direct contact with the product during the manufacturing process, or uses of gases and chemicals to clean the chambers and other like equipment in which such processing takes place. For purposes of this section, "semiconductor materials" has the same meaning as provided in RCW 82.04.240(2).

(2) A person claiming the exemption under this section must file a complete annual tax performance report with the department under RCW 82.32.534. No application is necessary for the tax exemption. The person is subject to all of the requirements of chapter 82.32 RCW.

(3) This section expires twelve years after the effective date of this act.

Sec. 33. RCW 82.12.980 and 2013 3rd sp.s. c 2 s 4 are each amended to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of:

(a) Tangible personal property that will be incorporated as an ingredient or component in constructing new buildings for (i) a manufacturer engaged in the manufacturing of commercial airplanes or the fuselages or wings of commercial airplanes or (ii) a port district, political subdivision, or municipal corporation, to be leased to a manufacturer engaged in the manufacturing of commercial airplanes or the fuselages or wings of commercial airplanes; or

(b) Labor and services rendered in respect to installing, during the course of constructing such buildings, building fixtures not otherwise eligible for the exemption under RCW 82.08.02565(2)(b).

(2) The eligibility requirements, conditions, and definitions in RCW 82.08.980 apply to this section, including the filing of a complete annual tax performance report with the department under RCW 82.32.534.

(3) This section expires July 1, 2040.

Sec. 34. RCW 82.16.0421 and 2010 c 114 s 133 are each amended to read as follows:

(1) ((~~For the purposes of this section:~~)) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Chlor-alkali electrolytic processing business" means a person who is engaged in a business that uses more than ten average megawatts of electricity per month in a chlor-alkali electrolytic process to split the electrochemical bonds of sodium chloride and water to make chlorine and sodium hydroxide. A "chlor-alkali electrolytic processing business" does not include direct service industrial customers or their subsidiaries that contract for the purchase of power from the Bonneville power administration as of June 10, 2004.

(b) "Sodium chlorate electrolytic processing business" means a person who is engaged in a business that uses more than ten average megawatts of electricity per month in a sodium chlorate electrolytic process to split the electrochemical

bonds of sodium chloride and water to make sodium chlorate and hydrogen. A "sodium chlorate electrolytic processing business" does not include direct service industrial customers or their subsidiaries that contract for the purchase of power from the Bonneville power administration as of June 10, 2004.

(2) Effective July 1, 2004, the tax levied under this chapter does not apply to sales of electricity made by a light and power business to a chlor-alkali electrolytic processing business or a sodium chlorate electrolytic processing business for the electrolytic process if the contract for sale of electricity to the business contains the following terms:

(a) The electricity to be used in the electrolytic process is separately metered from the electricity used for general operations of the business;

(b) The price charged for the electricity used in the electrolytic process will be reduced by an amount equal to the tax exemption available to the light and power business under this section; and

(c) Disallowance of all or part of the exemption under this section is a breach of contract and the damages to be paid by the chlor-alkali electrolytic processing business or the sodium chlorate electrolytic processing business are the amount of the tax exemption disallowed.

(3) The exemption provided for in this section does not apply to amounts received from the remarketing or resale of electricity originally obtained by contract for the electrolytic process.

(4) In order to claim an exemption under this section, the chlor-alkali electrolytic processing business or the sodium chlorate electrolytic processing business must provide the light and power business with an exemption certificate in a form and manner prescribed by the department.

(5) A person receiving the benefit of the exemption provided in this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(6)(a) This section does not apply to sales of electricity made after December 31, 2018.

(b) This section expires June 30, 2019.

Sec. 35. RCW 82.29A.137 and 2013 3rd sp.s. c 2 s 13 are each amended to read as follows:

(1) All leasehold interests in port district facilities exempt from tax under RCW 82.08.980 or 82.12.980 and used by a manufacturer engaged in the manufacturing of superefficient airplanes, as defined in RCW 82.32.550, are exempt from tax under this chapter. A person claiming the credit under RCW 82.04.4463 is not eligible for the exemption under this section.

(2) In addition to all other requirements under this title, a person claiming the exemption under this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(3) This section expires July 1, 2040.

Sec. 36. RCW 82.60.070 and 2010 1st sp.s. c 16 s 9 are each amended to read as follows:

(1)(a) Each recipient of a deferral of taxes granted under this chapter must file a complete annual ((~~survey~~)) tax performance report with the department under RCW ((~~82.32.585~~)) 82.32.534. If the economic benefits of the deferral are passed to a lessee as provided in RCW 82.60.025, the lessee must file a complete

annual ((~~survey~~)) tax performance report, and the applicant is not required to file a complete annual ((~~survey~~)) tax performance report.

(b) The department must use the information reported on the annual ((~~survey~~)) tax performance report required by this section to study the tax deferral program authorized under this chapter. The department must report to the legislature by December 1, ((~~2019~~)) 2018. The report must measure the effect of the program on job creation, the number of jobs created for residents of eligible areas, company growth, ((~~the introduction of new products, the diversification of the state's economy, growth in research and development investment, the movement of firms or the consolidation of firms' operations into the state,~~)) and such other factors as the department selects.

(2) Except as provided in RCW 82.60.063, if, on the basis of a ((~~survey under RCW 82.32.585~~)) tax performance report under RCW 82.32.534 or other information, the department finds that an investment project is not eligible for tax deferral under this chapter, the amount of deferred taxes outstanding for the project, according to the repayment schedule in RCW 82.60.060, is immediately due. For purposes of this subsection (2), the repayment schedule in RCW 82.60.060 is tolled during the period of time that a taxpayer is receiving relief from repayment of deferred taxes under RCW 82.60.063.

(3) A recipient who must repay deferred taxes under subsection (2) of this section because the department has found that an investment project is not eligible for tax deferral under this chapter is no longer required to file annual ((~~surveys under RCW 82.32.585~~)) tax performance reports under RCW 82.32.534 beginning on the date an investment project is used for nonqualifying purposes.

(4) Notwithstanding any other provision of this section or RCW ((~~82.32.585~~)) 82.32.534, deferred taxes on the following need not be repaid:

(a) Machinery and equipment, and sales of or charges made for labor and services, which at the time of purchase would have qualified for exemption under RCW 82.08.02565; and

(b) Machinery and equipment which at the time of first use would have qualified for exemption under RCW 82.12.02565.

Sec. 37. RCW 82.63.020 and 2010 c 114 s 140 are each amended to read as follows:

(1) Application for deferral of taxes under this chapter must be made before initiation of construction of, or acquisition of equipment or machinery for the investment project. In the case of an investment project involving multiple qualified buildings, applications must be made for, and before the initiation of construction of, each qualified building. The application must be made to the department in a form and manner prescribed by the department. The application must contain information regarding the location of the investment project, the applicant's average employment in the state for the prior year, estimated or actual new employment related to the project, estimated or actual wages of employees related to the project, estimated or actual costs, time schedules for completion and operation, and other information required by the department. The department must rule on the application within sixty days.

(2) Each recipient of a deferral of taxes under this chapter must file a complete annual ((~~survey~~)) tax performance report with the department under RCW ((~~82.32.585~~)) 82.32.534. If the economic benefits of the deferral are

passed to a lessee as provided in RCW 82.63.010(7), the lessee must file a complete annual ((~~survey~~)) tax performance report, and the applicant is not required to file the annual ((~~survey~~)) tax performance report.

(3) ((~~The department must use the information reported on the annual survey required by this section to study the tax deferral program authorized under this chapter. The department must report to the legislature by December 1, 2009, and December 1, 2013. The reports must measure the effect of the program on job creation, the number of jobs created for Washington residents, company growth, the introduction of new products, the diversification of the state's economy, growth in research and development investment, the movement of firms or the consolidation of firms' operations into the state, and such other factors as the department selects.~~

~~(4)~~)) A recipient who must repay deferred taxes under RCW 82.63.045 because the department has found that an investment project is used for purposes other than research and development performed within this state in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology is no longer required to file annual ((~~surveys under RCW 82.32.585~~)) tax performance reports under RCW 82.32.534 beginning on the date an investment project is used for nonqualifying purposes.

Sec. 38. RCW 82.63.045 and 2010 c 114 s 141 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section and RCW ((~~82.32.585~~)) 82.32.534, taxes deferred under this chapter need not be repaid.

(2)(a) If, on the basis of the ((~~survey under RCW 82.32.585~~)) tax performance report under RCW 82.32.534 or other information, the department finds that an investment project is used for purposes other than qualified research and development or pilot scale manufacturing at any time during the calendar year in which the investment project is certified by the department as having been operationally completed, or at any time during any of the seven succeeding calendar years, a portion of deferred taxes is immediately due according to the following schedule:

Year in which use occurs	% of deferred taxes due
1	100%
2	87.5%
3	75%
4	62.5%
5	50%
6	37.5%
7	25%
8	12.5%

(b) If the economic benefits of the deferral are passed to a lessee as provided in RCW 82.63.010(7), the lessee is responsible for payment to the extent the lessee has received the economic benefit.

(3)(a) Notwithstanding subsection (2) of this section, in the case of an investment project consisting of multiple qualified buildings, the lessee is solely liable for payment of any deferred tax determined by the department to be due and payable under this section beginning on the date the department certifies that the project is operationally complete.

(b) This subsection does not relieve the lessors of its obligation to the lessee under RCW 82.63.010(7) to pass the economic benefit of the deferral to the lessee.

(4) The department must assess interest at the rate provided for delinquent taxes, but not penalties, retroactively to the date of deferral. The debt for deferred taxes will not be extinguished by insolvency or other failure of the recipient. Transfer of ownership does not terminate the deferral. The deferral is transferred, subject to the successor meeting the eligibility requirements of this chapter, for the remaining periods of the deferral.

(5) Notwithstanding subsection (2) of this section or RCW ((~~82.32.585~~)) 82.32.534, deferred taxes on the following need not be repaid:

(a) Machinery and equipment, and sales of or charges made for labor and services, which at the time of purchase would have qualified for exemption under RCW 82.08.02565; and

(b) Machinery and equipment which at the time of first use would have qualified for exemption under RCW 82.12.02565.

Sec. 39. RCW 82.74.040 and 2010 c 114 s 142 are each amended to read as follows:

(1) Each recipient of a deferral of taxes granted under this chapter must file a complete annual ((~~survey~~)) tax performance report with the department under RCW ((~~82.32.585~~)) 82.32.534. If the economic benefits of the deferral are passed to a lessee as provided in RCW 82.74.010(6), the lessee must file a complete annual ((~~survey~~)) tax performance report, and the applicant is not required to file the annual ((~~survey~~)) tax performance report.

(2) A recipient who must repay deferred taxes under RCW 82.74.050(2) because the department has found that an investment project is used for purposes other than fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehousing, or research and development is no longer required to file annual ((~~surveys under RCW 82.32.585~~)) tax performance reports under RCW 82.32.534 beginning on the date an investment project is used for nonqualifying purposes.

Sec. 40. RCW 82.74.050 and 2010 c 114 s 143 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section and RCW ((~~82.32.585~~)) 82.32.534, taxes deferred under this chapter need not be repaid.

(2)(a) If, on the basis of the ((~~survey under RCW 82.32.585~~)) tax performance report under RCW 82.32.534 or other information, the department finds that an investment project is used for purposes other than fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehousing, or research and development at any time during the calendar year in which the investment project is certified by the department as having been operationally completed, or at any time during any of

the seven succeeding calendar years, a portion of deferred taxes is immediately due according to the following schedule:

Year in which nonqualifying use occurs	% of deferred taxes due
1	100%
2	87.5%
3	75%
4	62.5%
5	50%
6	37.5%
7	25%
8	12.5%

(b) If the economic benefits of the deferral are passed to a lessee as provided in RCW 82.74.010(6), the lessee is responsible for payment to the extent the lessee has received the economic benefit.

(3) The department must assess interest, but not penalties, on the deferred taxes under subsection (2) of this section. The interest must be assessed at the rate provided for delinquent taxes under chapter 82.32 RCW, retroactively to the date of deferral, and will accrue until the deferred taxes are repaid. The debt for deferred taxes will not be extinguished by insolvency or other failure of the recipient. Transfer of ownership does not terminate the deferral. The deferral is transferred, subject to the successor meeting the eligibility requirements of this chapter, for the remaining periods of the deferral.

(4) Notwithstanding subsection (2) of this section or RCW ((~~82.32.585~~)) 82.32.534, deferred taxes on the following need not be repaid:

(a) Machinery and equipment, and sales of or charges made for labor and services, which at the time of purchase would have qualified for exemption under RCW 82.08.02565; and

(b) Machinery and equipment which at the time of first use would have qualified for exemption under RCW 82.12.02565.

Sec. 41. RCW 82.75.040 and 2010 c 114 s 147 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section and RCW ((~~82.32.585~~)) 82.32.534, taxes deferred under this chapter need not be repaid.

(2)(a) If, on the basis of the ((~~survey under RCW 82.32.585~~)) tax performance report under RCW 82.32.534 or other information, the department finds that an investment project is used for purposes other than qualified biotechnology product manufacturing or medical device manufacturing activities at any time during the calendar year in which the eligible investment project is certified by the department as having been operationally completed, or at any time during any of the seven succeeding calendar years, a portion of deferred taxes is immediately due and payable according to the following schedule:

Year in which use occurs	% of deferred taxes due
1	100%
2	87.5%
3	75%
4	62.5%
5	50%
6	37.5%
7	25%
8	12.5%

(b) If the economic benefits of the deferral are passed to a lessee as provided in RCW 82.75.010, the lessee is responsible for payment to the extent the lessee has received the economic benefit.

(3) For a violation of subsection (2)(a) of this section, the department must assess interest at the rate provided for delinquent taxes, but not penalties, retroactively to the date of deferral. The debt for deferred taxes will not be extinguished by insolvency or other failure of the recipient. Transfer of ownership does not terminate the deferral. The deferral is transferred, subject to the successor meeting the eligibility requirements of this chapter, for the remaining periods of the deferral.

(4) Notwithstanding subsection (2) of this section or RCW ((~~82.32.585~~)) 82.32.534, deferred taxes on the following need not be repaid:

(a) Machinery and equipment, and sales of or charges made for labor and services, which at the time of purchase would have qualified for exemption under RCW 82.08.02565; and

(b) Machinery and equipment which at the time of first use would have qualified for exemption under RCW 82.12.02565.

Sec. 42. RCW 82.75.070 and 2010 c 114 s 144 are each amended to read as follows:

(1) Each recipient of a deferral of taxes granted under this chapter must file a complete annual ((~~survey~~)) tax performance report with the department under RCW ((~~82.32.585~~)) 82.32.534. If the economic benefits of the deferral are passed to a lessee as provided in RCW 82.75.010(5), the lessee must file a complete annual ((~~survey~~)) tax performance report, and the applicant is not required to file the annual ((~~survey~~)) tax performance report.

(2) A recipient who must repay deferred taxes under RCW 82.75.040(2) because the department has found that an investment project is used for purposes other than qualified biotechnology product manufacturing or medical device manufacturing activities is no longer required to file annual ((~~surveys under RCW 82.32.585~~)) tax performance reports under RCW 82.32.534 beginning on the date an investment project is used for nonqualifying purposes.

Sec. 43. RCW 82.82.020 and 2010 c 114 s 148 are each amended to read as follows:

(1) Application for deferral of taxes under this chapter can be made at any time prior to completion of construction of a qualified building or buildings, but tax liability incurred prior to the department's receipt of an application may not

be deferred. The application must be made to the department in a form and manner prescribed by the department. The application must contain information regarding the location of the investment project, the applicant's average employment in the state for the prior year, estimated or actual new employment related to the project, estimated or actual wages of employees related to the project, estimated or actual costs, time schedules for completion and operation, and other information required by the department. The department must rule on the application within sixty days.

(2) Applications for deferral of taxes under this section may not be made after December 31, 2020.

(3) Each recipient of a deferral of taxes under this chapter must file a complete annual ((~~survey~~)) tax performance report with the department under RCW ((~~82.32.585~~)) 82.32.534. If the economic benefits of the deferral are passed to a lessee as provided in RCW 82.82.010(5), the lessee must file a complete annual ((~~survey~~)) tax performance report, and the applicant is not required to file the annual ((~~survey~~)) tax performance report.

(4) A recipient who must repay deferred taxes under RCW 82.82.040 because the department has found that an investment project is no longer an eligible investment project is no longer required to file annual ((~~surveys under RCW 82.32.585~~)) tax performance reports under RCW 82.32.534 beginning on the date an investment project is used for nonqualifying purposes.

Sec. 44. RCW 82.82.040 and 2010 c 114 s 149 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section and RCW ((~~82.32.585~~)) 82.32.534, taxes deferred under this chapter need not be repaid.

(2)(a) If, on the basis of the ((~~survey under RCW 82.32.585~~)) tax performance report under RCW 82.32.534 or other information, the department finds that an investment project is no longer an "eligible investment project" under RCW 82.82.010 at any time during the calendar year in which the investment project is certified by the department as having been operationally completed, or at any time during any of the seven succeeding calendar years, a portion of deferred taxes are immediately due according to the following schedule:

Year in which use occurs	% of deferred taxes due
1	100%
2	87.5%
3	75%
4	62.5%
5	50%
6	37.5%
7	25%
8	12.5%

(b) If the economic benefits of the deferral are passed to a lessee as provided in RCW 82.82.010(5), the lessee is responsible for payment to the extent the lessee has received the economic benefit.

(3) The department must assess interest at the rate provided for delinquent taxes under chapter 82.32 RCW, but not penalties, retroactively to the date of deferral. The debt for deferred taxes will not be extinguished by insolvency or other failure of the recipient. Transfer of ownership does not terminate the deferral. The deferral is transferred, subject to the successor meeting the eligibility requirements of this chapter, for the remaining periods of the deferral.

Sec. 45. RCW 84.36.645 and 2010 c 114 s 150 are each amended to read as follows:

(1) Machinery and equipment exempt under RCW 82.08.02565 or 82.12.02565 used in manufacturing semiconductor materials at a building exempt from sales and use tax and in compliance with the employment requirement under RCW 82.08.965 and 82.12.965 are exempt from property taxation. "Semiconductor materials" has the same meaning as provided in RCW 82.04.240(2).

(2) A person seeking this exemption must make application to the county assessor, on forms prescribed by the department.

(3) A person claiming an exemption under this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(4) This section is effective for taxes levied for collection one year after the effective date of this act and thereafter.

(5) This section expires December 31st of the year occurring twelve years after the effective date of this act, for taxes levied for collection in the following year.

Sec. 46. RCW 84.36.655 and 2013 3rd sp.s. c 2 s 14 are each amended to read as follows:

(1) Effective January 1, 2005, all buildings, machinery, equipment, and other personal property of a lessee of a port district eligible under RCW 82.08.980 and 82.12.980, used exclusively in manufacturing superefficient airplanes, are exempt from property taxation. A person taking the credit under RCW 82.04.4463 is not eligible for the exemption under this section. For the purposes of this section, "superefficient airplane" and "component" have the meanings given in RCW 82.32.550.

(2) In addition to all other requirements under this title, a person claiming the exemption under this section must file a complete annual tax performance report with the department under RCW 82.32.534.

(3) Claims for exemption authorized by this section must be filed with the county assessor on forms prescribed by the department and furnished by the assessor. The assessor must verify and approve claims as the assessor determines to be justified and in accordance with this section. No claims may be filed after December 31, 2039. The department may adopt rules, under the provisions of chapter 34.05 RCW, as necessary to properly administer this section.

(4) This section applies to taxes levied for collection in 2006 and thereafter.

(5) This section expires July 1, 2040.

Sec. 47. RCW 82.32.790 and 2010 c 114 s 201 and 2010 c 106 s 401 are each reenacted and amended to read as follows:

(1)(a) Sections 9, 13, 17, 22, 24, 30, 32, and 45, chapter . . ., Laws of 2017 (sections 9, 13, 17, 22, 24, 30, 32, and 45 of this act) section 206, chapter 106, Laws of 2010, sections 104, 110, 117, 123, 125, 129, 131, and 150, chapter 114,

Laws of 2010, section 3, chapter 461, Laws of 2009, section 7, chapter 300, Laws of 2006, and section 4, chapter 149, Laws of 2003 are contingent upon the siting and commercial operation of a significant semiconductor microchip fabrication facility in the state of Washington.

(b) For the purposes of this section:

(i) "Commercial operation" means the same as "commencement of commercial production" as used in RCW 82.08.965.

(ii) "Semiconductor microchip fabrication" means "manufacturing semiconductor microchips" as defined in RCW 82.04.426.

(iii) "Significant" means the combined investment of new buildings and new machinery and equipment in the buildings, at the commencement of commercial production, will be at least one billion dollars.

(2) Chapter 149, Laws of 2003 takes effect the first day of the month in which a contract for the construction of a significant semiconductor fabrication facility is signed, as determined by the director of the department of revenue.

(3)(a) The department of revenue must provide notice of the effective date of sections 9, 13, 17, 22, 24, 30, 32, and 45, chapter . . ., Laws of 2017 (sections 9, 13, 17, 22, 24, 30, 32, and 45 of this act), section 206, chapter 106, Laws of 2010, sections 104, 110, 117, 123, 125, 129, 131, and 150, chapter 114, Laws of 2010((~~[ ]~~)), section 3, chapter 461, Laws of 2009, section 7, chapter 300, Laws of 2006, and section 4, chapter 149, Laws of 2003 to affected taxpayers, the legislature, and others as deemed appropriate by the department.

(b) If, after making a determination that a contract has been signed and chapter 149, Laws of 2003 is effective, the department discovers that commencement of commercial production did not take place within three years of the date the contract was signed, the department must make a determination that chapter 149, Laws of 2003 is no longer effective, and all taxes that would have been otherwise due are deemed deferred taxes and are immediately assessed and payable from any person reporting tax under RCW 82.04.240(2) or claiming an exemption or credit under section 2 or 5 through 10, chapter 149, Laws of 2003. The department is not authorized to make a second determination regarding the effective date of chapter 149, Laws of 2003.

NEW SECTION. **Sec. 48.** This act takes effect January 1, 2018.

Passed by the House February 27, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 136

[House Bill 1395]

PUBLIC TRANSPORTATION BENEFIT AREA AUTHORITIES--JOB ORDER CONTRACTING

AN ACT Relating to job order contracts and procedure; amending RCW 39.10.420; and reenacting and amending RCW 43.131.408.

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

Sec. 1. RCW 39.10.420 and 2016 c 52 s 1 are each amended to read as follows:

(1) The following public bodies of the state of Washington are authorized to award job order contracts and use the job order contracting procedure:

(a) The department of enterprise services;

(b) The state universities, regional universities, and The Evergreen State College;

(c) Sound transit (central Puget Sound regional transit authority);

(d) Every city with a population greater than seventy thousand and any public authority chartered by such city under RCW 35.21.730 through 35.21.755;

(e) Every county with a population greater than four hundred fifty thousand;

(f) Every port district with total revenues greater than fifteen million dollars per year;

(g) Every public utility district with revenues from energy sales greater than twenty-three million dollars per year;

(h) Every school district;

(i) The state ferry system;

(j) The Washington state department of transportation, for the administration of building improvement, replacement, and renovation projects only; ((~~and~~))

(k) Every public hospital district with total revenues greater than fifteen million dollars per year; and

(l) Every public transportation benefit area authority as defined under RCW 36.57A.010.

(2)(a) The department of enterprise services may issue job order contract work orders for Washington state parks department projects and public hospital districts.

(b) The department of enterprise services, the University of Washington, and Washington State University may issue job order contract work orders for the state regional universities and The Evergreen State College.

(3) Public bodies may use a job order contract for public works projects when a determination is made that the use of job order contracts will benefit the public by providing an effective means of reducing the total lead-time and cost for the construction of public works projects for repair and renovation required at public facilities through the use of unit price books and work orders by eliminating time-consuming, costly aspects of the traditional public works process, which require separate contracting actions for each small project.

Sec. 2. RCW 43.131.408 and 2014 c 42 s 8 and 2014 c 19 s 3 are each reenacted and amended to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 2022:

(1) RCW 39.10.200 and 2010 1st sp.s. c 21 s 2, 2007 c 494 s 1, & 1994 c 132 s 1;

(2) RCW 39.10.210 and 2014 c 42 s 1((~~,~~)) & 2013 c 222 s 1((~~, 2010 1st sp.s. c 36 s 6014, 2007 c 494 s 101, & 2005 c 469 s 3~~));

(3) RCW 39.10.220 and 2013 c 222 s 2, 2007 c 494 s 102, & 2005 c 377 s 1;

(4) RCW 39.10.230 and 2013 c 222 s 3, 2010 1st sp.s. c 21 s 3, 2009 c 75 s 1, 2007 c 494 s 103, & 2005 c 377 s 2;

(5) RCW 39.10.240 and 2013 c 222 s 4 & 2007 c 494 s 104;

(6) RCW 39.10.250 and 2013 c 222 s 5, 2009 c 75 s 2, & 2007 c 494 s 105;

(7) RCW 39.10.260 and 2013 c 222 s 6 & 2007 c 494 s 106;

(8) RCW 39.10.270 and 2013 c 222 s 7, 2009 c 75 s 3, & 2007 c 494 s 107;

(9) RCW 39.10.280 and 2014 c 42 s 2, 2013 c 222 s 8, & 2007 c 494 s 108;

(10) RCW 39.10.290 and 2007 c 494 s 109;

(11) RCW 39.10.300 and 2013 c 222 s 9, 2009 c 75 s 4, & 2007 c 494 s 201;

(12) RCW 39.10.320 and 2013 c 222 s 10, 2007 c 494 s 203, & 1994 c 132 s 7;

(13) RCW 39.10.330 and 2014 c 19 s 1, 2013 c 222 s 11, 2009 c 75 s 5, & 2007 c 494 s 204;

(14) RCW 39.10.340 and 2014 c 42 s 3, 2013 c 222 s 12, & 2007 c 494 s 301;

(15) RCW 39.10.350 and 2014 c 42 s 4 & 2007 c 494 s 302;

(16) RCW 39.10.360 and 2014 c 42 s 5, 2013 c 222 s 13, 2009 c 75 s 6, & 2007 c 494 s 303;

(17) RCW 39.10.370 and 2014 c 42 s 6 & 2007 c 494 s 304;

(18) RCW 39.10.380 and 2013 c 222 s 14 & 2007 c 494 s 305;

(19) RCW 39.10.385 and 2013 c 222 s 15 & 2010 c 163 s 1;

(20) RCW 39.10.390 and 2014 c 42 s 7, 2013 c 222 s 16, & 2007 c 494 s 306;

(21) RCW 39.10.400 and 2013 c 222 s 17 & 2007 c 494 s 307;

(22) RCW 39.10.410 and 2007 c 494 s 308;

(23) RCW 39.10.420 and ((~~2013 c 222 s 18, 2013 c 186 s 1, 2012 c 102 s 1, 2009 c 75 s 7, 2007 c 494 s 401, & 2003 c 301 s 1~~)) 2017 c ... s 1 (section 1 of this act) & 2016 c 52 s 1;

(24) RCW 39.10.430 and 2007 c 494 s 402;

(25) RCW 39.10.440 and 2015 c 173 s 1, 2013 c 222 s 19, & 2007 c 494 s 403;

(26) RCW 39.10.450 and 2012 c 102 s 2 & 2007 c 494 s 404;

(27) RCW 39.10.460 and 2012 c 102 s 3 & 2007 c 494 s 405;

(28) RCW 39.10.470 and 2014 c 19 s 2, 2005 c 274 s 275, & 1994 c 132 s 10;

(29) RCW 39.10.480 and 1994 c 132 s 9;

(30) RCW 39.10.490 and 2013 c 222 s 20, 2007 c 494 s 501, & 2001 c 328 s 5;

(31) RCW 39.10.900 and 1994 c 132 s 13;

(32) RCW 39.10.901 and 1994 c 132 s 14;

(33) RCW 39.10.903 and 2007 c 494 s 510;

(34) RCW 39.10.904 and 2007 c 494 s 512; and

(35) RCW 39.10.905 and 2007 c 494 s 513.

Passed by the House February 28, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 137

[Substitute House Bill 1417]

OPEN PUBLIC MEETINGS ACT--EXECUTIVE SESSIONS--INFORMATION TECHNOLOGY SECURITY

AN ACT Relating to the harmonization of the open public meetings act with the public records act in relation to information technology security matters; and amending RCW 42.30.110.

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

Sec. 1. RCW 42.30.110 and 2014 c 174 s 4 are each amended to read as follows:

(1) Nothing contained in this chapter may be construed to prevent a governing body from holding an executive session during a regular or special meeting:

(a)(i) To consider matters affecting national security;

(ii) To consider, if in compliance with any required data security breach disclosure under RCW 19.255.010 and 42.56.590, and with legal counsel available, information regarding the infrastructure and security of computer and telecommunications networks, security and service recovery plans, security risk assessments and security test results to the extent that they identify specific system vulnerabilities, and other information that if made public may increase the risk to the confidentiality, integrity, or availability of agency security or to information technology infrastructure or assets;

(b) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price;

(c) To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public;

(d) To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs;

(e) To consider, in the case of an export trading company, financial and commercial information supplied by private persons to the export trading company;

(f) To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing or a meeting open to the public shall be conducted upon such complaint or charge;

(g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public;

(h) To evaluate the qualifications of a candidate for appointment to elective office. However, any interview of such candidate and final action appointing a candidate to elective office shall be in a meeting open to the public;

(i) To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

This subsection (1)(i) does not permit a governing body to hold an executive session solely because an attorney representing the agency is present. For purposes of this subsection (1)(i), "potential litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a) concerning:

(i) Litigation that has been specifically threatened to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party;

(ii) Litigation that the agency reasonably believes may be commenced by or against the agency, the governing body, or a member acting in an official capacity; or

(iii) Litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency;

(j) To consider, in the case of the state library commission or its advisory bodies, western library network prices, products, equipment, and services, when such discussion would be likely to adversely affect the network's ability to conduct business in a competitive economic climate. However, final action on these matters shall be taken in a meeting open to the public;

(k) To consider, in the case of the state investment board, financial and commercial information when the information relates to the investment of public trust or retirement funds and when public knowledge regarding the discussion would result in loss to such funds or in private loss to the providers of this information;

(l) To consider proprietary or confidential nonpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026;

(m) To consider in the case of the life sciences discovery fund authority, the substance of grant applications and grant awards when public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information;

(n) To consider in the case of a health sciences and services authority, the substance of grant applications and grant awards when public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information.

(2) Before convening in executive session, the presiding officer of a governing body shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded. The executive session may be extended to a stated later time by announcement of the presiding officer.

Passed by the House February 28, 2017.

Passed by the Senate April 10, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 138

[Substitute House Bill 1462]

MARIJUANA-INFUSED EDIBLES--REGULATION--DEPARTMENT OF AGRICULTURE

AN ACT Relating to adding authority to the department of agriculture to regulate sanitary processing of marijuana-infused edibles; amending RCW 69.07.010, 69.07.020, and 19.02.110; adding a new section to chapter 69.07 RCW; creating a new section; and providing an effective date.

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

Sec. 1. RCW 69.07.010 and 1992 c 34 s 3 are each amended to read as follows:

For the purposes of this chapter:

(1) "Department" means the department of agriculture of the state of Washington;

(2) "Director" means the director of the department;

(3) "Food" means any substance used for food or drink by any person, including ice, bottled water, and any ingredient used for components of any such substance regardless of the quantity of such component;

(4) "Sale" means selling, offering for sale, holding for sale, preparing for sale, trading, bartering, offering a gift as an inducement for sale of, and advertising for sale in any media;

(5) "Food processing" means the handling or processing of any food in any manner in preparation for sale for human consumption: PROVIDED, That it shall not include fresh fruit or vegetables merely washed or trimmed while being prepared or packaged for sale in their natural state;

(6) "Food processing plant" includes but is not limited to any premises, plant, establishment, building, room, area, facilities and the appurtenances thereto, in whole or in part, where food is prepared, handled or processed in any manner for distribution or sale for resale by retail outlets, restaurants, and any such other facility selling or distributing to the ultimate consumer: PROVIDED, That, as set forth herein, establishments processing foods in any manner for resale shall be considered a food processing plant as to such processing;

(7) "Food service establishment" shall mean any fixed or mobile restaurant, coffee shop, cafeteria, short order cafe, luncheonette, grill, tearoom, sandwich shop, soda fountain, tavern, bar, cocktail lounge, night club, roadside stand, industrial-feeding establishment, retail grocery, retail food market, retail meat market, retail bakery, private, public, or nonprofit organization routinely serving food, catering kitchen, commissary or similar place in which food or drink is prepared for sale or for service on the premises or elsewhere, and any other eating or drinking establishment or operation where food is served or provided for the public with or without charge.

For the purpose of this chapter any custom cannery or processing plant where raw food products, food, or food products are processed for the owner thereof, or the food processing facilities are made available to the owners or persons in control of raw food products or food or food products for processing in any manner, shall be considered to be food processing plants;

(8) "Person" means an individual, partnership, corporation, or association;

(9) "Board" means the state liquor and cannabis board;

(10) "Marijuana" has the definition in RCW 69.50.101;

(11) "Marijuana-infused edible" has the same meaning as "marijuana-infused products" as defined in RCW 69.50.101, but limited to products intended for oral consumption;

(12) "Marijuana-infused edible processing" means processing, packaging, or making marijuana-infused edibles using marijuana, marijuana extract, or marijuana concentrates as an ingredient. The term does not include preparation of marijuana as an ingredient including, but not limited to, processing marijuana extracts or marijuana concentrates;

(13) "Marijuana processor" has the definition in RCW 69.50.101.

Sec. 2. RCW 69.07.020 and 1969 c 68 s 1 are each amended to read as follows:

(1) The department shall enforce and carry out the provisions of this chapter, and may adopt the necessary rules to carry out its purposes.

(2) Such rules may include:

(a) Standards for temperature controls in the storage of foods, so as to provide proper refrigeration.

(b) Standards for temperatures at which low acid foods must be processed and the length of time such temperatures must be applied and at what pressure in the processing of such low acid foods.

(c) Standards and types of recording devices that must be used in providing records of the processing of low acid foods, and how they shall be made available to the department of agriculture for inspection.

(d) Requirements for the keeping of records of the temperatures, times and pressures at which foods were processed, or for the temperatures at which refrigerated products were stored by the licensee and the furnishing of such records to the department.

(e) Standards that must be used to establish the temperature and purity of water used in the processing of foods.

(3) The department may adopt rules specific to marijuana-infused edibles. Such rules must be written and interpreted to be consistent with rules adopted by the board and the department of health.

Sec. 3. RCW 19.02.110 and 2013 c 144 s 25 are each amended to read as follows:

(1) In addition to the licenses processed under the business licensing system prior to April 1, 1982, on July 1, 1982, use of the business licensing system is expanded as provided by this section.

(2) Applications for the following must be filed with the business licensing service and must be processed, and renewals must be issued, under the business licensing system:

(a) Nursery dealer's licenses required by chapter 15.13 RCW;

(b) Seed dealer's licenses required by chapter 15.49 RCW;

(c) Pesticide dealer's licenses required by chapter 15.58 RCW;

(d) Shopkeeper's licenses required by chapter 18.64 RCW;

(e) Egg dealer's licenses required by chapter 69.25 RCW; and

(f) Marijuana-infused edible endorsements required by chapter 69.07 RCW.

NEW SECTION. **Sec. 4.** A new section is added to chapter 69.07 RCW to read as follows:

(1) In addition to the requirements administered by the board under chapter 69.50 RCW, the department shall regulate marijuana-infused edible processing the same as other food processing under this chapter, except:

(a) The department shall not consider foods containing marijuana to be adulterated when produced in compliance with chapter 69.50 RCW and the rules adopted by the board;

(b) Initial issuance and renewal for an annual marijuana-infused edible endorsement in lieu of a food processing license under RCW 69.07.040 must be made through the business licensing system under chapter 19.02 RCW;

(c) Renewal of the endorsement must coincide with renewal of the endorsement holder's marijuana processor license;

(d) The department shall adopt a penalty schedule specific to marijuana processors, which may have values equivalent to the penalty schedule adopted by the board. Such penalties are in addition to any penalties imposed under the penalty schedule adopted by the board; and

(e) The department shall notify the board of violations by marijuana processors under this chapter.

(2) A marijuana processor that processes, packages, or makes marijuana-infused edibles must obtain an annual marijuana-infused edible endorsement, as provided in this subsection (2).

(a) The marijuana processor must apply for issuance and renewal for the endorsement from the department through the business licensing system under chapter 19.02 RCW.

(b) The marijuana processor must have a valid marijuana processor license before submitting an application for initial endorsement. The application and initial endorsement fees total eight hundred ninety-five dollars. Applicants for endorsement otherwise must meet the same requirements as applicants for a food processing license under this chapter including, but not limited to, successful completion of inspection by the department.

(c) Annual renewal of the endorsement must coincide with renewal of the endorsement holder's marijuana processor license. The endorsement renewal fee is eight hundred ninety-five dollars.

(d) A marijuana processor must obtain a separate endorsement for each location at which the marijuana processor intends to process marijuana-infused edibles. Premises used for marijuana-infused edible processing may not be used for processing food that does not use marijuana as an ingredient, with the exception of edibles produced solely for tasting samples or internal product testing.

(3) The department may deny, suspend, or revoke a marijuana-infused edible endorsement on the same grounds as the department may deny, suspend, or revoke a food processor's license under this chapter.

(4) Information about processors otherwise exempt from public inspection and copying under chapter 42.56 RCW is also exempt from public inspection and copying if submitted to or used by the department.

NEW SECTION. **Sec. 5.** The department of agriculture, state liquor and cannabis board, and department of revenue shall take the necessary steps to ensure that section 4 of this act is implemented on its effective date.

NEW SECTION. **Sec. 6.** Section 4 of this act takes effect April 1, 2018.

Passed by the House March 2, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 139

[Substitute House Bill 1490]

PRESERVATION RATING INFORMATION--REPORT REQUIREMENT--REVIEW

AN ACT Relating to eliminating the requirement that a city or town provide preservation rating information on a certain percentage of its arterial network; and amending RCW 46.68.113.

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

Sec. 1. RCW 46.68.113 and 2013 c 306 s 704 are each amended to read as follows:

(1) During the 2013-2015 fiscal biennium, cities and towns shall provide to the transportation commission, or its successor entity, preservation rating information on at least seventy percent of the total city and town arterial network. Thereafter, the preservation rating information requirement shall increase in five percent increments in subsequent biennia, but in no case shall it exceed eighty percent. The rating system used by cities and towns must be based upon the Washington state pavement rating method or an equivalent standard approved by the department of transportation. Beginning January 1, 2007, the preservation rating information shall be submitted to the department.

(2) ((~~Cities and towns are exempt from the requirement to report preservation rating information to the department or the transportation commission through the 2013-2015 fiscal biennium.~~)) The requirement that cities and towns report preservation rating information to the department of transportation or the transportation commission under subsection (1) of this section is eliminated during the 2017-2019 fiscal biennium.

(3) The department of transportation shall, in consultation with cities, towns, and the transportation commission, review the pavement preservation rating reporting requirements and recommend to the legislature whether a repeal of the pavement preservation rating report is warranted. In its analysis, the department shall determine (a) what pavement preservation rating information exists through other reporting requirements and how the department's migration toward an asset management accountability framework affects the pavement preservation rating report, and (b) whether such other reporting requirements will serve as a replacement, or an addition, to the report. The department must report its findings to the legislature by December 1, 2017.

Passed by the House March 3, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 140

[Engrossed Substitute House Bill 1531]

FORESTRY RIPARIAN EASEMENT PROGRAM--VARIOUS CHANGES

AN ACT Relating to the forestry riparian easement program; and amending RCW 76.13.120.

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

Sec. 1. RCW 76.13.120 and 2011 c 218 s 1 are each amended to read as follows:

(1) The legislature finds that the state should acquire easements primarily along riparian and other sensitive aquatic areas from qualifying small forest landowners willing to sell or donate ((~~such~~)) easements to the state provided that the state will not be required to acquire ((~~such~~)) the easements if they are subject to unacceptable liabilities. Therefore the legislature ((~~therefore~~)) establishes a forestry riparian easement program.

(2) The definitions in this subsection apply throughout this section and RCW 76.13.100, 76.13.110, 76.13.140, and 76.13.160 unless the context clearly requires otherwise.

(a) "Forestry riparian easement" means an easement covering qualifying timber granted voluntarily to the state by a qualifying small forest landowner.

(b) "Qualifying small forest landowner" means a landowner meeting all of the following characteristics as of the date the department offers compensation for a forestry riparian easement:

(i) Is a small forest landowner as defined in (d) of this subsection; and

(ii) Is an individual, partnership, corporation, or other nongovernmental for-profit legal entity.

(c) "Qualifying timber" means those forest trees for which the small forest landowner is willing to grant the state a forestry riparian easement and ((~~must~~)) meets all of the following:

(i) The forest trees are covered by a forest practices application that the small forest landowner is required to leave unharvested under the rules adopted under RCW 76.09.040, 76.09.055, and 76.09.370 or that is made uneconomic to harvest by those rules;

(ii) The forest trees are within or bordering a commercially reasonable harvest unit as determined under rules adopted by the forest practices board, or for which an approved forest practices application for timber harvest cannot be obtained because of restrictions under the forest practices rules;

(iii) The forest trees are located within, or affected by forest practices rules pertaining to any one, or all, of the following:

(A) Riparian or other sensitive aquatic areas;

(B) Channel migration zones; or

(C) Areas of potentially unstable slopes or landforms, verified by the department, and must meet all of the following:

(I) Are addressed in a forest practices application;

(II) Are adjacent to a commercially reasonable harvest area; and

(III) Have the potential to deliver sediment or debris to a public resource or threaten public safety.

(d) "Small forest landowner" means a landowner meeting all of the following characteristics:

(i) A forest landowner as defined in RCW 76.09.020 whose interest in the land and timber is in fee or who has rights to the timber to be included in the forestry riparian easement that extend at least fifty years from the date the completed forestry riparian easement application associated with the easement is submitted;

(ii) An entity that has harvested from its own lands in this state during the three years prior to the year of application an average timber volume that would qualify the owner as a small harvester under RCW 84.33.035; and

(iii) An entity that certifies at the time of application that it does not expect to harvest from its own lands more than the volume allowed by RCW 84.33.035 during the ten years following application. If a landowner's prior three-year average harvest exceeds the limit of RCW 84.33.035, or the landowner expects to exceed this limit during the ten years following application, and that landowner establishes to the department's reasonable satisfaction that the harvest limits were or will be exceeded to raise funds to pay estate taxes or equally compelling and unexpected obligations such as court-ordered judgments or extraordinary medical expenses, the landowner shall be deemed to be a small forest landowner. For purposes of determining whether a person qualifies as a small forest landowner, the small forest landowner office, created in RCW 76.13.110, shall evaluate the landowner under this definition, pursuant to RCW 76.13.160, as of the date that the forest practices application is submitted and the date that the department offers compensation for the forestry riparian easement. A small forest landowner can include an individual, partnership, corporation, or other nongovernmental legal entity. If a landowner grants timber rights to another entity for less than five years, the landowner may still qualify as a small forest landowner under this section. If a landowner is unable to obtain an approved forest practices application for timber harvest for any of his or her land because of restrictions under the forest practices rules, the landowner may still qualify as a small forest landowner under this section.

(e) "Completion of harvest" means that the trees have been harvested from an area and that further entry into that area by mechanized logging or slash treating equipment is not expected.

(3) The department is authorized and directed to accept and hold in the name of the state of Washington forestry riparian easements granted by qualifying small forest landowners covering qualifying timber and to pay compensation to ((~~such~~)) the landowners in accordance with this section. The department may not transfer the easements to any entity other than another state agency.

(4) Forestry riparian easements shall be effective for fifty years from the date of the completed forestry riparian easement application, unless the easement is voluntarily terminated earlier by the department, based on a determination that termination is in the best interest of the state, or under the terms of a termination clause in the easement.

(5) Forestry riparian easements shall be restrictive only, and shall preserve all lawful uses of the easement premises by the landowner that are consistent with the terms of the easement and the requirement to protect riparian functions during the term of the easement, subject to the restriction that the leave trees required by the rules to be left on the easement premises may not be cut during the term of the easement. No right of public access to or across, or any public use

of the easement premises is created by this statute or by the easement. Forestry riparian easements shall not be deemed to trigger the compensating tax of or otherwise disqualify land from being taxed under chapter 84.33 or 84.34 RCW.

(6) The small forest landowner office shall determine what constitutes a completed application for a forestry riparian easement. ((~~Such~~)) An application shall, at a minimum, include documentation of the owner's status as a qualifying small forest landowner, identification of location and the types of qualifying timber, and notification of completion of harvest, if applicable.

(7) Upon receipt of the qualifying small forest landowner's forestry riparian easement application, and subject to the availability of amounts appropriated for this specific purpose, the following must occur:

(a) The small forest landowner office ((~~shall~~)) must determine the compensation to be offered to the qualifying small forest landowner for qualifying timber after the department accepts the completed forestry riparian easement application and the landowner has completed marking the boundary of the area containing the qualifying timber. The legislature recognizes that there is not readily available market transaction evidence of value for easements of the nature required by this section, and thus establishes the methodology provided in this subsection to ascertain the value for forestry riparian easements. Values so determined may not be considered competent evidence of value for any other purpose.

(b) The small forest landowner office, subject to the availability of amounts appropriated for this specific purpose, is responsible for assessing the volume of qualifying timber. However, no more than fifty percent of the total amounts appropriated for the forestry riparian easement program may be applied to determine the volume of qualifying timber for completed forestry riparian easement applications. Based on the volume established by the small forest landowner office and using data obtained or maintained by the department of revenue under RCW 84.33.074 and 84.33.091, the small forest landowner office shall attempt to determine the fair market value of the qualifying timber as of the date the complete forestry riparian easement application is received. Removal of any qualifying timber before the expiration of the easement must be in accordance with the forest practices rules and the terms of the easement. There shall be no reduction in compensation for reentry.

(8)(a) Except as provided in subsection (9) of this section and subject to the availability of amounts appropriated for this specific purpose, the small forest landowner office shall offer compensation for qualifying timber to the qualifying small forest landowner in the amount of fifty percent of the value determined by the small forest landowner office, plus the compliance and reimbursement costs as determined in accordance with RCW 76.13.140. However, compensation for any qualifying small forest landowner for qualifying timber located on potentially unstable slopes or landforms may not exceed a total of fifty thousand dollars during any biennial funding period.

(b) If the landowner accepts the offer for qualifying timber, the department shall pay the compensation promptly upon:

(i) Completion of harvest in the area within a commercially reasonable harvest unit with which the forestry riparian easement is associated under an approved forest practices application, unless an approved forest practices

application for timber harvest cannot be obtained because of restrictions under the forest practices rules;

(ii) Verification that the landowner has no outstanding violations under chapter 76.09 RCW or any associated rules; and

(iii) Execution and delivery of the easement to the department.

(c) Upon donation or payment of compensation, the department may record the easement.

(9) For approved forest practices applications for which the regulatory impact is greater than the average percentage impact for all small forest landowners as determined by an analysis by the department under the regulatory fairness act, chapter 19.85 RCW, the compensation offered will be increased to one hundred percent for that portion of the regulatory impact that is in excess of the average. Regulatory impact includes all trees identified as qualifying timber. A separate average or high impact regulatory threshold shall be established for western and eastern Washington. Criteria for these measurements and payments shall be established by the small forest landowner office.

(10) The forest practices board shall adopt rules under the administrative procedure act, chapter 34.05 RCW, to implement the forestry riparian easement program, including the following:

(a) A standard version of a forestry riparian easement application as well as all additional documents necessary or advisable to create the forestry riparian easements as provided for in this section;

(b) Standards for descriptions of the easement premises with a degree of precision that is reasonable in relation to the values involved;

(c) Methods and standards for cruises and valuation of forestry riparian easements for purposes of establishing the compensation. The department shall perform the timber cruises of forestry riparian easements required under this chapter and chapter 76.09 RCW. Timber cruises are subject to amounts appropriated for this purpose. However, no more than fifty percent of the total appropriated funding for the forestry riparian easement program may be applied to determine the volume of qualifying timber for completed forestry riparian easement applications. Any rules concerning the methods and standards for valuations of forestry riparian easements shall apply only to the department, qualifying small forest landowners, and the small forest landowner office;

(d) A method to determine that a forest practices application involves a commercially reasonable harvest, and adopt criteria for entering into a forestry riparian easement where a commercially reasonable harvest is not possible or a forest practices application that has been submitted cannot be approved because of restrictions under the forest practices rules;

(e) A method to address blowdown of qualified timber falling outside the easement premises;

(f) A formula for sharing of proceeds in relation to the acquisition of qualified timber covered by an easement through the exercise or threats of eminent domain by a federal or state agency with eminent domain authority, based on the present value of the department's and the landowner's relative interests in the qualified timber;

(g) High impact regulatory thresholds;

(h) A method to determine timber that is qualifying timber because it is rendered uneconomic to harvest by the rules adopted under RCW 76.09.055 and 76.09.370;

(i) A method for internal department review of small forest landowner office compensation decisions under this section; and

(j) Consistent with RCW 76.13.180, a method to collect reimbursement from landowners who received compensation for a forestry riparian easement and who, within the first ten years after receipt of compensation for a forestry riparian easement, sells the land on which an easement is located to a nonqualifying landowner.

(11) The legislature finds that the overall societal benefits of economically viable working forests are multiple, and include the protection of clean, cold water, the provision of wildlife habitat, the sheltering of cultural resources from development, and the natural carbon storage potential of growing trees. As such, working forests and the forest riparian easement program may be part of the state's overall carbon sequestration strategy. If the state creates a climate strategy, the department must share information regarding the carbon sequestration benefits of the forest riparian easement program with other state programs using methods and protocols established in the state climate strategy that attempt to quantify carbon storage or account for carbon emissions. The department must promote the expansion of funding for the forest riparian easement program and the ecosystem services supported by the program based on the findings stated in RCW 76.13.100. Nothing in this subsection allows a landowner to be reimbursed by the state more than once for the same forest riparian easement application.

Passed by the House March 2, 2017.
Passed by the Senate March 30, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 141

[Substitute House Bill 1626]

COMMUNITY CUSTODY HOUSING PROVIDERS--COMMUNITY IMPACT STATEMENTS--TIMELINE

AN ACT Relating to changing the date in which community impact statements are provided to the department of corrections; and amending RCW 72.09.285.

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

Sec. 1. RCW 72.09.285 and 2013 c 266 s 2 are each amended to read as follows:

(1) A housing provider may be placed on a list with the department to receive rental vouchers under RCW 9.94A.729 in accordance with the provisions of this section.

(2) For living environments with between four and eight beds, or a greater number of individuals if permitted by local code, the department shall provide transition support that verifies an offender is participating in programming or services including, but not limited to, substance abuse treatment, mental health treatment, sex offender treatment, educational programming, development of

positive living skills, or employment programming. In addition, when selecting housing providers, the department shall consider the compatibility of the proposed offender housing with the surrounding neighborhood and underlying zoning. The department shall adopt procedures to limit the concentration of housing providers who provide housing to sex offenders in a single neighborhood or area.

(3)(a) The department shall provide the local law and justice council, county sheriff, or, if such housing is located within a city, a city's chief law enforcement officer with notice anytime a housing provider or new housing location requests to be or is added to the list within that county.

(b) The county or city local government may provide the department with a community impact statement, which includes the number and location of other special needs housing in the neighborhood and a review of services and supports in the area to assist offenders in their transition. If a community impact statement is provided to the department within ((~~ten~~)) twenty-five business days of the notice of a new housing provider or housing location request, the department shall consider the community impact statement in determining whether to add the provider to the list and, if the provider is added, shall include the community impact statement in the notice that a provider is added to the list within that county.

(4) If a certificate of inspection, as provided in RCW 59.18.125, is required by local regulation and the local government does not have a current certificate of inspection on file, the local government shall have ten business days from the later of (a) receipt of notice from the department as provided in subsection (3) of this section; or (b) ((~~from~~)) the date the local government is given access to the dwelling unit to conduct an inspection or reinspection to issue a certificate. This section is deemed satisfied if a local government does not issue a timely certificate of inspection.

(5)(a) If, within ten business days of receipt of a notice from the department of a new location or new housing provider, the county or city determines that the housing is in a neighborhood with an existing concentration of special needs housing, including but not limited to offender reentry housing, retirement homes, assisted living, emergency or transitional housing, or adult family homes, the county or city may request that the department program administrator remove the new location or new housing provider from the list.

(b) This subsection does not apply to housing providers approved by the department to receive rental vouchers on July 28, 2013.

(6) The county or city may at any time request a housing provider be removed from the list if it provides information to the department that:

(a) It has determined that the housing does not comply with state and local fire and building codes or applicable zoning and development regulations in effect at the time the housing provider first began receiving housing vouchers; or

(b) The housing provider is not complying with the provisions of this section.

(7) After receiving a request to remove a housing provider from the county or city, the department shall immediately notify the provider of the concerns and request that the provider demonstrate that it is in compliance with the provisions of this section. If, after ten days' written notice, the housing provider cannot demonstrate to the department that it is in compliance with the reasons for the

county's or city's request for removal, the department shall remove the housing provider from the list.

(8) A housing provider who provides housing pursuant to this section is not liable for civil damages arising from the criminal conduct of an offender to any greater extent than a regular tenant, and no special duties are created under this section.

Passed by the House February 27, 2017.
Passed by the Senate April 7, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 142

[Engrossed House Bill 1648]

COUNTY TREASURERS--TAX COLLECTION--VARIOUS CHANGES

AN ACT Relating to county treasurer administrative efficiencies; amending RCW 84.56.020, 84.56.050, and 82.45.090; and repealing 2014 c 13 s 3 (uncodified).

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

Sec. 1. RCW 84.56.020 and 2014 c 13 s 1 are each amended to read as follows:

(1) The county treasurer must be the receiver and collector of all taxes extended upon the tax rolls of the county, whether levied for state, county, school, bridge, road, municipal or other purposes, and also of all fines, forfeitures or penalties received by any person or officer for the use of his or her county. No treasurer may accept tax payments or issue receipts for the same until the treasurer has completed the tax roll for the current year's collection and provided notification of the completion of the roll. Notification may be accomplished electronically, by posting a notice in the office, or through other written communication as determined by the treasurer. All ((~~taxes upon~~)) real and personal property taxes and assessments made payable by the provisions of this title are due and payable to the county treasurer on or before the thirtieth day of April and, except as provided in this section, ((~~shall be~~)) are delinquent after that date.

(2) Each tax statement must include a notice that checks for payment of taxes may be made payable to "Treasurer of . . . . . County" or other appropriate office, but tax statements may not include any suggestion that checks may be made payable to the name of the individual holding the office of treasurer nor any other individual.

(3) When the total amount of tax or special assessments on personal property or on any lot, block or tract of real property payable by one person is fifty dollars or more, and if one-half of such tax ((~~be~~)) is paid on or before the thirtieth day of April, the remainder of such tax is due and payable on or before the following thirty-first day of October ((~~following and shall be~~)) and is delinquent after that date.

(4) When the total amount of tax or special assessments on any lot, block or tract of real property or on any mobile home payable by one person is fifty dollars or more, and if one-half of such tax ((~~be~~)) is paid after the thirtieth day of April but before the thirty-first day of October, together with the applicable

interest and penalty on the full amount of tax payable for that year, the remainder of such tax is due and payable on or before the following thirty-first day of October ((~~following~~)) and is delinquent after that date.

(5) Except as provided in (c) of this subsection, delinquent taxes under this section are subject to interest at the rate of twelve percent per annum computed on a monthly basis on the amount of tax delinquent from the date of delinquency until paid. Interest must be calculated at the rate in effect at the time of the tax payment ((~~of the tax~~)), regardless of when the taxes were first delinquent. In addition, delinquent taxes under this section are subject to penalties as follows:

(a) A penalty of three percent of the amount of tax delinquent is assessed on the tax delinquent on June 1st of the year in which the tax is due.

(b) An additional penalty of eight percent is assessed on the ((~~amount of tax~~)) delinquent tax amount on December 1st of the year in which the tax is due.

(c) If a taxpayer is successfully participating in a payment agreement under subsection (12)(b) of this section or a partial payment ((~~agreement under subsection (11)(b) of this section~~)) program pursuant to subsection (13) of this section, the county treasurer may not assess additional penalties on delinquent taxes that are included within the payment agreement. Interest and penalties that have been assessed prior to the payment agreement remain due and payable as provided in the payment agreement.

(6)(a) When real property taxes become delinquent and prior to the filing of the certificate of delinquency, the treasurer is authorized to assess and collect tax foreclosure avoidance costs.

(b) For the purposes of this section, "tax foreclosure avoidance costs" means those ((~~costs that can be identified specifically~~)) direct costs associated with the administration of properties subject to and prior to foreclosure. Tax foreclosure avoidance costs include:

(i) Compensation of employees for the time devoted ((~~and identified specifically~~)) to administering the avoidance of property foreclosure; and

(ii) The cost of materials, services, or equipment acquired, consumed, or expended ((~~specifically for the purpose of~~)) in administering tax foreclosure avoidance prior to the filing of a certificate of delinquency.

(c) When tax foreclosure avoidance costs are collected, ((~~the tax foreclosure avoidance costs~~)) such costs must be credited to the county treasurer service fund account, except as otherwise directed.

(d) For purposes of chapter 84.64 RCW, any taxes, interest, or penalties deemed delinquent under this section remain delinquent until such time as all taxes, interest, and penalties for the tax year in which the taxes were first due and payable have been paid in full.

(7) Subsection (5) of this section notwithstanding, no interest or penalties may be assessed during any period of armed conflict ((~~on~~)) regarding delinquent taxes imposed on the personal residences owned by active duty military personnel who are participating as part of one of the branches of the military involved in the conflict and assigned to a duty station outside the territorial boundaries of the United States.

(8) During a state of emergency declared under RCW 43.06.010(12), the county treasurer, on his or her own motion or at the request of any taxpayer affected by the emergency, may grant extensions of the due date of any taxes payable under this section as the treasurer deems proper.

(9) All collections of interest on delinquent taxes must be credited to the county current expense fund.

(10) For purposes of this chapter, "interest" means both interest and penalties.

((~~(10) All collections of interest on delinquent taxes must be credited to the county current expense fund; but~~))

(11) The direct cost of foreclosure and sale of real property, and the direct fees and costs of distraint and sale of personal property, for delinquent taxes, must, when collected, be credited to the operation and maintenance fund of the county treasurer prosecuting the foreclosure or distraint or sale; and must be used by the county treasurer as a revolving fund to defray the cost of further foreclosure, distraint, and sale ((~~for~~)) because of delinquent taxes without regard to budget limitations and not subject to indirect costs of other charges.

((~~(11)~~)) (12)(a) For purposes of this chapter, and in accordance with this section and RCW 36.29.190, the treasurer may collect taxes, assessments, fees, rates, interest, and charges by electronic ((~~bill presentment~~)) billing and payment. Electronic ((~~bill presentment~~)) billing and payment may be ((~~utilized~~)) used as an option by the taxpayer, but the treasurer may not require the use of electronic ((~~bill presentment~~)) billing and payment. Electronic bill presentment and payment may be on a monthly or other periodic basis as the treasurer deems proper for delinquent tax year payments only or for prepayments of current tax. All prepayments must be paid in full by the due date specified in (c) of this subsection. Payments on past due taxes must include collection of the oldest delinquent year, which includes interest and taxes within a twelve-month period, prior to filing a certificate of delinquency under chapter 84.64 RCW or distraint pursuant to RCW 84.56.070.

(b) The treasurer ((~~must~~)) may provide, by electronic means or otherwise, a payment agreement that provides for payment of current year taxes, inclusive of prepayment collection charges. The treasurer may provide, by electronic means or otherwise, a payment agreement for payment of past due delinquencies, which must also require current year taxes to be paid timely. The payment agreement must be signed by the taxpayer and treasurer prior to the sending of an electronic or alternative bill, which includes a payment plan for current year taxes. The treasurer may accept partial payment of current and delinquent taxes including interest and penalties using electronic bill presentment and payments.

(c) All taxes upon real and personal property made payable by the provisions of this title are due and payable to the treasurer on or before the thirtieth day of April and are delinquent after that date. The remainder of the tax is due and payable on or before the following thirty-first ((~~day~~)) of October ((~~following~~)) and is delinquent after that date. All other assessments, fees, rates, and charges are delinquent after the due date.

(d) A county treasurer may authorize payment of past due property taxes, penalties, and interest under this chapter by electronic funds transfers ((~~payments~~)) on a monthly basis. Delinquent taxes are subject to interest and penalties, as provided in subsection (5) of this section.

(e) The treasurer must pay any collection costs, investment earnings, or both on past due payments or prepayments to the credit of a county treasurer service fund account to be created and used only for the payment of expenses incurred

by the treasurer, without limitation, in administering the system for collecting prepayments.

((~~(12)~~))) (13) In addition to the payment program in subsection (12)(b) of this section, the treasurer may accept partial payment of current and delinquent taxes including interest and penalties by any means authorized.

(14) For purposes of this section unless the context clearly requires otherwise, the following definitions apply:

(a) "Electronic ((~~bill presentment~~)) billing and payment" means statements, invoices, or bills that are created, delivered, and paid using the internet. The term includes an automatic electronic payment from a person's checking account, debit account, or credit card.

(b) "Internet" has the same meaning as provided in RCW 19.270.010.

Sec. 2. RCW 84.56.050 and 1991 c 245 s 17 are each amended to read as follows:

(1) On ((~~receiving the tax rolls the treasurer shall post~~)) receipt of the certification of the tax rolls from the county assessor, the county treasurer must transfer all real and personal property taxes from the rolls to the treasurer's tax roll, and ((~~shall~~)) must carry forward to the current tax rolls a memorandum of all delinquent taxes on each and every description of property, ((~~and enter the same on the property upon which the taxes are delinquent showing the amounts for each year. The treasurer shall notify each taxpayer in the county, at the expense of the county, of the amount of the real and personal property, and the current and delinquent amount of tax due on the same; and the treasurer shall have printed on the notice the name of each tax and the levy made on the same. The county treasurer shall be the sole collector of all delinquent taxes and all other taxes due and collectible on the tax rolls of the county: PROVIDED, That the term "taxpayer" as used in this section shall~~)) entering which taxes are delinquent and the amounts for each year. Except as provided otherwise in this section, the treasurer must provide a printed notice or electronically publish, at the expense of the county, information for each taxpayer, regarding the amount of real and personal property, and the name of each tax and levy made on the same. The county treasurer must be the sole collector of all taxes, current or delinquent.

(2) For the purposes of this section, "taxpayer" means any person charged, or whose property is charged, with property tax((~~; and~~)).

(3) The person to be notified ((~~is that~~)) under this section is the person whose name appears on the tax roll herein mentioned((~~: PROVIDED, FURTHER, That~~)). However, if:

(a) No name so appears the person to be notified is ((~~that~~)) the person shown by the treasurer's tax rolls or duplicate tax receipts of any preceding year as the payer of the tax last paid on the property ((~~in question~~)); or

(b) The real property taxes are paid by a bank, as defined in RCW 62A.1-201, the name of each tax and levy in the property tax information on the county treasurer's web site satisfies the notice requirements of this section.

Sec. 3. RCW 82.45.090 and 2009 c 350 s 8 are each amended to read as follows:

(1) Except for a sale of a beneficial interest in real property where no instrument evidencing the sale is recorded in the official real property records of

the county in which the property is located, the tax imposed by this chapter ((~~shall~~)) must be paid to and collected by the treasurer of the county within which is located the real property ((~~which~~)) that was sold. In collecting the tax the county treasurer ((~~shall~~)) must act as agent for the state. The county treasurer ((~~shall~~)) must cause a verification of payment evidencing satisfaction of the lien to be affixed to the instrument of sale or conveyance prior to its recording or to the real estate excise tax affidavit in the case of used mobile home sales and used floating home sales. A receipt issued by the county treasurer for the payment of the tax imposed under this chapter ((~~shall be~~)) is evidence of the satisfaction of the lien imposed ((~~hereunder~~)) in this section and may be recorded in the manner prescribed for recording satisfactions of mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax ((~~shall~~)) may be accepted by the county auditor for filing or recording until the tax ((~~shall have been~~)) is paid and the verification of payment affixed thereto; in case the tax is not due on the transfer, the instrument ((~~shall~~)) may not be so accepted until suitable notation of such fact has been made on the instrument by the treasurer. ((~~Any time there is a~~)) At the sale of a used mobile home, used manufactured home, used park model, or used floating home that has not been title eliminated, property taxes must be current in order to complete the processing of the real estate excise tax affidavit or other documents transferring title. Verification that the property taxes are current must be noted on the mobile home real estate excise tax affidavit or on a form approved by the county treasurer. For the purposes of this subsection, "mobile home," "manufactured home," and "park model" have the same meaning as provided in RCW 59.20.030.

(2) For a sale of a beneficial interest in real property where a tax is due under this chapter and where no instrument is recorded in the official real property records of the county in which the property is located, the sale ((~~shall~~)) must be reported to the department of revenue within five days from the ((~~date of the~~)) sale date on such returns or forms and according to such procedures as the department may prescribe. Such forms or returns ((~~shall~~)) must be signed or electronically signed by both the transferor and the transferee and ((~~shall~~)) must be accompanied by payment of the tax due.

(3) Any person who intentionally makes a false statement on any return or form required to be filed with the department under this chapter is guilty of perjury under chapter 9A.72 RCW.

NEW SECTION. **Sec. 4.** 2014 c 13 s 3 (uncodified) is repealed.

Passed by the House April 13, 2017.
Passed by the Senate March 31, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 143

[House Bill 1709]

RETIREMENT SYSTEM SERVICE CREDIT--CERTAIN EMPLOYEES--PERS TO PSERS TRANSFER

AN ACT Relating to transferring public employees' retirement system service credit to the public safety employees' retirement system due to differing definitions of full-time; adding a new section to chapter 41.37 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** Since the establishment of the public safety employees' retirement system in 2006, some employees have been reported by employers as members of that retirement system even though they did not work what is normally considered full-time for the purposes of determining plan membership under RCW 41.37.010(19) due to written employment agreements that defined full-time differently. As a result, some employees who believed they were in the public safety employees' retirement system have been, or will be, moved into the public employees' retirement system that has different plan provisions and, generally, a later retirement date. The legislature intends that section 2 of this act only applies to those employees who believed they were in the public safety employees' retirement system and have been, or will be, moved into the public employees' retirement system, as described in this section.

NEW SECTION. **Sec. 2.** A new section is added to chapter 41.37 RCW to read as follows:

(1) An employee may elect to have their public employees' retirement system service credit transferred to the public safety employees' retirement system if:

(a) They worked under a written employment contract prior to January 1, 2017, that defined full-time as less than one hundred sixty hours per month;

(b) Other than the full-time requirement under RCW 41.37.010(19), have met all membership requirements for the public safety employees' retirement system under RCW 41.37.010(19);

(c) Their employer incorrectly reported the employee's service in the public safety employees' retirement system instead of the public employees' retirement system; and

(d) All contributions required for past periods of service established under this subsection are paid to the department, as follows:

(i) A member who elects to transfer service credit under this subsection shall pay, for the applicable period of service, the difference between the contributions the employee paid to the public employees' retirement system and the contributions that would have been paid by the employee had the employee been a member of the public safety employees' retirement system.

(ii) Employer contributions shall be paid by the employer and calculated by the department equal to the difference between the contributions the employer paid to the public employees' retirement system and the contributions that would have been paid by the employer had the employee been a member of the public safety employees' retirement system.

(2) This section applies retroactively to July 1, 2006.

(3) All employees who elect to have their public employees' retirement system service credit transferred to the public safety employees' retirement system under this section shall continue to have their service credit reported in the public safety employees' retirement system so long as:

(a) They remain with their current employer in an otherwise public safety employees' retirement system eligible position; and

(b) Continue to work under a written employment contract that defines full-time as less than one hundred sixty hours per month, but at least one hundred forty hours per month.

Passed by the House March 1, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 144

[House Bill 1754]

SEX OFFENDER TREATMENT--ACCESS PRIORITY--RISK TO REOFFEND

AN ACT Relating to sex offender treatment based on the offender's risk to reoffend; and amending RCW 72.09.335.

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

Sec. 1. RCW 72.09.335 and 2009 c 28 s 34 are each amended to read as follows:

(1) The department shall ((~~provide offenders sentenced under RCW 9.94A.507 with the opportunity for~~)) determine placement for sex offender treatment ((~~during incarceration~~)) by assessing the offender's risk for sexual reoffense as the primary factor. The department shall offer offenders the opportunity for sex offender treatment during incarceration based on the following priority:

(a) Offenders who are assessed as high risk for sexual reoffense;

(b) Offenders sentenced under RCW 9.94A.507 who are assessed as moderate risk for sexual reoffense;

(c) Offenders not sentenced under RCW 9.94A.507 who are assessed as moderate risk for sexual reoffense;

(d) Offenders sentenced under RCW 9.94A.507 who are assessed as low risk for sexual reoffense but whose potential release under RCW 9.95.420 will require participation in sex offender treatment, as determined by the indeterminate sentence review board.

(2) As capacity allows, offenders not sentenced under RCW 9.94A.507 who are assessed as low risk for sexual reoffense may be offered the opportunity for sex offender treatment during incarceration.

(3) This section creates no enforceable right to participate in sex offender treatment.

Passed by the House March 1, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 145

[Substitute House Bill 1755]

WORKERS' COMPENSATION--THIRD-PARTY SETTLEMENTS--EMPLOYER NOTICE

AN ACT Relating to notice to state fund employers for certain workers' compensation third-party settlements; and amending RCW 51.24.090.

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

Sec. 1. RCW 51.24.090 and 1995 c 199 s 5 are each amended to read as follows:

(1) Any compromise or settlement of the third party cause of action by the injured worker or beneficiary which results in less than the entitlement under this title is void unless made with the written approval of the department or self-insurer((~~: PROVIDED, That~~)). For a state fund claim, the department shall provide reasonable ongoing notice to the employer of the status of any compromise or settlement negotiations between the injured worker or beneficiary and the department, for the employer's information. For a state fund claim, notice to the employer is not required if the costs of the claim or claims are no longer included in the calculation of the employer's experience factor used to determine premiums; or if the employer cannot be located, is no longer in business, or requests that they not receive ongoing notice after the department provides timely notice of the settlement process to the employer. For the purposes of this chapter, "entitlement" means benefits and compensation paid and estimated by the department to be paid in the future.

(2) If a compromise or settlement is void because of subsection (1) of this section, the department or self-insurer may petition the court in which the action was filed for an order assigning the cause of action to the department or self-insurer. If an action has not been filed, the department or self-insurer may proceed as provided in chapter 7.24 RCW.

Passed by the House March 3, 2017.
Passed by the Senate April 4, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 146

[House Bill 1794]

CORONERS AND MEDICAL EXAMINERS--STATEWIDE CASE MANAGEMENT SYSTEM--FUNDING

AN ACT Relating to the death investigations account; and amending RCW 43.103.090.

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

Sec. 1. RCW 43.103.090 and 2007 c 200 s 1 are each amended to read as follows:

(1) The council may:

(a) Meet at such times and places as may be designated by a majority vote of the councilmembers or, if a majority cannot agree, by the chair;

(b) Adopt rules governing the council and the conduct of its meetings;

(c) Require reports from the chief of the Washington state patrol on matters pertaining to the bureau of forensic laboratory services;

(d) Authorize the expenditure of up to two hundred fifty thousand dollars per biennium from the council's death investigations account appropriation for the purpose of assisting local jurisdictions in the investigation of multiple deaths involving unanticipated, extraordinary, and catastrophic events, or involving multiple jurisdictions. The council shall adopt rules consistent with this subsection for the purposes of authorizing expenditure of the funds;

(e) Authorize the expenditure of up to twenty-five thousand dollars per biennium from the council's death investigations account appropriation for the purpose of assisting local jurisdictions to secure forensic anthropology services

or other testing, to determine the identity of human remains upon a showing of financial need. The council shall adopt rules consistent with this subsection for the purposes of authorizing expenditure of the funds;

(f) Authorize expenditures from the council's death investigations account appropriation for the purpose of funding a statewide case management system for coroners and medical examiners. The council shall confer with the state association of coroners and medical examiners in the selection of a statewide system. The council may adopt rules consistent with this subsection for the purposes of authorizing expenditure of the funds;

(g) Do anything, necessary or convenient, which enables the council to perform its duties and to exercise its powers; and

(((~~(g)~~))) (h) Be actively involved in the preparation of the bureau of forensic laboratory services budget and approve the bureau of forensic laboratory services budget prior to formal submission to the office of financial management pursuant to RCW 43.88.030.

(2) The council shall:

(a) Prescribe qualifications for the position of director of the bureau of forensic laboratory services, after consulting with the chief of the Washington state patrol. The council shall submit to the chief of the Washington state patrol a list containing the names of up to three persons who the council believes meet its qualifications to serve as director of the bureau of forensic laboratory services. Minimum qualifications for the director of the bureau of forensic laboratory services must include successful completion of a background investigation and polygraph examination. If requested by the chief of the Washington state patrol, the forensic investigations council shall submit one additional list of up to three persons who the forensic investigations council believes meet its qualifications. The appointment must be from one of the lists of persons submitted by the forensic investigations council, and the director of the bureau of forensic laboratory services shall report to the office of the chief of the Washington state patrol;

(b) After consulting with the chief of the Washington state patrol and the director of the bureau of forensic laboratory services, the council shall appoint a toxicologist as state toxicologist, who shall report to the director of the bureau of forensic laboratory services. The appointee shall meet the minimum standards for employment with the Washington state patrol including successful completion of a background investigation and polygraph examination;

(c) Establish, after consulting with the chief of the Washington state patrol, the policies, objectives, and priorities of the bureau of forensic laboratory services, to be implemented and administered within constraints established by budgeted resources by the director of the bureau of forensic laboratory services;

(d) Set the salary for the director of the bureau of forensic laboratory services; and

(e) Set the salary for the state toxicologist.

Passed by the House March 6, 2017.
Passed by the Senate April 7, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 147

[Substitute House Bill 1813]

DEPARTMENT OF LICENSING--ADDRESSES OF RECORD--VARIOUS CHANGES

AN ACT Relating to aligning existing definitions and practices to establish a uniform process for updating addresses of record and make conforming amendments to statutes administered by the department of licensing; amending RCW 46.04.199, 46.12.530, 46.16A.040, 46.16A.190, 46.17.230, 46.17.330, 46.20.205, 46.52.120, 46.68.035, 88.02.375, 46.17.050, and 46.17.060; and adding a new section to chapter 46.08 RCW.

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

Sec. 1. RCW 46.04.199 and 2010 c 161 s 120 are each amended to read as follows:

"Horseless carriage license plate" is a special license plate that may be assigned to a vehicle that is ((~~more than~~)) at least forty years old.

NEW SECTION. **Sec. 2.** A new section is added to chapter 46.08 RCW to read as follows:

(1) The name, residence address, and mailing address (if different) submitted by an applicant for a driver's license or other permit, identicard, certificate of title, or vehicle or vessel registration is the name and address of record for the person.

(2)(a) If an applicant for or the holder of a driver's license, permit, identicard, certificate of title, or vehicle or vessel registration changes his or her name or address, he or she must notify the department of the change in writing on a form provided by the department. The written notification, or other means as designated by rule of the department, is the exclusive means by which the name or address of record maintained by the department concerning the person may be changed.

(b) The form must contain a place for the person to indicate that an address change is not for voting purposes. The department must notify the secretary of state by the means described in RCW 29A.08.350 of all change of address information for natural persons received by means of this form except information on persons indicating that the change is not for voting purposes.

(3) Any notice regarding the refusal, cancellation, suspension, revocation, disqualification, probation, or nonrenewal of the driver's license, commercial driver's license, permit, driving privilege, identicard, certificate of title, or vehicle or vessel registration mailed to the address of record of the applicant or holder is effective notwithstanding the applicant or holder's failure to receive the notice.

(4) The department may not change the name of record of a person who is the holder of a driver's license, other driving permit, or identicard under this section unless the person has again satisfied the department regarding his or her identity in the manner provided under RCW 46.20.035.

Sec. 3. RCW 46.12.530 and 2010 c 161 s 302 are each amended to read as follows:

(1) The application for a certificate of title of a vehicle must be made by the owner or owner's representative to the department, county auditor or other agent, or subagent appointed by the director on a form furnished or approved by the department and must contain:

(a) A description of the vehicle, including make, model, vehicle identification number, type of body, and the odometer reading at the time of delivery of the vehicle;

(b) The name and address of the person who is to be the registered owner of the vehicle and, if the vehicle is subject to a security interest, the name and address of the secured party; and

(c) Other information the department may require.

(2) The department may require additional information and a physical examination of the vehicle or of any class of vehicles, or either.

(3) The application for a certificate of title must be signed by the person applying to be the registered owner and be sworn to by that person in the manner described under RCW 9A.72.085. The department shall keep the application in the original, computer, or photostatic form.

(4) The application for an original certificate of title must be accompanied by:

(a) A draft, money order, certified bank check, or cash for all fees and taxes due for the application for certificate of title; and

(b) The most recent certificate of title or other satisfactory evidence of ownership.

(5) Once issued, a certificate of title is not subject to renewal.

(6) Whenever any person, after applying for or receiving a certificate of title, moves from the address named in the application or in the certificate of title issued to him or her, or changes his or her name of record, the person shall, within ten days thereafter, notify the department of the name or address change as provided in section 2 of this act.

Sec. 4. RCW 46.16A.040 and 2010 c 161 s 413 are each amended to read as follows:

(1) An owner or the owner's authorized representative must apply for an original vehicle registration to the department, county auditor or other agent, or subagent appointed by the director on a form furnished by the department. The application must contain:

(a) A description of the vehicle, including its make, model, vehicle identification number, type of body, and power to be used;

(b) The name and address of the person who is the registered owner of the vehicle and, if the vehicle is subject to a security interest, the name and address of the secured party;

(c) The purpose for which the vehicle is to be used;

(d) The licensed gross weight for the vehicle, which is:

(i) The adult seating capacity, including the operator, as provided for in RCW 46.16A.455(1) if the vehicle will be operated as a for hire vehicle or auto stage and has a seating capacity of more than six; or

(ii) The gross weight declared by the applicant as required in RCW 46.16A.455(2) if the vehicle will be operated as a motor truck, tractor, or truck tractor;

(e) The empty scale weight of the vehicle; and

(f) Other information that the department may require.

(2) The registered owner or the registered owner's authorized representative shall sign the application for an original vehicle registration and certify that the statements on the application are true to the best of the applicant's knowledge.

(3) The application for an original vehicle registration must be accompanied by a draft, money order, certified bank check, or cash for all fees and taxes due for the application for an original vehicle registration.

(4) Whenever any person, after applying for or receiving a vehicle registration, moves from the address named in the application or in the registration issued to him or her, or changes his or her name of record, the person shall, within ten days thereafter, notify the department of the name or address change as provided in section 2 of this act.

Sec. 5. RCW 46.16A.190 and 2010 c 161 s 433 are each amended to read as follows:

A registered owner or the registered owner's authorized representative shall promptly apply for a duplicate registration certificate if the person is applying for a replacement license tab or windshield emblem or a registration certificate is lost, stolen, mutilated, or destroyed, or becomes illegible. The application for a duplicate registration certificate must include information required by the department and be accompanied by the fee required in RCW 46.17.320. The duplicate registration certificate must contain the word, "duplicate."

A person recovering a registration certificate for which a duplicate has been issued shall promptly return the recovered registration certificate to the department.

Sec. 6. RCW 46.17.230 and 2011 c 171 s 59 are each amended to read as follows:

Before accepting an application for a replacement license tab or windshield emblem, the department, county auditor or other agent, or subagent appointed by the director shall charge a ((~~one dollar~~)) fifty cent fee for each ((~~pair of~~)) tab((~~s~~)) or windshield emblem. The license tab or windshield emblem replacement fee must be deposited in the motor vehicle fund created in RCW 46.68.070. A replacement tab or emblem may be issued under this section only in conjunction with an application for a duplicate registration certificate under RCW 46.16A.190.

Sec. 7. RCW 46.17.330 and 2010 c 161 s 527 are each amended to read as follows:

(1) In lieu of the vehicle license fee required under RCW 46.17.350 and before accepting an application for a vehicle registration for farm vehicles described in RCW 46.16A.425, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant, unless specifically exempt, to pay the following farm vehicle reduced gross weight license fee by weight:

WEIGHT	SCHEDULE A	SCHEDULE B
4,000 pounds	$24.50	$24.50
6,000 pounds	$24.50	$24.50
8,000 pounds	$24.50	$24.50
10,000 pounds	$40.50	$40.50
12,000 pounds	$49.00	$49.00
14,000 pounds	$54.50	$54.50

WEIGHT	SCHEDULE A	SCHEDULE B
16,000 pounds	$60.50	$60.50
18,000 pounds	$86.50	$86.50
20,000 pounds	$95.00	$95.00
22,000 pounds	$102.00	$102.00
24,000 pounds	$109.50	$109.50
26,000 pounds	$115.00	$115.00
28,000 pounds	$134.00	$134.00
30,000 pounds	$153.00	$153.00
32,000 pounds	$182.50	$182.50
34,000 pounds	$193.50	$193.50
36,000 pounds	$209.00	$209.00
38,000 pounds	$228.50	$228.50
40,000 pounds	$260.00	$260.00
42,000 pounds	$270.00	$315.00
44,000 pounds	$275.50	$320.50
46,000 pounds	$295.50	$340.50
48,000 pounds	$307.50	$352.50
50,000 pounds	$333.00	$378.00
52,000 pounds	$349.50	$394.50
54,000 pounds	$376.50	$421.50
56,000 pounds	$397.00	$442.00
58,000 pounds	$412.50	$457.50
60,000 pounds	$439.00	$484.00
62,000 pounds	$470.00	$515.00
64,000 pounds	$480.00	$525.00
66,000 pounds	$533.50	$578.50
68,000 pounds	$556.00	$601.00
70,000 pounds	$598.00	$643.00
72,000 pounds	$639.00	$684.00
74,000 pounds	$693.50	$738.50
76,000 pounds	$748.50	$793.50
78,000 pounds	$816.50	$861.50
80,000 pounds	$880.50	$925.50
82,000 pounds	$941.00	$986.00
84,000 pounds	$1,001.00	$1,046.00
86,000 pounds	$1,061.50	$1,106.50

WEIGHT	SCHEDULE A	SCHEDULE B
88,000 pounds	$1,122.00	$1,167.00
90,000 pounds	$1,182.50	$1,127.50
92,000 pounds	$1,242.50	$1,287.50
94,000 pounds	$1,303.00	$1,348.00
96,000 pounds	$1,363.50	$1,408.50
98,000 pounds	$1,424.00	$1,469.00
100,000 pounds	$1,484.00	$1,529.00
102,000 pounds	$1,544.50	$1,589.50
104,000 pounds	$1,605.00	$1,650.00
105,500 pounds	$1,665.50	$1,710.50

(2) Schedule A applies to vehicles either used exclusively for hauling logs or that do not tow trailers. Schedule B applies to vehicles that tow trailers and are not covered under Schedule A.

(3) If the resultant gross weight is not listed in the table provided in subsection (1) of this section, it must be increased to the next higher weight.

(4) The farm vehicle reduced gross weight license fees provided in subsection (1) of this section are in addition to the filing fee required under RCW 46.17.005 and any other fee or tax required by law.

(5) The farm vehicle reduced gross weight license fee as provided in subsection (1) of this section must be distributed under RCW ((~~46.68.030~~)) 46.68.035.

Sec. 8. RCW 46.20.205 and 2015 c 53 s 72 are each amended to read as follows:

(((~~(1)~~))) Whenever any person, after applying for or receiving a driver's license or identicard, moves from the address named in the application or in the license or identicard issued to him or her, or changes his or her name of record, the person shall, within ten days thereafter, notify the department of the name or address change((~~. The notification must be in writing on a form provided by the department and must include the number of the person's driver's license. The written notification, or other means as designated by rule of the department, is the exclusive means by which the address of record maintained by the department concerning the licensee or identicard holder may be changed.~~

~~(a) The form must contain a place for the person to indicate that the address change is not for voting purposes. The department of licensing shall notify the secretary of state by the means described in RCW 29A.08.350 of all change of address information received by means of this form except information on persons indicating that the change is not for voting purposes.~~

~~(b) Any notice regarding the cancellation, suspension, revocation, disqualification, probation, or nonrenewal of the driver's license, commercial driver's license, driving privilege, or identicard mailed to the address of record of the licensee or identicard holder is effective notwithstanding the licensee's or identicard holder's failure to receive the notice.~~

~~(2) When a licensee or holder of an identicard changes his or her name of record, the person shall notify the department of the name change. The person~~

~~must make the notification within ten days of the date that the name change is effective. The notification must be in writing on a form provided by the department and must include the number of the person's driver's license. The department of licensing shall not change the name of record of a person under this section unless the person has again satisfied the department regarding his or her identity in the manner provided by RCW 46.20.035~~)) as provided in section 2 of this act.

Sec. 9. RCW 46.52.120 and 2016 c 197 s 4 are each amended to read as follows:

(1) The director shall keep a case record on every motor vehicle driver licensed under the laws of this state, together with information on each driver, showing all the convictions and findings of traffic infractions certified by the courts, together with an index cross-reference record of each accident reported relating to such individual with a brief statement of the cause of the accident and whether or not the accident resulted in any fatality.

(2) The records shall be for the confidential use of the director, the chief of the Washington state patrol, the director of the Washington traffic safety commission, and for such police officers or other cognizant public officials as may be designated by law. Such case records shall not be admitted into evidence in any court, except where relevant to the prosecution or defense of a criminal charge, or in case appeal is taken from the order of the director, suspending, revoking, canceling, or refusing a vehicle driver's license.

(3) The director shall tabulate and analyze vehicle driver's case records and suspend, revoke, cancel, or refuse a vehicle driver's license to a person when it is deemed from facts contained in the case record of such person that it is for the best interest of public safety that such person be denied the privilege of operating a motor vehicle. The director shall also suspend a person's driver's license if the person fails to attend or complete a driver improvement interview or fails to abide by conditions of probation under RCW 46.20.335. Whenever the director orders the vehicle driver's license of any such person suspended, revoked, or canceled, or refuses the issuance of a vehicle driver's license, such suspension, revocation, cancellation, or refusal is final and effective unless appeal from the decision of the director is taken as provided by law.

Sec. 10. RCW 46.68.035 and 2010 c 161 s 804 are each amended to read as follows:

The director shall forward all proceeds from vehicle license fees received by the director for vehicles registered under RCW 46.17.330, 46.17.350(1) (c) and (k), 46.17.355, and 46.17.400(1)(c) to the state treasurer to be distributed into accounts according to the following method:

(1) 22.36 percent must be deposited into the state patrol highway account of the motor vehicle fund;

(2) 1.375 percent must be deposited into the Puget Sound ferry operations account of the motor vehicle fund;

(3) 5.237 percent must be deposited into the transportation 2003 account (nickel account);

(4) 11.533 percent must be deposited into the transportation partnership account created in RCW 46.68.290; and

(5) The remaining proceeds must be deposited into the motor vehicle fund.

Sec. 11. RCW 88.02.375 and 2010 c 161 s 1013 are each amended to read as follows:

A vessel owner shall notify the department within ((~~fifteen~~)) ten days of any of the following:

(1) A change of name or address of the owner, as provided in section 2 of this act;

(2) Destruction, loss, abandonment, theft, or recovery of the vessel; or

(3) Loss or destruction of a valid registration certificate issued for the vessel.

Sec. 12. RCW 46.17.050 and 2015 3rd sp.s. c 44 s 211 are each amended to read as follows:

(1) Until June 30, 2017, before accepting a report of sale filed under RCW 46.12.650(2), the county auditor or other agent or subagent appointed by the director shall require the applicant to pay:

(a) The filing fee under RCW 46.17.005(1), the license plate technology fee under RCW 46.17.015, and the license service fee under RCW 46.17.025 to the county auditor or other agent; and

(b) The service fee under RCW 46.17.040(1)(b) to the subagent.

(2)(a) Beginning July 1, 2017, before accepting a report of sale filed under RCW 46.12.650(2), the department, county auditor or other agent, or subagent appointed by the director shall require the applicant to pay the filing fee under RCW 46.17.005(1), the license plate technology fee under RCW 46.17.015, the license service fee under RCW 46.17.025, and the service fee under RCW 46.17.040(1)(b).

(b) Service((~~s~~)) fees collected under (a) of this subsection by the department or county auditor or other agent appointed by the director must be credited to the capital vessel replacement account under RCW 47.60.322.

Sec. 13. RCW 46.17.060 and 2015 3rd sp.s. c 44 s 212 are each amended to read as follows:

(1) Until June 30, 2017, before accepting a transitional ownership record filed under RCW 46.12.660, the county auditor or other agent or subagent appointed by the director shall require the applicant to pay:

(a) The filing fee under RCW 46.17.005(1), the license plate technology fee under RCW 46.17.015, and the license service fee under RCW 46.17.025 to the county auditor or other agent; and

(b) The service fee under RCW 46.17.040(1)(b) to the subagent.

(2)(a) Beginning July 1, 2017, before accepting a transitional ownership record filed under RCW 46.12.660, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant to pay the filing fee under RCW 46.17.005(1), the license plate technology fee under RCW 46.17.015, the license service fee under RCW 46.17.025, and the service fee under RCW 46.17.040(1)(b).

(b) Service((~~s~~)) fees collected under (a) of this subsection by the department or county auditor or other agent appointed by the director must be credited to the capital vessel replacement account under RCW 47.60.322.

Passed by the House February 27, 2017.

Passed by the Senate April 5, 2017.

Approved by the Governor April 27, 2017.

Filed in Office of Secretary of State April 27, 2017.

CHAPTER 148

[Substitute House Bill 1820]

CONSERVATION FUTURES PROGRAM--MAINTENANCE AND OPERATION FUNDING--CAP

AN ACT Relating to the maintenance and operations of parks and recreational land acquired through the conservation futures program; and amending RCW 84.34.240.

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

Sec. 1. RCW 84.34.240 and 2005 c 449 s 2 are each amended to read as follows:

Conservation futures are a useful tool for counties to preserve lands of public interest for future generations. Counties are encouraged to use some conservation futures as one tool for salmon preservation purposes.

(1) Any board of county commissioners may establish by resolution a special fund which may be termed a conservation futures fund to which it may credit all taxes levied pursuant to RCW 84.34.230. Amounts placed in this fund may be used for the purpose of acquiring rights and interests in real property pursuant to the terms of RCW 84.34.210 and 84.34.220, and for the maintenance and operation of any property acquired with these funds.

(2)(a) Generally, the amount of revenue used for maintenance and operations of ((~~parks and recreational land~~)) real property, the rights or interests of which were acquired pursuant to the terms of RCW 84.34.210 and 84.34.220, may not exceed fifteen percent of the total amount collected from the tax levied under RCW 84.34.230 in the preceding calendar year. Revenues from this tax may not be used to supplant existing maintenance and operation funding.

(b) A county may use up to twenty-five percent of the total amount for maintenance and operations of real property, the rights and interests of which were acquired pursuant to the terms of RCW 84.34.210 and 84.34.220, which may not be used to supplant existing maintenance and operation funding, if the county has:

(i) Acquired rights and interests in four hundred or more acres of real property under RCW 84.34.210 and 84.34.220; and

(ii) Collected a conservation futures levy for twenty or more years.

(3) Any rights or interests in real property acquired under this section must be located within the assessing county. ((~~Further,~~)) The county must determine if the rights or interests in real property acquired with these funds would reduce the capacity of land suitable for development necessary to accommodate the allocated housing and employment growth, as adopted in the countywide planning policies. When actions are taken that reduce capacity to accommodate planned growth, the jurisdiction ((~~shall~~)) must adopt reasonable measures to increase the capacity lost by such actions.

((~~(2)~~)) (4) In counties greater than one hundred thousand in population, the board of county commissioners or county legislative authority shall develop a process to help ensure distribution of the tax levied under RCW 84.34.230, over time, throughout the county.

((~~(3)~~)) (5)(a) Between July 24, 2005, and July 1, 2008, the county legislative authority of a county with a population density of fewer than four persons per square mile may enact an ordinance offering a ballot proposal to the people of the county to determine whether or not the county legislative authority may make a one-time emergency reallocation of unspent conservation futures funds to pay for other county government purposes, where such conservation futures funds were originally levied under RCW 84.34.230 but never spent to acquire rights and interests in real property.

(b) Upon adoption by the county legislative authority of a ballot proposal ordinance under (a) of this subsection the county auditor shall: (i) Confer with the county legislative authority and review any proposal to the people as to form and style; (ii) give the ballot proposal a number, which thereafter ((~~shall~~)) must be the identifying number for the proposal; (iii) transmit a copy of the proposal to the prosecuting attorney; and (iv) submit the proposal to the people at the next general or special election that is not less than ninety days after the adoption of the ordinance by the county legislative authority.

(c) The county prosecuting attorney ((~~shall~~)) must within fifteen working days of receipt of the proposal compose a concise statement, posed as a positive question, not to exceed twenty-five words, which shall express and give a true and impartial statement of the proposal. Such concise statement ((~~shall~~)) must be the ballot title.

(d) If the measure is affirmed by a majority voting on the issue it shall become effective ten days after the results of the election are certified.

((~~(4)~~)) (6) Nothing in this section ((~~shall~~)) may be construed as limiting in any manner methods and funds otherwise available to a county for financing the acquisition of such rights and interests in real property.

Passed by the House March 3, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 149

[House Bill 1829]

NETWORK INFRASTRUCTURE AND SECURITY INFORMATION--PRIVATE NETWORKS--PUBLIC RECORDS ACT EXEMPTION

AN ACT Relating to the exemption from public disclosure of information regarding public and private computer and telecommunications networks; and amending RCW 42.56.420.

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

Sec. 1. RCW 42.56.420 and 2016 c 153 s 1 are each amended to read as follows:

The following information relating to security is exempt from disclosure under this chapter:

(1) Those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal terrorist acts, which are acts that significantly disrupt the conduct of government or of the general civilian population of the state or the United States and that manifest an extreme indifference to human

life, the public disclosure of which would have a substantial likelihood of threatening public safety, consisting of:

(a) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; and

(b) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism;

(2) Those portions of records containing specific and unique vulnerability assessments or specific and unique emergency and escape response plans at a city, county, or state adult or juvenile correctional facility, or secure facility for persons civilly confined under chapter 71.09 RCW, the public disclosure of which would have a substantial likelihood of threatening the security of a city, county, or state adult or juvenile correctional facility, secure facility for persons civilly confined under chapter 71.09 RCW, or any individual's safety;

(3) Information compiled by school districts or schools in the development of their comprehensive safe school plans under RCW 28A.320.125, to the extent that they identify specific vulnerabilities of school districts and each individual school;

(4) Information regarding the public and private infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities, and other such information the release of which may increase risk to the confidentiality, integrity, or availability of ((~~agency~~)) security, information technology infrastructure, or assets;

(5) The system security and emergency preparedness plan required under RCW 35.21.228, 35A.21.300, 36.01.210, 36.57.120, 36.57A.170, and 81.112.180; and

(6) Personally identifiable information of employees, and other security information, of a private cloud service provider that has entered into a criminal justice information services agreement as contemplated by the United States department of justice criminal justice information services security policy, as authorized by 28 C.F.R. Part 20.

Passed by the House March 2, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 150

[House Bill 1906]

FARM INTERNSHIP PILOT PROJECT--QUALIFYING COUNTIES--EXPIRATION

AN ACT Relating to the expansion of counties qualifying for the farm internship program, including certain southwest Washington counties; amending RCW 49.12.470; amending 2014 c 131 s 5 (uncodified); and providing expiration dates.

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

Sec. 1. RCW 49.12.470 and 2014 c 131 s 1 are each amended to read as follows:

(1) The director shall establish a farm internship pilot project until December 1, 2017, for the employment of farm interns on small farms under special certificates at wages, if any, as authorized by the department and subject to such limitations as to time, number, proportion, and length of service as provided in this section and as prescribed by the department. The pilot project consists of the following counties: San Juan, Skagit, King, Whatcom, Kitsap, Pierce, Jefferson, Spokane, Yakima, Chelan, Grant, Island, Snohomish, Kittitas, Lincoln, ((~~and~~)) Thurston, Walla Walla, Clark, Cowlitz, and Lewis.

(2) A small farm may employ no more than three interns at one time under this section.

(3) A small farm must apply for a special certificate on a form made available by the director. The application must set forth: The name of the farm and a description of the farm seeking the certificate; the type of work to be performed by a farm intern; a description of the internship program; the period of time for which the certificate is sought and the duration of an internship; the number of farm interns for which a special certificate is sought; the wages, if any, that will be paid to the farm intern; any room and board, stipends, and other remuneration the farm will provide to a farm intern; and the total number of workers employed by the farm.

(4) Upon receipt of an application, the department shall review the application and issue a special certificate to the requesting farm within fifteen days if the department finds that:

(a) The farm qualifies as a small farm;

(b) There have been no serious violations of chapter 49.46 RCW or Title 51 RCW that provide reasonable grounds to believe that the terms of an internship agreement may not be complied with;

(c) The issuance of a certificate will not create unfair competitive labor cost advantages nor have the effect of impairing or depressing wage or working standards established for experienced workers for work of a like or comparable character in the industry or occupation at which the intern is to be employed;

(d) A farm intern will not displace an experienced worker; and

(e) The farm demonstrates that the interns will perform work for the farm under an internship program that: (i) Provides a curriculum of learning modules and supervised participation in farm work activities designed to teach farm interns about farming practices and farm enterprises; (ii) is based on the bona fide curriculum of an educational or vocational institution; and (iii) is reasonably designed to provide the intern with vocational knowledge and skills about farming practices and enterprises. In assessing an internship program, the department may consult with relevant college and university departments and extension programs and state and local government agencies involved in the regulation or development of agriculture.

(5) A special certificate issued under this section must specify the terms and conditions under which it is issued, including: The name of the farm; the duration of the special certificate allowing the employment of farm interns and the duration of an internship; the total number of interns authorized under the special certificate; the authorized wage rate, if any; and any room and board,

stipends, and other remuneration the farm will provide to the farm intern. A farm worker may be paid at wages specified in the certificate only during the effective period of the certificate and for the duration of the internship.

(6) If the department denies an application for a special certificate, notice of denial must be mailed to the farm. The farm listed on the application may, within fifteen days after notice of such action has been mailed, file with the director a petition for review of the denial, setting forth grounds for seeking such a review. If reasonable grounds exist, the director or the director's authorized representative may grant such a review and, to the extent deemed appropriate, afford all interested persons an opportunity to be heard on such review.

(7) Before employing a farm intern, a farm must submit a statement on a form made available by the director stating that the farm understands: The requirements of the industrial welfare act, this chapter ((~~49.12 RCW~~)), that apply to farm interns; that the farm must pay workers' compensation premiums in the assigned intern risk class and must pay workers' compensation premiums for nonintern work hours in the applicable risk class; and that if the farm does not comply with subsection (8) of this section, the director may revoke the special certificate.

(8) The director may revoke a special certificate issued under this section if a farm fails to: Comply with the requirements of the industrial welfare act, this chapter ((~~49.12 RCW~~)), that apply to farm interns; pay workers' compensation premiums in the assigned intern risk class; or pay workers' compensation premiums in the applicable risk class for nonintern work hours.

(9) Before the start of a farm internship, the farm and the intern must sign a written agreement and send a copy of the agreement to the department. The written agreement must, at a minimum:

(a) Describe the internship program offered by the farm, including the skills and objectives the program is designed to teach and the manner in which those skills and objectives will be taught;

(b) Explicitly state that the intern is not entitled to unemployment benefits or minimum wages for work and activities conducted pursuant to the internship program for the duration of the internship;

(c) Describe the responsibilities, expectations, and obligations of the intern and the farm, including the anticipated number of hours of farm activities to be performed by and the anticipated number of hours of curriculum instruction provided to the intern per week;

(d) Describe the activities of the farm and the type of work to be performed by the farm intern; and

(e) Describes any wages, room and board, stipends, and other remuneration the farm will provide to the farm intern.

(10) The department must limit the administrative costs of implementing the internship pilot program by relying on farm organizations and other stakeholders to perform outreach and inform the farm community of the program and by limiting employee travel to the investigation of allegations of noncompliance with program requirements.

(11) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Farm intern" means an individual who provides services to a small farm under a written agreement and primarily as a means of learning about farming practices and farm enterprises.

(b) "Farm internship program" means an internship program described under subsection (4)(e) of this section.

(c) "Small farm" means a farm:

(i) Organized as a sole proprietorship, partnership, or corporation;

(ii) That reports on the applicant's schedule F of form 1040 or other applicable form filed with the United States internal revenue service annual sales less than two hundred fifty thousand dollars; and

(iii) Where all the owners or partners of the farm provide regular labor to and participate in the management of the farm, and own or lease the productive assets of the farm.

(12) The department shall monitor and evaluate the farm internships authorized by this section and report to the appropriate committees of the legislature by December 31, 2017. The report must include, but not be limited to: The number of small farms that applied for and received special certificates; the number of interns employed as farm interns; the nature of the educational activities provided to the farm interns; the wages and other remuneration paid to farm interns; the number of and type of workers' compensation claims for farm interns; the employment of farm interns following farm internships; and other matters relevant to assessing farm internships authorized in this section.

(13) This section expires December 31, 2019.

Sec. 2. 2014 c 131 s 5 (uncodified) is amended to read as follows:

This act expires December 31, ((~~2017~~)) 2019.

NEW SECTION. **Sec. 3.** 2014 c 131 s 2 expires December 31, 2019.

Passed by the House April 13, 2017.
Passed by the Senate March 31, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 151

[Engrossed House Bill 2003]

SPECIAL PARKING PRIVILEGES--WHEELCHAIR ACCESSIBLE TAXICABS AND FOR HIRE VEHICLES

AN ACT Relating to special parking privileges for certain organizations that dispatch taxicab vehicles or vehicles for hire that transport persons with disabilities; and amending RCW 46.19.020.

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

Sec. 1. RCW 46.19.020 and 2015 c 228 s 37 are each amended to read as follows:

(1) The following organizations may apply for special parking privileges:

(a) Public transportation authorities;

(b) Nursing homes licensed under chapter 18.51 RCW;

(c) Assisted living facilities licensed under chapter 18.20 RCW;

(d) Senior citizen centers;

(e) Accessible van rental companies registered with the department;

(f) Private nonprofit corporations, as defined in RCW 24.03.005; ((~~and~~))

(g) Cabulance companies that regularly transport persons with disabilities who have been determined eligible for special parking privileges under this section and who are registered with the department under chapter 46.72 RCW; and

(h) Companies that dispatch taxicab vehicles under chapter 81.72 RCW or vehicles for hire under chapter 46.72 RCW, for such vehicles that are equipped with wheelchair accessible lifts or ramps for the transport of persons with disabilities and that are regularly dispatched and used in the transport of such persons. However, qualifying vehicles under this subsection (1)(h) may utilize special parking privileges only while in service. For the purposes of this subsection (1)(h), "in service" means while in the process of picking up, transporting, or discharging a passenger.

(2) An organization that qualifies for special parking privileges may receive, upon application, special license plates or parking placards, or both, for persons with disabilities as defined by the department.

(3) ((~~Public transportation authorities, nursing homes, assisted living facilities, senior citizen centers, accessible van rental companies, private nonprofit corporations, and cabulance services are~~)) An organization that qualifies for special parking privileges under subsection (1) of this section and receives parking placards or special license plates under subsection (2) of this section is responsible for ensuring that the parking placards and special license plates are not used improperly and ((~~are~~)) is responsible for all fines and penalties for improper use.

(4) The department shall adopt rules to determine organization eligibility.

Passed by the House April 13, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 152

[Substitute House Bill 2058]

VEHICLES TOWED FROM ACCIDENT SCENES--HOSPITALIZED OWNER--REDEMPTION

AN ACT Relating to procedures for the redemption of certain vehicles that are towed from accident scenes by registered tow truck companies when the vehicle owner is admitted as a patient in a hospital due to the accident; amending RCW 46.55.120, 46.55.130, and 46.55.150; adding a new section to chapter 46.55 RCW; and creating a new section.

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

Sec. 1. RCW 46.55.120 and 2013 c 150 s 1 are each amended to read as follows:

(1)(a) Vehicles or other items of personal property registered or titled with the department that are impounded by registered tow truck operators pursuant to RCW 46.55.080, 46.55.085, 46.55.113, or 9A.88.140 may be redeemed only by the following persons or entities:

(i) The legal owner;

(ii) The registered owner;

(iii) A person authorized in writing by the registered owner;

(iv) The vehicle's insurer or a vendor working on behalf of the vehicle's insurer;

(v) A third-party insurer that has a duty to repair or replace the vehicle, has obtained consent from the registered owner or the owner's agent to move the vehicle, and has documented that consent in the insurer's claim file, or a vendor working on behalf of a third-party insurer that has received such consent; provided, however, that at all times the registered owner must be granted access to and may reclaim possession of the vehicle. For the purposes of this subsection, "owner's agent" means the legal owner of the vehicle, a driver in possession of the vehicle with the registered owner's permission, or an adult member of the registered owner's family;

(vi) A person who is determined and verified by the operator to have the permission of the registered owner of the vehicle or other item of personal property registered or titled with the department; ((~~or~~))

(vii) A person who has purchased a vehicle or item of personal property registered or titled with the department from the registered owner who produces proof of ownership or written authorization and signs a receipt therefor; or

(viii) If (a)(i) through (vii) of this subsection do not apply, a person, who is known to the registered or legal owner of a motorcycle or moped, as each are defined in chapter 46.04 RCW, that was towed from the scene of an accident, may redeem the motorcycle or moped as a bailment in accordance with section 4 of this act while the registered or legal owner is admitted as a patient in a hospital due to the accident.

(b) In addition, a vehicle impounded because the operator is in violation of RCW 46.20.342(1)(c) shall not be released until a person eligible to redeem it under (a) of this subsection satisfies the requirements of (f) of this subsection, including paying all towing, removal, and storage fees, notwithstanding the fact that the hold was ordered by a government agency. If the department's records show that the operator has been convicted of a violation of RCW 46.20.342 or a similar local ordinance within the past five years, the vehicle may be held for up to thirty days at the written direction of the agency ordering the vehicle impounded. A vehicle impounded because the operator is arrested for a violation of RCW 46.20.342 may be released only pursuant to a written order from the agency that ordered the vehicle impounded or from the court having jurisdiction. An agency shall issue a written order to release pursuant to a provision of an applicable state agency rule or local ordinance authorizing release on the basis of the following:

(i) 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

(ii) The owner of the vehicle 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 under this subsection or RCW 46.55.113(3).

In order to avoid discriminatory application, other than for the reasons for release set forth in (b)(i) and (ii) of this subsection, an agency shall, under a provision of an applicable state agency rule or local ordinance, deny release in all other circumstances without discretion.

If a vehicle is impounded because the operator is in violation of RCW 46.20.342(1) (a) or (b), the vehicle may be held for up to thirty days at the written direction of the agency ordering the vehicle impounded. However, if the department's records show that the operator has been convicted of a violation of

RCW 46.20.342(1) (a) or (b) or a similar local ordinance within the past five years, the vehicle may be held at the written direction of the agency ordering the vehicle impounded for up to sixty days, and for up to ninety days if the operator has two or more such prior offenses. If a vehicle is impounded because the operator is arrested for a violation of RCW 46.20.342, the vehicle may not be released until a person eligible to redeem it under (a) of this subsection satisfies the requirements of (f) of this subsection, including paying all towing, removal, and storage fees, notwithstanding the fact that the hold was ordered by a government agency.

(c) If the vehicle is directed to be held for a suspended license impound, a person who desires to redeem the vehicle at the end of the period of impound shall within five days of the impound at the request of the tow truck operator pay a security deposit to the tow truck operator of not more than one-half of the applicable impound storage rate for each day of the proposed suspended license impound. The tow truck operator shall credit this amount against the final bill for removal, towing, and storage upon redemption. The tow truck operator may accept other sufficient security in lieu of the security deposit. If the person desiring to redeem the vehicle does not pay the security deposit or provide other security acceptable to the tow truck operator, the tow truck operator may process and sell at auction the vehicle as an abandoned vehicle within the normal time limits set out in RCW 46.55.130(1). The security deposit required by this section may be paid and must be accepted at any time up to twenty-four hours before the beginning of the auction to sell the vehicle as abandoned. The registered owner is not eligible to purchase the vehicle at the auction, and the tow truck operator shall sell the vehicle to the highest bidder who is not the registered owner.

(d) Notwithstanding (c) of this subsection, a rental car business may immediately redeem a rental vehicle it owns by payment of the costs of removal, towing, and storage, whereupon the vehicle will not be held for a suspended license impound.

(e) Notwithstanding (c) of this subsection, a motor vehicle dealer or lender with a perfected security interest in the vehicle may redeem or lawfully repossess a vehicle immediately by payment of the costs of removal, towing, and storage, whereupon the vehicle will not be held for a suspended license impound. A motor vehicle dealer or lender with a perfected security interest in the vehicle may not knowingly and intentionally engage in collusion with a registered owner to repossess and then return or resell a vehicle to the registered owner in an attempt to avoid a suspended license impound. However, this provision does not preclude a vehicle dealer or a lender with a perfected security interest in the vehicle from repossessing the vehicle and then selling, leasing, or otherwise disposing of it in accordance with chapter 62A.9A RCW, including providing redemption rights to the debtor under RCW 62A.9A-623. If the debtor is the registered owner of the vehicle, the debtor's right to redeem the vehicle under chapter 62A.9A RCW is conditioned upon the debtor obtaining and providing proof from the impounding authority or court having jurisdiction that any fines, penalties, and forfeitures owed by the registered owner, as a result of the suspended license impound, have been paid, and proof of the payment must be tendered to the vehicle dealer or lender at the time the debtor tenders all other obligations required to redeem the vehicle. Vehicle dealers or lenders are not

liable for damages if they rely in good faith on an order from the impounding agency or a court in releasing a vehicle held under a suspended license impound.

(f) The vehicle or other item of personal property registered or titled with the department shall be released upon the presentation to any person having custody of the vehicle of commercially reasonable tender sufficient to cover the costs of towing, storage, or other services rendered during the course of towing, removing, impounding, or storing any such vehicle, with credit being given for the amount of any security deposit paid under (c) of this subsection. In addition, if a vehicle is impounded because the operator was arrested for a violation of RCW 46.20.342 or 46.20.345 and was being operated by the registered owner when it was impounded under local ordinance or agency rule, it must not be released to any person until the registered owner establishes with the agency that ordered the vehicle impounded or the court having jurisdiction that any penalties, fines, or forfeitures owed by him or her have been satisfied. Registered tow truck operators are not liable for damages if they rely in good faith on an order from the impounding agency or a court in releasing a vehicle held under a suspended license impound. Commercially reasonable tender shall include, without limitation, cash, major bank credit cards issued by financial institutions, or personal checks drawn on Washington state branches of financial institutions if accompanied by two pieces of valid identification, one of which may be required by the operator to have a photograph. If the towing firm cannot determine through the customer's bank or a check verification service that the presented check would be paid by the bank or guaranteed by the service, the towing firm may refuse to accept the check. Any person who stops payment on a personal check or credit card, or does not make restitution within ten days from the date a check becomes insufficient due to lack of funds, to a towing firm that has provided a service pursuant to this section or in any other manner defrauds the towing firm in connection with services rendered pursuant to this section shall be liable for damages in the amount of twice the towing and storage fees, plus costs and reasonable attorney's fees.

(2)(a) The registered tow truck operator shall give to each person who seeks to redeem an impounded vehicle, or item of personal property registered or titled with the department, written notice of the right of redemption and opportunity for a hearing, which notice shall be accompanied by a form to be used for requesting a hearing, the name of the person or agency authorizing the impound, and a copy of the towing and storage invoice. The registered tow truck operator shall maintain a record evidenced by the redeeming person's signature that such notification was provided.

(b) Any person seeking to redeem an impounded vehicle under this section has a right to a hearing in the district or municipal court for the jurisdiction in which the vehicle was impounded to contest the validity of the impoundment or the amount of towing and storage charges. The district court has jurisdiction to determine the issues involving all impoundments including those authorized by the state or its agents. The municipal court has jurisdiction to determine the issues involving impoundments authorized by agents of the municipality. Any request for a hearing shall be made in writing on the form provided for that purpose and must be received by the appropriate court within ten days of the date the opportunity was provided for in (a) of this subsection and more than five days before the date of the auction. At the time of the filing of the hearing

request, the petitioner shall pay to the court clerk a filing fee in the same amount required for the filing of a suit in district court. If the hearing request is not received by the court within the ten-day period, the right to a hearing is waived and the registered owner is liable for any towing, storage, or other impoundment charges permitted under this chapter. Upon receipt of a timely hearing request, the court shall proceed to hear and determine the validity of the impoundment.

(3)(a) The court, within five days after the request for a hearing, shall notify the registered tow truck operator, the person requesting the hearing if not the owner, the registered and legal owners of the vehicle or other item of personal property registered or titled with the department, and the person or agency authorizing the impound in writing of the hearing date and time.

(b) At the hearing, the person or persons requesting the hearing may produce any relevant evidence to show that the impoundment, towing, or storage fees charged were not proper. The court may consider a written report made under oath by the officer who authorized the impoundment in lieu of the officer's personal appearance at the hearing.

(c) At the conclusion of the hearing, the court shall determine whether the impoundment was proper, whether the towing or storage fees charged were in compliance with the posted rates, and who is responsible for payment of the fees. The court may not adjust fees or charges that are in compliance with the posted or contracted rates.

(d) If the impoundment is found proper, the impoundment, towing, and storage fees as permitted under this chapter together with court costs shall be assessed against the person or persons requesting the hearing, unless the operator did not have a signed and valid impoundment authorization from a private property owner or an authorized agent.

(e) If the impoundment is determined to be in violation of this chapter, then the registered and legal owners of the vehicle or other item of personal property registered or titled with the department shall bear no impoundment, towing, or storage fees, and any security shall be returned or discharged as appropriate, and the person or agency who authorized the impoundment shall be liable for any towing, storage, or other impoundment fees permitted under this chapter. The court shall enter judgment in favor of the registered tow truck operator against the person or agency authorizing the impound for the impoundment, towing, and storage fees paid. In addition, the court shall enter judgment in favor of the registered and legal owners of the vehicle, or other item of personal property registered or titled with the department, for the amount of the filing fee required by law for the impound hearing petition as well as reasonable damages for loss of the use of the vehicle during the time the same was impounded against the person or agency authorizing the impound. However, if an impoundment arising from an alleged violation of RCW 46.20.342 or 46.20.345 is determined to be in violation of this chapter, then the law enforcement officer directing the impoundment and the government employing the officer are not liable for damages if the officer relied in good faith and without gross negligence on the records of the department in ascertaining that the operator of the vehicle had a suspended or revoked driver's license. If any judgment entered is not paid within fifteen days of notice in writing of its entry, the court shall award reasonable attorneys' fees and costs against the defendant in any action to enforce the judgment. Notice of entry of judgment may be made by registered or certified

mail, and proof of mailing may be made by affidavit of the party mailing the notice. Notice of the entry of the judgment shall read essentially as follows:

TO: . . . . . .
YOU ARE HEREBY NOTIFIED JUDGMENT was entered against you in the . . . . . Court located at . . . . . in the sum of $. . . . ., in an action entitled . . . . . ., Case No. . . . . YOU ARE FURTHER NOTIFIED that attorneys fees and costs will be awarded against you under RCW . . . if the judgment is not paid within 15 days of the date of this notice.
DATED this . . . . day of . . . . . ., (year) . . .
Signature . . . . . .
Typed name and address
of party mailing notice

(4) Any impounded abandoned vehicle or item of personal property registered or titled with the department that is not redeemed within fifteen days of mailing of the notice of custody and sale as required by RCW 46.55.110(3) shall be sold at public auction in accordance with all the provisions and subject to all the conditions of RCW 46.55.130. A vehicle or item of personal property registered or titled with the department may be redeemed at any time before the start of the auction upon payment of the applicable towing and storage fees.

Sec. 2. RCW 46.55.130 and 2011 c 65 s 1 are each amended to read as follows:

(1) If, after the expiration of fifteen days from the date of mailing of notice of custody and sale required in RCW 46.55.110(3) to the registered and legal owners, the vehicle remains unclaimed and has not been listed as a stolen vehicle, ((~~or~~)) a suspended license impound has been directed((~~,~~)) but no ((~~security~~)) commercially reasonable tender has been paid under RCW 46.55.120, or a person eligible to redeem under RCW 46.55.120(1)(a)(viii) has not come forth providing information that the registered or legal owner of a motorcycle or moped is an admitted patient in a hospital, ((~~then~~)) the registered tow truck operator having custody of the vehicle shall conduct a sale of the vehicle at public auction after having first published a notice of the date, place, and time of the auction, and a method to contact the tow truck operator conducting the auction such as a telephone number, ((~~electronic mail~~)) email address, or web site, in a newspaper of general circulation in the county in which the vehicle is located not less than three days and no more than ten days before the date of the auction. For the purposes of this section, a newspaper of general circulation may be a commercial, widely circulated, free, classified advertisement circular not affiliated with the registered tow truck operator and the notice may be listed in a classification delineating "auctions" or similar language designed to attract potential bidders to the auction. The notice shall contain a notification that a public viewing period will be available before the auction and the length of the viewing period. The auction shall be held during daylight hours of a normal business day. The viewing period must be one hour if twenty-five or fewer vehicles are to be auctioned, two hours if more than twenty-five and fewer than fifty vehicles are to be auctioned, and three hours if fifty or more vehicles are to be auctioned. If the registered tow truck operator is notified

that the registered or legal owner of the moped or motorcycle is an admitted patient in the hospital as evidenced by a declaration on a form authorized by the department, the registered tow truck operator may delay the auction of the moped or motorcycle for a reasonable time in a good faith effort to provide additional time for the redemption of the vehicle.

(2) The following procedures are required in any public auction of such abandoned vehicles:

(a) The auction shall be held in such a manner that all persons present are given an equal time and opportunity to bid;

(b) All bidders must be present at the time of auction unless they have submitted to the registered tow truck operator, who may or may not choose to use the preauction bid method, a written bid on a specific vehicle. Written bids may be submitted up to five days before the auction and shall clearly state which vehicle is being bid upon, the amount of the bid, and who is submitting the bid;

(c) The open bid process, including all written bids, shall be used so that everyone knows the dollar value that must be exceeded;

(d) The highest two bids received shall be recorded in written form and shall include the name, address, and telephone number of each such bidder;

(e) In case the high bidder defaults, the next bidder has the right to purchase the vehicle for the amount of his or her bid;

(f) The successful bidder shall apply for title within fifteen days;

(g) The registered tow truck operator shall post a copy of the auction procedure at the bidding site. If the bidding site is different from the licensed office location, the operator shall post a clearly visible sign at the office location that describes in detail where the auction will be held. At the bidding site a copy of the newspaper advertisement that lists the vehicles for sale shall be posted;

(h) All surplus moneys derived from the auction after satisfaction of the registered tow truck operator's lien shall be remitted within thirty days to the department for deposit in the state motor vehicle fund. A report identifying the vehicles resulting in any surplus shall accompany the remitted funds. If the director subsequently receives a valid claim from the registered vehicle owner of record as determined by the department within one year from the date of the auction, the surplus moneys shall be remitted to such owner;

(i) If an operator receives no bid, or if the operator is the successful bidder at auction, the operator shall, within forty-five days, sell the vehicle to a licensed vehicle wrecker, hulk hauler, or scrap processor by use of the abandoned vehicle report-affidavit of sale, or the operator shall apply for title to the vehicle.

(3) A tow truck operator may refuse to accept a bid at an abandoned vehicle auction under this section for any reason in the operator's posted operating procedures and for any of the following reasons: (a) The bidder is currently indebted to the operator; (b) the operator has knowledge that the bidder has previously abandoned vehicles purchased at auction; or (c) the bidder has purchased, at auction, more than four vehicles in the last calendar year without obtaining title to any or all of the vehicles. In no case may an operator hold a vehicle for longer than ninety days without holding an auction on the vehicle, except for vehicles that are under a police or judicial hold.

(4)(a) The accumulation of storage charges applied to the lien at auction under RCW 46.55.140 may not exceed fifteen additional days from the date of receipt of the information by the operator from the department as provided by

RCW 46.55.110(3) plus the storage charges accumulated prior to the receipt of the information. However, vehicles redeemed pursuant to RCW 46.55.120 prior to their sale at auction are subject to payment of all accumulated storage charges from the time of impoundment up to the time of redemption.

(b) The failure of the registered tow truck operator to comply with the time limits provided in this chapter limits the accumulation of storage charges to five days except where delay is unavoidable. Providing incorrect or incomplete identifying information to the department in the abandoned vehicle report shall be considered a failure to comply with these time limits if correct information is available. However, storage charges begin to accrue again on the date the correct and complete information is provided to the department by the registered tow truck operator.

Sec. 3. RCW 46.55.150 and 1989 c 111 s 14 are each amended to read as follows:

The registered tow truck operator shall keep a transaction file on each vehicle. The transaction file shall contain as a minimum those of the following items that are required at the time the vehicle is redeemed or becomes abandoned and is sold at a public auction:

(1) A signed impoundment authorization as required by RCW 46.55.080;

(2) A record of the twenty-four hour written impound notice to a law enforcement agency;

(3) A copy of the impoundment notification to registered and legal owners, sent within twenty-four hours of impoundment, that advises the owners of the address of the impounding firm, a twenty-four hour telephone number, and the name of the person or agency under whose authority the vehicle was impounded;

(4) A copy of the abandoned vehicle report that was sent to and returned by the department;

(5) A copy and proof of mailing of the notice of custody and sale sent by the registered tow truck operator to the owners advising them they have fifteen days to redeem the vehicle before it is sold at public auction;

(6) A copy of the published notice of public auction;

(7) A copy of the affidavit of sale showing the sales date, purchaser, amount of the lien, and sale price;

(8) A record of the two highest bid offers on the vehicle, with the names, addresses, and telephone numbers of the two bidders;

(9) A copy of the notice of opportunity for hearing given to those who redeem vehicles;

(10) An itemized invoice of charges against the vehicle; and

(11) Documentation of a bailment in accordance with section 4 of this act, if applicable.

The transaction file shall be kept for a minimum of three years.

NEW SECTION. **Sec. 4.** A new section is added to chapter 46.55 RCW to read as follows:

(1) Any person, who is known to the registered or legal owner of a motorcycle or moped that was towed from the scene of an accident, may redeem the motorcycle or moped as a bailment on behalf of the registered or legal owner who is admitted as a patient in a hospital due to the accident subject to the following requirements:

(a) The eligible person must pay the costs of towing, storage, or other services rendered during the course of towing, removal, or storing of the motorcycle or moped.

(b) The eligible person must provide a valid government-issued photo identification, such as a current driver's license or state-issued identification card, military identification, or passport.

(c) The eligible person must sign a declaration on a form furnished by the department that provides:

(i) The person's name, telephone number, and physical address;

(ii) The relationship between the person and the registered or legal owner;

(iii) The name and location of the hospital where the registered or legal owner is admitted;

(iv) The address of the physical location where the motorcycle or moped will be stored for the registered or legal owner at no additional cost to the owner;

(v) A statement that the person agrees to protect the motorcycle or moped and return it to the registered or legal owner in the same form it was received when removed from the registered tow truck operator's premises; and

(vi) A statement that the person knowingly agrees to become the bailee for the motorcycle or moped.

(d) The declaration form under (c) of this subsection must be signed under penalty of perjury.

(2) The registered tow truck operator may refuse an offer to redeem under this section for good cause, which includes, but is not limited to, competing applications for redemption from persons identified under RCW 46.55.120(1)(a) or the person applying to be the bailee has been convicted of a crime of dishonesty or theft. This section does not require a registered tow truck operator to investigate or otherwise determine the criminal history or the honesty of the bailee.

(3) Any registered tow truck operator acting in good faith in compliance with this section that releases a motorcycle or moped to bailment in accordance with the requirements of this section is immune from civil liability arising out of the bailment unless the tow truck operator's act or omission constitutes gross negligence or willful or wanton misconduct.

(4) In addition to any remedies provided by common law for bailments, a person who becomes the bailee of a motorcycle or moped under this section and fails to return the motorcycle or moped to the registered or legal owner may be charged with possession of a stolen vehicle under RCW 9A.56.068.

(5) The department must create a declaration form to be completed by individuals that identifies the required information in subsection (1)(b) and (c) of this section. The department must post the form on its web site, and the form must be able to be downloaded from the department's web site.

NEW SECTION. **Sec. 5.** This act may be known and cited as the Denise Chew scooter recovery act.

Passed by the House March 7, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 153

[House Bill 2064]

INDUSTRIAL HEMP--UNIFORM CONTROLLED SUBSTANCES ACT

AN ACT Relating to removing industrial hemp from the scope of the uniform controlled substances act; and reenacting and amending RCW 69.50.101.

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

Sec. 1. RCW 69.50.101 and 2015 2nd sp.s. c 4 s 901 are each reenacted and amended to read as follows:

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

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

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

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

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

(c) "CBD concentration" has the meaning provided in RCW 69.51A.010.

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

(e) "Controlled substance" means a drug, substance, or immediate precursor included in Schedules I through V as set forth in federal or state laws, or federal or commission rules, but does not include industrial hemp as defined in RCW 15.120.010.

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

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

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

(2) The term does not include:

(i) a controlled substance;

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

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

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

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

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

(i) "Designated provider" has the meaning provided in RCW 69.51A.010.

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

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

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

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

(n) "Drug" means (1) a controlled substance recognized as a drug in the official United States pharmacopoeia/national formulary or the official homeopathic pharmacopoeia of the United States, or any supplement to them; (2) controlled substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in individuals or animals; (3) controlled substances (other than food) intended to affect the structure or any function of the body of individuals or animals; and (4) controlled substances intended for use as a component of any article specified in (1), (2), or (3) of this subsection. The term does not include devices or their components, parts, or accessories.

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

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

(q) "Immediate precursor" means a substance:

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

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

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

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

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

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

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

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

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

(v) "Marijuana" or "marihuana" means all parts of the plant *Cannabis*, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include:

(1) The mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination; or

(2) Industrial hemp as defined in RCW 15.120.010.

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

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

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

(z) "Marijuana products" means useable marijuana, marijuana concentrates, and marijuana-infused products as defined in this section.

(aa) "Marijuana researcher" means a person licensed by the state liquor and cannabis board to produce, process, and possess marijuana for the purposes of conducting research on marijuana and marijuana-derived drug products.

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

(cc) "Marijuana-infused products" means products that contain marijuana or marijuana extracts, are intended for human use, are derived from marijuana as defined in subsection (v) of this section, and have a THC concentration no greater than ten percent. The term "marijuana-infused products" does not include either useable marijuana or marijuana concentrates.

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

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

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

(3) Poppy straw and concentrate of poppy straw.

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

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

(6) Cocaine base.

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

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

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

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

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

(hh) "Plant" has the meaning provided in RCW 69.51A.010.

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

(jj) "Practitioner" means:

(1) A physician under chapter 18.71 RCW; a physician assistant under chapter 18.71A RCW; an osteopathic physician and surgeon under chapter 18.57 RCW; an osteopathic physician assistant under chapter 18.57A RCW who is licensed under RCW 18.57A.020 subject to any limitations in RCW 18.57A.040; an optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010 subject to any limitations in

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

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

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

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

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

(mm) "Qualifying patient" has the meaning provided in RCW 69.51A.010.

(nn) "Recognition card" has the meaning provided in RCW 69.51A.010.

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

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

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

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

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

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

NEW SECTION. **Sec. 2.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the House February 28, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 154

[Substitute Senate Bill 5022]
STUDENT LOANS--INFORMATIONAL NOTIFICATIONS

AN ACT Relating to providing information to students about education loans; adding a new section to chapter 28B.10 RCW; and creating new sections.

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

NEW SECTION. **Sec. 1.** The legislature finds and declares that students pursuing higher education benefit from periodic notification about the balance of their student education loan debt. This notification helps students and their families make informed borrowing decisions about how to finance their postsecondary education and be more prepared for repayment when leaving school. The legislature recognizes the steps many higher education institutions in Washington have already taken to provide financial education and information to their students. The legislature encourages schools to continue to strengthen financial literacy training, financial aid counseling, and other resources available to students. It is the intent of the legislature to ensure that all students pursuing higher education in Washington receive periodic notifications about their student education loan debt.

NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.10 RCW to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Educational institution" includes any entity that is an institution of higher education as defined in RCW 28B.10.016, a degree-granting institution as defined in RCW 28B.85.010, a private vocational school as defined in RCW 28C.10.020, or school as defined in RCW 18.16.020.

(b) "Student education loan" means any loan solely for personal use to finance postsecondary education and costs of attendance at an educational institution.

(2) Subject to the availability of amounts appropriated for this specific purpose, an educational institution must provide to an enrolled student who has applied for student financial aid a notification including the following information about the student education loans the educational institution has certified:

(a) An estimate, based on information available at the time the notification is provided, of the:

(i) Total amount of student education loans taken out by the student;

(ii) Potential total payoff amount of the student education loans incurred or a range of the total payoff amount, including principal and interest;

(iii) The monthly repayment amount that the student may incur for the amount of student education loans the student has taken out, based on the federal loan repayment plan borrowers are automatically enrolled in if they do not select an alternative repayment plan; and

(iv) Percentage of the aggregate federal direct loan borrowing limit applicable to the student's program of study the student has reached at the time the information is sent to the student; and

(b) Consumer information about the differences between private student loans and federal student loans, including the availability of income-based repayment plans and loan forgiveness programs for federal loans.

(3) The notification provided under subsection (2) of this section must include a statement that the estimates and ranges provided are general in nature and not meant as a guarantee or promise of the actual projected amount. It must also include a statement that a variety of repayment plans are available for federal student loans that may limit the monthly repayment amount based on income.

(4) The notification must include information about how to access resources for student education loan borrowers provided by federal or state agencies, such as a student education loan debt hotline and web site or student education loan ombuds, federal student loan repayment calculator, or other available resources.

(5) An educational institution must provide the notification required in subsection (2) of this section via email. In addition, the educational institution may provide the notification in writing, in an electronic format, or in person.

(6) An educational institution does not incur liability, including for actions under chapter 19.86 RCW by the attorney general, for any good faith representations made under subsection (2) of this section.

(7) Educational institutions must begin providing the notification required under subsection (2) of this section by July 1, 2018, each time a financial aid package that includes a new or revised student education loan is offered to the student.

(8) Subject to the availability of amounts appropriated for this specific purpose, an organization representing the public four-year colleges and universities, an organization representing the private nonprofit institutions, the state board for community and technical colleges under chapter 28B.50 RCW, the workforce training and education coordinating board as defined in RCW 28C.18.020, and the department of licensing under chapter 46.01 RCW, must develop a form for the educational institutions to use to report compliance by July 1, 2018.

(9) Beginning December 1, 2019, and biannually thereafter until December 25, 2025, the organizations under subsection (8) of this section must submit a report in compliance with RCW 43.01.036 to the legislature that details how the educational institutions are in compliance with this section.

NEW SECTION. **Sec. 3.** This act may be known and cited as the Washington student loan transparency act.

Passed by the Senate April 13, 2017.

Passed by the House April 10, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 155

[Substitute Senate Bill 5133]

COUNTY BOARDS OF EQUALIZATION--DEADLINES

AN ACT Relating to county boards of equalization; and amending RCW 84.48.010.

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

Sec. 1. RCW 84.48.010 and 2001 c 187 s 22 are each amended to read as follows:

(1) Prior to July 15th, the county legislative authority ((~~shall~~)) must form a board for the equalization of the assessment of the property of the county. The members of ((~~said~~)) the board ((~~shall~~)) must receive a per diem amount as set by the county legislative authority for each day of actual attendance of the meeting of the board of equalization to be paid out of the current expense fund of the county((~~: PROVIDED, That~~)). However, when the county legislative authority constitutes the board they ((~~shall~~)) may only receive their compensation as members of the county legislative authority. The board of equalization ((~~shall~~)) must meet in open session for this purpose annually on the 15th day of July or within fourteen days of certification of the county assessment rolls, whichever is later, and, having each taken an oath fairly and impartially to perform their duties as members of such board, they ((~~shall~~)) must examine and compare the returns of the assessment of the property of the county and proceed to equalize the same, so that each tract or lot of real property and each article or class of personal property ((~~shall~~)) must be entered on the assessment list at its true and fair value, according to the measure of value used by the county assessor in such assessment year, which is presumed to be correct under RCW 84.40.0301, and subject to the following rules:

((~~First.~~)) (a) They ((~~shall~~)) must raise the valuation of each tract or lot or item of real property which is returned below its true and fair value to such price or sum as to be the true and fair value thereof, after at least five days' notice ((~~shall~~)) must have been given in writing to the owner or agent.

((~~Second.~~)) (b) They ((~~shall~~)) must reduce the valuation of each tract or lot or item which is returned above its true and fair value to such price or sum as to be the true and fair value thereof.

((~~Third.~~)) (c) They ((~~shall~~)) must raise the valuation of each class of personal property which is returned below its true and fair value to such price or sum as to be the true and fair value thereof, and they ((~~shall~~)) must raise the aggregate value of the personal property of each individual whenever the aggregate value is less than the true valuation of the taxable personal property possessed by such individual, to such sum or amount as to be the true value thereof, after at least five days' notice ((~~shall~~)) must have been given in writing to the owner or agent thereof.

((~~Fourth.~~)) (d) They ((~~shall~~)) must reduce the valuation of each class of personal property enumerated on the detail and assessment list of the current year, which is returned above its true and fair value, to such price or sum as to be

the true and fair value thereof; and they ((~~shall~~)) must reduce the aggregate valuation of the personal property of such individual who has been assessed at too large a sum to such sum or amount as was the true and fair value of the personal property.

((~~Fifth.~~)) (e) The board may review all claims for either real or personal property tax exemption as determined by the county assessor, and ((~~shall~~)) must consider any taxpayer appeals from the decision of the assessor thereon to determine (((~~(1)~~))) (i) if the taxpayer is entitled to an exemption, and (((~~(2)~~))) (ii) if so, the amount thereof.

(2) The board must notify the taxpayer and assessor of the board's decision within forty-five days of any hearing on the taxpayer's appeal of the assessor's valuation of real or personal property.

(3) The clerk of the board ((~~shall~~)) must keep an accurate journal or record of the proceedings and orders of ((~~said~~)) the board showing the facts and evidence upon which their action is based, and the ((~~said~~)) record ((~~shall~~)) must be published the same as other proceedings of county legislative authority, and ((~~shall~~)) must make a true record of the changes of the descriptions and assessed values ordered by the county board of equalization. The assessor ((~~shall~~)) must correct the real and personal assessment rolls in accordance with the changes made by the ((~~said~~)) county board of equalization((~~, and the assessor shall make duplicate abstracts of such corrected values, one copy of which shall be retained in the office, and one copy forwarded to the department of revenue on or before the eighteenth day of August next following the meeting of the county board of equalization~~)).

(4) The county board of equalization ((~~shall meet on the 15th day of July~~)) must meet on the 15th day of July or within fourteen days of certification of the county assessment rolls, whichever is later, and may continue in session and adjourn from time to time during a period not to exceed four weeks, but ((~~shall~~)) must remain in session not less than three days((~~: PROVIDED, That~~)). However, the county board of equalization with the approval of the county legislative authority may convene at any time when petitions filed exceed twenty-five, or ten percent of the number of appeals filed in the preceding year, whichever is greater.

(5) No taxes, except special taxes, ((~~shall~~)) may be extended upon the tax rolls until the property valuations are equalized by the department of revenue for the purpose of raising the state revenue.

(6) County legislative authorities as such ((~~shall~~)) have at no time ((~~have~~)) any authority to change the valuation of the property of any person or to release or commute in whole or in part the taxes due on the property of any person.

Passed by the Senate March 7, 2017.

Passed by the House April 11, 2017.

Approved by the Governor April 27, 2017.

Filed in Office of Secretary of State April 27, 2017.

CHAPTER 156

[Second Substitute Senate Bill 5347]

WORKFIRST PROGRAM--VOCATIONAL TRAINING--MAXIMUM PERIOD

AN ACT Relating to the definition of work activity for the purposes of the WorkFirst program; and amending RCW 74.08A.250.

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

Sec. 1. RCW 74.08A.250 and 2013 c 39 s 27 are each amended to read as follows:

Unless the context clearly requires otherwise, as used in this chapter, "work activity" means:

(1) Unsubsidized paid employment in the private or public sector;

(2) Subsidized paid employment in the private or public sector, including employment through the state or federal work-study program for a period not to exceed twenty-four months;

(3) Work experience, including:

(a) An internship or practicum, that is paid or unpaid and is required to complete a course of vocational training or to obtain a license or certificate in a high-demand occupation, as determined by the employment security department. No internship or practicum shall exceed twelve months; or

(b) Work associated with the refurbishing of publicly assisted housing, if sufficient paid employment is not available;

(4) On-the-job training;

(5) Job search and job readiness assistance;

(6) Community service programs, including a recipient's voluntary service at a child care or preschool facility licensed under chapter 43.215 RCW or an elementary school in which his or her child is enrolled;

(7) Vocational educational training, not to exceed twelve months with respect to any individual except that this twelve-month limit may be increased to twenty-four months subject to funding appropriated specifically for this purpose;

(8) Job skills training directly related to employment;

(9) Education directly related to employment, in the case of a recipient who has not received a high school diploma or a high school equivalency certificate as provided in RCW 28B.50.536;

(10) Satisfactory attendance at secondary school or in a course of study leading to a high school equivalency certificate as provided in RCW 28B.50.536, in the case of a recipient who has not completed secondary school or received such a certificate;

(11) The provision of child care services to an individual who is participating in a community service program;

(12) Internships, that shall be paid or unpaid work experience performed by an intern in a business, industry, or government or nongovernmental agency setting;

(13) Practicums, which include any educational program in which a student is working under the close supervision of a professional in an agency, clinic, or other professional practice setting for purposes of advancing their skills and knowledge;

(14) Services required by the recipient under RCW 74.08.025(3) and 74.08A.010(4) to become employable;

(15) Financial literacy activities designed to be effective in assisting a recipient in becoming self-sufficient and financially stable; and

(16) Parent education services or programs that support development of appropriate parenting skills, life skills, and employment-related competencies.

Passed by the Senate April 4, 2017.
Passed by the House April 11, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 157

[Substitute Senate Bill 5366]

DEPARTMENT OF TRANSPORTATION--SALE OF INTERNET ADVERTISING

AN ACT Relating to the authorization of and deposit of moneys from department of transportation advertising activities; adding a new section to chapter 47.04 RCW; providing an effective date; and declaring an emergency.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 47.04 RCW to read as follows:

(1) The department is authorized to sell commercial advertising, including product placement, on department web sites and social media. In addition, the department is authorized to sell a version of its mobile application(s) to users who desire to have access to application(s) without advertising. The authority granted in this section does not affect the department's advertising authority provided in RCW 47.60.140.

(2) The department shall deposit all moneys received from the sale of advertisements on web site and mobile applications as authorized in this section into the motor vehicle fund created in RCW 46.68.070.

(3) The department shall adopt standards for advertising, product placement, and other forms of commercial recognition that require the department to define and prohibit, at minimum, the content containing any of the following characteristics, which is not permitted:

(a) Obscene, indecent, or discriminatory content;

(b) Political or public issue advocacy content;

(c) Products, services, or other materials that are offensive, insulting, disparaging, or degrading; or

(d) Products, services, or messages that are contrary to the public interest, including any advertisement that encourages or depicts unsafe behaviors or encourages unsafe or prohibited driving activities. Alcohol, tobacco, and cannabis are included among the products prohibited.

NEW SECTION. **Sec. 2.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2017.

Passed by the Senate March 1, 2017.
Passed by the House April 11, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 158

[Senate Bill 5437]

WEIGHMASTER PROGRAM--VARIOUS CHANGES

AN ACT Relating to the weighmaster program; amending RCW 15.80.300, 15.80.410, 15.80.440, 15.80.450, 15.80.470, 15.80.490, 15.80.510, 15.80.520, 15.80.530, 15.80.540, 15.80.560, 15.80.590, 15.80.640, 15.80.650, and 15.80.660; repealing RCW 15.80.310, 15.80.320, 15.80.330, 15.80.340, 15.80.350, 15.80.360, 15.80.370, 15.80.380, 15.80.390, 15.80.400, 15.80.480, and 15.80.600; and prescribing penalties.

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

Sec. 1. RCW 15.80.300 and 1969 ex.s. c 100 s 1 are each amended to read as follows:

((~~Terms used in this chapter shall have the meaning given to them in RCW 15.80.310 through 15.80.400 unless the context where used shall clearly indicate to the contrary.~~)) The definitions in this section apply throughout this chapter unless the context clearly require otherwise.

(1) "Certified weight" means any signed certified statement or memorandum of weight, measure, or count, issued by a weighmaster or weigher in accordance with the provisions of this chapter or any rule adopted under it.

(2) "Commodity" means anything that may be weighed, measured, or counted in a commercial transaction.

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

(4) "Director" means the director of the department or the director's duly appointed representative.

(5) "Licensed public weighmaster," also referred to as "weighmaster," means any person, licensed under the provisions of this chapter, who weighs, measures, or counts any commodity or thing and issues therefor a signed certified statement, ticket, or memorandum of weight, measure, or count accepted as the accurate weight, or count upon which the purchase or sale of any commodity or upon which the basic charge or payment for services rendered is based.

(6) "Person" means a natural person, individual, or firm, partnership, corporation, company, society, or association. This term shall import either the singular or plural, as the case may be.

(7) "Retail merchant" means and includes any person operating from a bona fide fixed or permanent location at which place all of the retail business of the merchant is transacted, and whose business is exclusively retail except for the occasional wholesaling of small quantities of surplus commodities that have been taken in exchange for merchandise from the producers thereof at the bona fide fixed or permanent location.

(8) "Thing" means anything used to move, handle, transport, or contain any commodity for which a certified weight, measure, or count is issued when such thing is used to handle, transport, or contain a commodity.

(9) "Vehicle" means any device, other than a railroad car, in, upon, or by which any commodity is or may be transported or drawn.

(10) "Weigher" means any person who is licensed under the provisions of this chapter and who is an agent or employee of a weighmaster and authorized by the weighmaster to issue certified statements of weight, measure, or count.

Sec. 2. RCW 15.80.410 and 1969 ex.s. c 100 s 12 are each amended to read as follows:

The director shall enforce and carry out the provisions of this chapter and may adopt the necessary rules to carry out its purposes. The adoption of rules shall be subject to the provisions of chapter 34.05 RCW (administrative procedure act), as enacted or hereafter amended, concerning the adoption of rules.

Sec. 3. RCW 15.80.440 and 1969 ex.s. c 100 s 15 are each amended to read as follows:

The director or any peace officer may order the driver of any vehicle previously weighed by a licensed public weighmaster ((~~may be required~~)) to reweigh the vehicle and load at the nearest scale.

The director or any peace officer may order the driver of any vehicle operated by or for a retail merchant which vehicle contains hay, straw, or grain ((~~may be required~~)) to weigh the vehicle and load at the nearest scale((~~, and~~)). If the weight is found to be less than the amount appearing on the invoice, a copy of which is required to be carried on the vehicle, the director or peace officer shall report the finding to the consignee and may ((~~cause~~)) prosecute such retail merchant ((~~to be prosecuted~~)) in accordance with the provisions of this chapter.

Sec. 4. RCW 15.80.450 and 2006 c 358 s 3 are each amended to read as follows:

(1) Any person may apply to the director for a weighmaster's license. Such application shall be on a form prescribed by the director and shall include:

(((~~(1)~~))) (a) The full name of the person applying for such license and, if the applicant is a partnership, association, or corporation, the full name of each member of the partnership or the names of the officers of the association or corporation;

(((~~(2)~~))) (b) The principal business address of the applicant in this state and elsewhere;

(((~~(3)~~))) (c) The names and addresses of the persons authorized to receive and accept service of summons and legal notice of all kinds for the applicant;

(((~~(4)~~))) (d) The location of ((~~any~~)) each scale ((~~or scales~~)) subject to the applicant's control and from which certified weights will be issued; ((~~and~~

~~(5)~~)) (e) The state unified business identifier number for the operator of the scale; and

(f) Such other information as the director ((~~feels~~)) identifies as necessary to carry out the purposes of this chapter and adopts by rule.

(2) Such annual application shall be accompanied by a license fee of ((~~fifty~~)) eighty dollars for each scale from which certified weights will be issued ((~~and a bond as provided for in RCW 15.80.480~~)).

Sec. 5. RCW 15.80.470 and 2010 c 8 s 6103 are each amended to read as follows:

If an application for the annual renewal of any license provided for in this chapter is not filed prior to the current license expiration date, there shall be assessed and added to the renewal fee as a penalty therefor fifty percent of said renewal fee which shall be paid by the applicant before any renewal license shall be issued. The penalty shall not apply if the applicant furnishes ((~~an affidavit~~)) a

declaration that he or she has not acted as a weighmaster or weigher subsequent to the expiration of his or her prior license.

Sec. 6. RCW 15.80.490 and 2010 c 8 s 6105 are each amended to read as follows:

(1) Any weighmaster ((~~may~~)) must file an application with the director for a license for any employee or agent to operate and issue certified weight tickets from ((~~a~~)) each scale which such weighmaster is licensed to operate under the provisions of this chapter. Such application shall be submitted on a form prescribed by the director and shall contain the following:

(((~~(1)~~))) (a) The name of the weighmaster;

(((~~(2)~~))) (b) The full name of the employee or agent ((~~and his or her resident address~~)); and

(((~~(3) The position held by such person with the weighmaster;~~

~~(4)~~))) (c) The scale ((~~or scales~~)) from which such employee or agent will issue certified weights((~~; and~~

~~(5) Signature of the weigher and the weighmaster~~)).

(2) Such annual application shall be accompanied by a license fee of ((~~ten~~)) twenty dollars.

Sec. 7. RCW 15.80.510 and 2010 c 8 s 6107 are each amended to read as follows:

A licensed public weighmaster shall: (1) Keep the scale or scales upon which he or she weighs any commodity or thing, in conformity with the standards of weights and measures; (2) carefully and correctly weigh and certify the gross, tare, and net weights of any load of any commodity or thing required to be weighed; and (3) without charge, weigh any commodity or thing brought to his or her scale ((~~by an inspector authorized~~)) by the director or peace officer, and issue a certificate of the weights thereof.

Sec. 8. RCW 15.80.520 and 1983 c 95 s 6 are each amended to read as follows:

(1) Certification of weights ((~~shall be made by~~)) must be in accordance with subsection (2)(a) or (b) of this section.

(2)(a) The certification must appear in an appropriate and conspicuous place on each certificate and copies thereof. In addition the weight ticket must bear the name of the weighmaster, the full name of the weigher issuing the ticket, and a seal number assigned to the scale by the department. The seal number must be used only at the scale to which it is assigned.

WEIGHMASTER CERTIFICATE
THIS IS TO CERTIFY that the following described commodity was weighed, measured, or counted by a weighmaster, whose signature is on this certificate, who is a recognized authority of accuracy, as prescribed by chapter 15.80 RCW administered by the Washington state department of agriculture.

(b) Certification must be made by means of an impression seal, the impress of which shall be placed by the weighmaster or weigher making the weight determination upon the weights shown on the weight tickets. The impression

seal ((~~shall~~)) may be procured from the director upon the payment of a fee of ((~~five~~)) sixty dollars or the current cost of the seal to the department, whichever is less, and such fee shall accompany the applicant's application for a weighmaster's license. ((~~The seal shall be retained by the weighmaster upon payment of an annual renewal fee of five dollars, and the fee shall accompany the annual renewal application for a weighmaster's license.~~)) Any replacement seal needed ((~~shall~~)) may be procured from the director upon payment to the department of the current cost to the department for such replacement. An impression seal ((~~shall~~)) must be used only at the scale to which it is assigned, and remains the property of the state and shall be returned ((~~forthwith~~)) to the director upon the termination, suspension, or revocation of the weighmaster's license.

Sec. 9. RCW 15.80.530 and 1969 ex.s. c 100 s 24 are each amended to read as follows:

The certified weight ticket shall be of a form approved by the director and shall contain the following information:

(1) The date of issuance;

(2) The kind of commodity weighed, measured, or counted;

(3) The name of the owner, agent, or consignee of the commodity weighed;

(4) The name of the seller, agent, or consignor;

(5) The accurate weight, measure, or count of the commodity weighed, measured, or counted; including the entry of the gross, tare, and/or net weight, where applicable;

(6) The identifying numerals or symbols, if any, of each container separately weighed and the ((~~motor vehicle~~)) license plate number of each vehicle separately weighed;

(7) The means by which the commodity was being transported at the time it was weighed, measured, or counted;

(8) The name of the city or town where such commodity was weighed;

(9) The complete signature of the weighmaster or weigher who weighed, measured, or counted the commodity; and

(10) Such other available information as may be necessary to distinguish or identify the commodity.

Such weight certificates when so made and properly ((~~signed and~~)) certified or sealed shall be prima facie evidence of the accuracy of the weights, measures, or count shown, as a certified weight, measure, or count.

Sec. 10. RCW 15.80.540 and 1969 ex.s. c 100 s 25 are each amended to read as follows:

(1) Certified weight tickets shall be ((~~made in triplicate, one copy to be~~)) delivered to the person receiving the weighed commodity at the time of delivery((~~, which copy shall~~)). The weight ticket must accompany the vehicle that transports such commodity((~~, one copy to be forwarded~~)).

(2) A copy must be provided to the seller by the carrier of the weighed commodity((~~, and one copy to be retained by~~)).

(3) The weighmaster that ((~~weighed the vehicle transporting such commodity. The copy retained by the weighmaster shall be kept at least~~)) provided the certified weight ticket must retain a copy for a period of one year((~~, and such copies and~~)).

(4) The weighmaster must retain such other records as the director shall determine necessary to carry out the purposes of this chapter.

(5) These records shall be made available at all reasonable business hours for inspection by the director.

Sec. 11. RCW 15.80.560 and 1969 ex.s. c 100 s 27 are each amended to read as follows:

A licensed public weighmaster shall, in making a weight determination as provided for in this chapter, use a weighing device that conforms to current state legal requirements for commercial devices and is suitable for the weighing of the type and amount of commodity being weighed. The director shall cause to be tested for proper state standards of weight all weighing or measuring devices utilized by any licensed public weighmaster. Certified weights shall not be issued over a device that has been rejected or condemned for ((~~repair or~~)) use by the director until such device has been repaired and tested as conforming to the intended use requirements.

Sec. 12. RCW 15.80.590 and 2010 c 8 s 6109 are each amended to read as follows:

The director is hereby authorized to deny, suspend, or revoke a license ((~~subsequent to a hearing, if a hearing is requested,~~)) in any case in which he or she finds that there has been a failure to comply with the requirements of this chapter or rules adopted hereunder. For hearings for revocations, suspension, or denial of a license, the director shall give the licensee or applicant such notice as is required under the provisions of chapter 34.05 RCW. Such hearings shall be subject to chapter 34.05 RCW (administrative procedure act) concerning adjudicative proceedings.

Sec. 13. RCW 15.80.640 and 2011 c 96 s 16 are each amended to read as follows:

Any person who shall mark, stamp, or write any false weight ticket, scale ticket, or weight certificate, knowing it to be false, and any person who influences, or attempts to wrongfully influence, any licensed public weighmaster or weigher in the performance of his or her official duties shall be guilty of a gross misdemeanor and upon conviction thereof shall be punished by a fine of not less than ((~~one~~)) five hundred dollars nor more than ((~~one~~)) five thousand dollars, or by imprisonment of not less than thirty days nor more than three hundred sixty-four days in the county jail, or by both such fine and imprisonment.

Sec. 14. RCW 15.80.650 and 2003 c 53 s 109 are each amended to read as follows:

(1) Except as provided in RCW 15.80.640 or subsection (2) of this section, any person violating any provision of this chapter or rules adopted hereunder is guilty of a misdemeanor.

(2) A second or subsequent same or similar violation is a gross misdemeanor. Any offense committed more than five years after a previous conviction shall be considered a first offense.

(3) The director may assess a civil penalty ranging from one hundred dollars to one thousand dollars per occurrence against any person who knowingly violates any provision under this chapter or rules adopted thereunder. In determining the amount of any civil penalty, the director shall give due

consideration to the appropriateness of the penalty with respect to the gravity of the violation, and the history of any previous violations. The respondent issued a notice of intent to assess a civil penalty must be provided the opportunity to request a hearing as provided under chapter 34.05 RCW to contest the alleged violation and the penalty amount.

Sec. 15. RCW 15.80.660 and 1995 c 355 s 25 are each amended to read as follows:

(1) All moneys collected under this chapter shall be placed in the weights and measures account created in RCW 19.94.185.

(2) Civil penalties collected under RCW 15.80.650 must be deposited into the state general fund.

NEW SECTION. **Sec. 16.** The following acts or parts of acts are each repealed:

(1) RCW 15.80.310 ("Department") and 1969 ex.s. c 100 s 2;

(2) RCW 15.80.320 ("Director") and 2010 c 8 s 6101 & 1969 ex.s. c 100 s 3;

(3) RCW 15.80.330 ("Person") and 1969 ex.s. c 100 s 4;

(4) RCW 15.80.340 ("Licensed public weighmaster") and 1969 ex.s. c 100 s 5;

(5) RCW 15.80.350 ("Weigher") and 1969 ex.s. c 100 s 6;

(6) RCW 15.80.360 ("Vehicle") and 1969 ex.s. c 100 s 7;

(7) RCW 15.80.370 ("Certified weight") and 1969 ex.s. c 100 s 8;

(8) RCW 15.80.380 ("Commodity") and 1969 ex.s. c 100 s 9;

(9) RCW 15.80.390 ("Thing") and 1969 ex.s. c 100 s 10;

(10) RCW 15.80.400 ("Retail merchant") and 1969 ex.s. c 100 s 11;

(11) RCW 15.80.480 (Surety bond) and 2010 c 8 s 6104 & 1969 ex.s. c 100 s 19; and

(12) RCW 15.80.600 (Hearings for denial, suspension or revocation of licenses—Notice—Location) and 1969 ex.s. c 100 s 31.

Passed by the Senate April 18, 2017.
Passed by the House April 11, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 159

[Second Substitute Senate Bill 5474]

ELK HOOF DISEASE

AN ACT Relating to initiating proactive steps to address elk hoof disease; amending RCW 77.12.047; adding a new section to chapter 77.12 RCW; and creating new sections.

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

NEW SECTION. **Sec. 1.** The legislature finds that elk hoof disease poses a significant threat to the state, including elk populations and livestock. While the legislature recognizes the efforts of the department of fish and wildlife thus far, more aggressive steps are necessary to achieve a better understanding of the hoof disease epidemic facing the state's elk populations and to ensure proactive management and treatment actions are pursued.

Sec. 2. RCW 77.12.047 and 2001 c 253 s 14 are each amended to read as follows:

(1) The commission may adopt, amend, or repeal rules as follows:

(a) Specifying the times when the taking of wildlife, fish, or shellfish is lawful or unlawful.

(b) Specifying the areas and waters in which the taking and possession of wildlife, fish, or shellfish is lawful or unlawful.

(c) Specifying and defining the gear, appliances, or other equipment and methods that may be used to take wildlife, fish, or shellfish, and specifying the times, places, and manner in which the equipment may be used or possessed.

(d) Regulating the importation, transportation, possession, disposal, landing, and sale of wildlife, fish, shellfish, or seaweed within the state, whether acquired within or without the state. However, the rules of the department must prohibit any person, including department staff, from translocating a live elk from an area with elk affected by hoof disease to any other location except:

(i) Consistent with a process developed by the department with input from the affected federally recognized tribes for translocation for monitoring or hoof disease management purposes; or

(ii) Within an elk herd management plan area affected by hoof disease.

(e) Regulating the prevention and suppression of diseases and pests affecting wildlife, fish, or shellfish.

(f) Regulating the size, sex, species, and quantities of wildlife, fish, or shellfish that may be taken, possessed, sold, or disposed of.

(g) Specifying the statistical and biological reports required from fishers, dealers, boathouses, or processors of wildlife, fish, or shellfish.

(h) Classifying species of marine and freshwater life as food fish or shellfish.

(i) Classifying the species of wildlife, fish, and shellfish that may be used for purposes other than human consumption.

(j) Regulating the taking, sale, possession, and distribution of wildlife, fish, shellfish, or deleterious exotic wildlife.

(k) Establishing game reserves and closed areas where hunting for wild animals or wild birds may be prohibited.

(l) Regulating the harvesting of fish, shellfish, and wildlife in the federal exclusive economic zone by vessels or individuals registered or licensed under the laws of this state.

(m) Authorizing issuance of permits to release, plant, or place fish or shellfish in state waters.

(n) Governing the possession of fish, shellfish, or wildlife so that the size, species, or sex can be determined visually in the field or while being transported.

(o) Other rules necessary to carry out this title and the purposes and duties of the department.

(2)(a) Subsections (1)(a), (b), (c), (d), and (f) of this section do not apply to private tideland owners and lessees and the immediate family members of the owners or lessees of state tidelands, when they take or possess oysters, clams, cockles, borers, or mussels, excluding razor clams, produced on their own private tidelands or their leased state tidelands for personal use.

(b) "Immediate family member" for the purposes of this section means a spouse, brother, sister, grandparent, parent, child, or grandchild.

(3) Except for subsection (1)(g) of this section, this section does not apply to private sector cultured aquatic products as defined in RCW 15.85.020. Subsection (1)(g) of this section does apply to such products.

NEW SECTION. **Sec. 3.** A new section is added to chapter 77.12 RCW to read as follows:

Subject to the availability of amounts appropriated for this specific purpose, the legislature designates Washington State University college of veterinary medicine as the state lead in developing a program to monitor and assess causes of and potential solutions for elk hoof disease. The college must establish an elk monitoring system in southwest Washington in order to carry out this mission. In conducting this work, the college must work collaboratively with entities including the department, the state veterinarian, and any tribes with interest in participating. The college must provide regular updates, at minimum on an annual basis, to the appropriate committees of the legislature and the commission on its findings, program needs, and any recommendations.

NEW SECTION. **Sec. 4.** The department of fish and wildlife must immediately adopt or amend any rule as necessary to implement, and ensure rules are consistent with, this act.

Passed by the Senate April 13, 2017.
Passed by the House April 10, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 160

[Substitute Senate Bill 5537]

SPIRITS AND WINE DISTRIBUTORS--SALE TO EMPLOYEES

AN ACT Relating to authorizing licensed spirits and wine distributors to sell spirits and wine products to their employees in certain circumstances; and adding a new section to chapter 66.28 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 66.28 RCW to read as follows:

(1) A person holding a spirits distributor license issued pursuant to RCW 66.24.055 may sell spirits directly to bona fide, full-time employees, subject to the following requirements:

(a) No spirits may be sold under this section unless they are in such condition that they cannot reasonably be sold in the normal course of business, such as, for example, because of damage to the labels on individual bottles;

(b) No spirits may be sold under this section for less than the spirits distributor licensee's cost of acquisition;

(c) All sales of spirits made under this section are subject to the license issuance fee established by RCW 66.24.630(4) and the taxes imposed on a retail sale under RCW 82.08.150;

(d) No spirits may be sold under this section to a person who has been employed by the spirits distributor licensee for less than ninety days at the time of the sale or who is under the age of twenty-one;

(e) No person purchasing spirits under this section may sell such spirits by the drink or otherwise to a third person, or otherwise dispose of all or any part of such spirits in any manner or for any purpose other than personal use; and

(f) No spirits may be sold under this section by a person holding any license other than a spirits distributor license, whether or not the license held by such person permits the sale of spirits to consumers.

(2) A person holding a wine distributor license issued pursuant to RCW 66.24.200 may sell wine directly to bona fide, full-time employees, subject to the following requirements:

(a) No wine may be sold under this section unless it is in such condition that it cannot reasonably be sold in the normal course of business, such as, for example, because of damage to the labels on individual bottles;

(b) No wine may be sold under this section for less than the wine distributor licensee's cost of acquisition;

(c) All sales of wine made under this section are subject to the same taxes that would be applicable if the sale were made to a consumer;

(d) No wine may be sold under this section to a person who has been employed by the wine distributor licensee for less than ninety days at the time of the sale or who is under the age of twenty-one;

(e) No person purchasing wine under this section may sell such wine by the glass or otherwise to a third person, or otherwise dispose of all or any part of such wine in any manner or for any purpose other than personal use; and

(f) No wine may be sold under this section by a person holding any license other than a wine distributor license, whether or not the license held by such person permits the sale of wine to consumers.

Passed by the Senate March 6, 2017.
Passed by the House April 11, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 161

[Senate Bill 5674]

LAND SUBDIVISIONS--FINAL PLAT APPROVAL--DELEGATION

AN ACT Relating to the final approval of subdivisions of land; and amending RCW 58.17.100, 58.17.170, and 58.17.190.

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

Sec. 1. RCW 58.17.100 and 1995 c 347 s 428 are each amended to read as follows:

If a city, town or county has established a planning commission or planning agency in accordance with state law or local charter, such commission or agency shall review all preliminary plats and make recommendations thereon to the city, town or county legislative body to assure conformance of the proposed subdivision to the general purposes of the comprehensive plan and to planning standards and specifications as adopted by the city, town or county. Reports of the planning commission or agency shall be advisory only: PROVIDED, That the legislative body of the city, town or county may, by ordinance, assign to such commission or agency, or any department official or group of officials, such

administrative functions, powers and duties as may be appropriate, including the holding of hearings, and recommendations for approval or disapproval of preliminary plats of proposed subdivisions.

Such recommendation shall be submitted to the legislative body not later than fourteen days following action by the hearing body. Upon receipt of the recommendation on any preliminary plat the legislative body shall at its next public meeting set the date for the public meeting where it shall consider the recommendations of the hearing body and may adopt or reject the recommendations of such hearing body based on the record established at the public hearing. If, after considering the matter at a public meeting, the legislative body deems a change in the planning commission's or planning agency's recommendation approving or disapproving any preliminary plat is necessary, the legislative body shall adopt its own recommendations and approve or disapprove the preliminary plat.

Every decision or recommendation made under this section shall be in writing and shall include findings of fact and conclusions to support the decision or recommendation.

A record of all public meetings and public hearings shall be kept by the appropriate city, town or county authority and shall be open to public inspection.

Sole authority to ((~~approve final plats, and to~~)) adopt or amend platting ordinances shall reside in the legislative bodies. The legislative authorities of cities, towns, and counties may by ordinance delegate final plat approval to an established planning commission or agency, or to such other administrative personnel in accordance with state law or local charter.

Sec. 2. RCW 58.17.170 and 2013 c 16 s 2 are each amended to read as follows:

(1) When the legislative body of the city, town, or county, or such other agency as authorized by RCW 58.17.100, finds that the subdivision proposed for final plat approval conforms to all terms of the preliminary plat approval, and that said subdivision meets the requirements of this chapter, other applicable state laws, and any local ordinances adopted under this chapter which were in effect at the time of preliminary plat approval, it shall suitably inscribe and execute its written approval on the face of the plat. The original of said final plat shall be filed for record with the county auditor. One reproducible copy shall be furnished to the city, town, or county engineer. One paper copy shall be filed with the county assessor. Paper copies shall be provided to such other agencies as may be required by ordinance.

(2)(a) Except as provided by (b) of this subsection, any lots in a final plat filed for record shall be a valid land use notwithstanding any change in zoning laws for a period of seven years from the date of filing if the date of filing is on or before December 31, 2014, and for a period of five years from the date of filing if the date of filing is on or after January 1, 2015.

(b) Any lots in a final plat filed for record shall be a valid land use notwithstanding any change in zoning laws for a period of ten years from the date of filing if the project is not subject to requirements adopted under chapter 90.58 RCW and the date of filing is on or before December 31, 2007.

(3)(a) Except as provided by (b) of this subsection, a subdivision shall be governed by the terms of approval of the final plat, and the statutes, ordinances, and regulations in effect at the time of approval under RCW 58.17.150 (1) and

(3) for a period of seven years after final plat approval if the date of final plat approval is on or before December 31, 2014, and for a period of five years after final plat approval if the date of final plat approval is on or after January 1, 2015, unless the legislative body finds that a change in conditions creates a serious threat to the public health or safety in the subdivision.

(b) A subdivision shall be governed by the terms of approval of the final plat, and the statutes, ordinances, and regulations in effect at the time of approval under RCW 58.17.150 (1) and (3) for a period of ten years after final plat approval if the project is not subject to requirements adopted under chapter 90.58 RCW and the date of final plat approval is on or before December 31, 2007, unless the legislative body finds that a change in conditions creates a serious threat to the public health or safety in the subdivision.

Sec. 3. RCW 58.17.190 and 1969 ex.s. c 271 s 19 are each amended to read as follows:

The county auditor shall refuse to accept any plat for filing until approval of the plat has been given by the appropriate legislative body, or such other agency as authorized by RCW 58.17.100. Should a plat or dedication be filed without such approval, the prosecuting attorney of the county in which the plat is filed shall apply for a writ of mandate in the name of and on behalf of the legislative body required to approve same, directing the auditor and assessor to remove from their files or records the unapproved plat, or dedication of record.

Passed by the Senate March 3, 2017.
Passed by the House April 12, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

CHAPTER 162

[Substitute Senate Bill 5357]

OUTDOOR EARLY LEARNING AND CHILD CARE PROGRAMS--LICENSING PILOT

AN ACT Relating to establishing a pilot project to license outdoor early learning and child care programs; adding a new section to chapter 43.215 RCW; creating a new section; and providing an expiration date.

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

NEW SECTION. **Sec. 1.** The legislature finds that, over the past decade, more than forty outdoor, nature-based early learning and child care programs have opened in Washington, several of which are in high demand based on existing wait-lists. The legislature finds, however, that these programs currently are unlicensed and thus unable to offer full-day programs, which many working families are seeking. Unlicensed outdoor programs also are unable to serve families who are eligible for assistance through the working connections child care program. The legislature further finds that the outdoor preschool model could help expand the number of high quality early learning opportunities available to families throughout Washington, particularly in areas where preschool-appropriate indoor space is unavailable or unaffordable. Additionally, when early learning programs spend less on their physical facilities, they are able to spend more on recruiting and retaining teachers and other early learning professionals. The legislature also finds that research on outdoor preschools

operating in Scandinavian countries for decades has demonstrated a positive impact on children's development, including improved cognitive and social skills when children transition to grade school. The legislature, therefore, intends to establish a pilot project to license outdoor preschools in order to expand access to affordable, high quality early learning programs, and to further investigate the benefits of outdoor, nature-based classrooms for Washington's children and families.

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.215 RCW to read as follows:

(1) The department shall establish a pilot project to license outdoor, nature-based early learning and child care programs. The pilot project shall commence beginning August 31, 2017, and conclude June 30, 2021.

(2) The department shall adopt rules to implement the pilot project and may waive or adapt licensing requirements when necessary to allow for the operation of outdoor classrooms.

(3) As part of the pilot project, the department shall explore options for developing a quality rating and improvement system for outdoor preschools. Options may include, but are not limited to, adapting the early achievers program to assess quality in outdoor learning environments, as well as excluding or replacing the early achievers indoor environmental rating scale. The department may receive and expend funds from philanthropic organizations in order to implement this subsection and subsection (6) of this section. The department shall include a discussion of options and recommendations in the final report required under subsection (8) of this section.

(4) The department shall select up to ten pilot locations during the first year of the pilot project. Beginning August 31, 2018, additional outdoor, nature-based early learning and child care programs may apply to participate in the pilot project. When selecting and approving pilot project locations, the department shall aim to select a mix of rural, urban, and suburban locations, and may give priority to:

(a) Areas where there are few or limited licensed early learning programs;

(b) Areas of need where licensed early learning programs are at or near full capacity, and where access may be restricted by one or more enrollment wait-lists; and

(c) Areas where an outdoor early learning program would provide more family choice.

(5) A child care or early learning program operated by a federally recognized tribe may participate in the pilot project through an interlocal agreement between the tribe and the department. The interlocal agreement must reflect the government-to-government relationship between the state and the tribe, including recognition of tribal sovereignty.

(6) Subject to the availability of funds, the department may convene an advisory group of outdoor, nature-based early learning practitioners to inform and support implementation of the pilot project.

(7) For purposes of this section, "outdoor, nature-based early learning and child care program" means an agency-offered program operated primarily outdoors in which children are enrolled on a regular basis for three or more hours per day.

(8) The department shall provide the following reports to the legislature and the governor:

(a) By January 15, 2018, and annually thereafter through January 15, 2020, a brief status report describing implementation of the pilot project, including a description of participating providers and the number of children and families being served;

(b) By November 30, 2020, a full report on findings from the pilot project, including recommendations for modifying or expanding the availability of outdoor, nature-based early learning and child care programs. The final report also must include a discussion of potential options to mitigate the uncertainty for families and participating providers during the final six months of the pilot project when legislation may be pending.

(9) The provisions of this section are subject to appropriation.

(10) This section expires August 1, 2021.

Passed by the Senate February 28, 2017.
Passed by the House April 7, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 163

[Substitute House Bill 1055]

OFFICE OF MILITARY AND VETERAN LEGAL ASSISTANCE

AN ACT Relating to pro bono legal services for military service members, veterans, and their families; and adding new sections to chapter 43.10 RCW.

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

NEW SECTION. **Sec. 1.** (1) Subject to the availability of amounts appropriated for this specific purpose, there is hereby created an office of military and veteran legal assistance within the office of the attorney general for the purpose of promoting and facilitating civil legal assistance programs, pro bono services, and self-help services for military service members, veterans, and their family members domiciled or stationed in Washington state.

(2) For the purposes of sections 1 through 3 of this act, the following definitions apply:

(a) The term "service member" means an active or reserve member in any branch of the armed forces of the United States, including the national guard, coast guard, and armed forces reserves.

(b) The term "veteran" has the same meaning as defined in RCW 41.04.005 and 41.04.007.

(c) The term "family member" means the spouse or domestic partner, surviving spouse, surviving domestic partner, and dependent minor children under twenty-one years of age of a living or deceased service member or veteran for whom the service member or veteran provided at least one-half of that person's support in the previous one hundred eighty days before seeking assistance of the programs and services authorized by this chapter.

(3) The attorney general may not directly provide legal assistance, advice, or representation in any context, unless otherwise authorized by law, and the attorney general may not provide legal assistance programs, pro bono services,

or self-help services to a service member, veteran, or family member being criminally prosecuted.

NEW SECTION. **Sec. 2.** The office of military and veteran legal assistance shall:

(1) Recruit and train volunteer attorneys and identify service programs willing to perform pro bono services for service members, veterans, and their family members, and create and maintain a registry of the same;

(2) Assess and assign requests for pro bono services to volunteer attorneys and service programs registered with the office; and

(3) Establish an advisory committee that will include, among others, representatives from legal assistance offices on military installations, the office of civil legal aid, the Washington state bar association's legal assistance to military personnel section, the Washington state veterans bar association, relevant office of military service and support organizations, and organizations involved in coordinating, supporting, and delivering civil legal aid and pro bono legal services in Washington state. The committee shall provide advice and assistance regarding program design, operation, volunteer recruitment and support strategies, service delivery objectives and priorities, and funding.

NEW SECTION. **Sec. 3.** The attorney general may apply for and receive grants, gifts, donations, bequests, or other contributions to help support and to be used exclusively for the operations of the office of military and veteran legal assistance.

NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act are each added to chapter 43.10 RCW.

Passed by the House April 17, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 164

[Engrossed House Bill 1201]

PUBLIC FACILITIES DISTRICTS--TAXES--USE AND DURATION

AN ACT Relating to the taxing authority of public facilities districts; and amending RCW 82.14.390 and 82.14.485.

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

Sec. 1. RCW 82.14.390 and 2011 1st sp.s. c 50 s 973 are each amended to read as follows:

(1) Except as provided in subsection (7) of this section, the governing body of a public facilities district (a) created before July 31, 2002, under chapter 35.57 or 36.100 RCW that ((~~commences~~)) commenced construction of ((~~a~~)) at least one new regional center, or improvement or rehabilitation of an existing new regional center, before January 1, 2004; (b) created before July 1, 2006, under chapter 35.57 RCW in a county or counties in which there are no other public facilities districts on June 7, 2006, and in which the total population in the public facilities district is greater than ninety thousand that ((~~commences~~)) commenced construction of a new regional center before February 1, 2007; (c) created under

the authority of RCW 35.57.010(1)(d); or (d) created before September 1, 2007, under chapter 35.57 or 36.100 RCW, in a county or counties in which there are no other public facilities districts on July 22, 2007, and in which the total population in the public facilities district is greater than seventy thousand, that ((~~commences~~)) commenced construction of a new regional center before January 1, 2009, or before January 1, 2011, in the case of a new regional center in a county designated by the president as a disaster area in December 2007, may impose a sales and use tax in accordance with the terms of this chapter. The tax is in addition to other taxes authorized by law and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the public facilities district. The rate of tax may not exceed 0.033 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.

(2)(a) The governing body of a public facilities district imposing a sales and use tax under the authority of this section may increase the rate of tax up to 0.037 percent if, within three fiscal years of July 1, 2008, the department determines that, as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020, a public facilities district's sales and use tax collections for fiscal years after July 1, 2008, have been reduced by a net loss of at least 0.50 percent from the fiscal year before July 1, 2008. The fiscal year in which this section becomes effective is the first fiscal year after July 1, 2008.

(b) The department must determine sales and use tax collection net losses under this section as provided in RCW 82.14.500 (2) and (3). The department must provide written notice of its determinations to public facilities districts. Determinations by the department of a public facilities district's sales and use tax collection net losses as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020 are final and not appealable.

(c) A public facilities district may increase its rate of tax after it has received written notice from the department as provided in (b) of this subsection. The increase in the rate of tax must be made in 0.001 percent increments and must be the least amount necessary to mitigate the net loss in sales and use tax collections as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020. The increase in the rate of tax is subject to RCW 82.14.055.

(3) The tax imposed under subsection (1) of this section must be deducted from the amount of tax otherwise required to be collected or paid over to the department of revenue under chapter 82.08 or 82.12 RCW. The department of revenue must perform the collection of such taxes on behalf of the county at no cost to the public facilities district. During the 2011-2013 fiscal biennium, distributions by the state to a public facilities district based on the additional rate authorized in subsection (2) of this section must be reduced by 3.4 percent.

(4) No tax may be collected under this section before August 1, 2000. The tax imposed in this section expires when ((~~the~~)) bonds issued ((~~for~~)) to finance or refinance the construction, improvement, rehabilitation, or expansion of the regional center and related parking facilities are retired, but not more than ((~~twenty-five~~)) forty years after the tax is first collected.

(5) Moneys collected under this section may only be used for the purposes set forth in RCW 35.57.020 and must be matched with an amount from other public or private sources equal to thirty-three percent of the amount collected

under this section; however, amounts generated from nonvoter approved taxes authorized under chapter 35.57 RCW or nonvoter approved taxes authorized under chapter 36.100 RCW do not constitute a public or private source. For the purpose of this section, public or private sources includes, but is not limited to cash or in-kind contributions used in all phases of the development or improvement of the regional center, land that is donated and used for the siting of the regional center, cash or in-kind contributions from public or private foundations, or amounts attributed to private sector partners as part of a public and private partnership agreement negotiated by the public facilities district.

(6) The combined total tax levied under this section may not be greater than 0.037 percent. If both a public facilities district created under chapter 35.57 RCW and a public facilities district created under chapter 36.100 RCW impose a tax under this section, the tax imposed by a public facilities district created under chapter 35.57 RCW must be credited against the tax imposed by a public facilities district created under chapter 36.100 RCW.

(7) A public facilities district created under chapter 36.100 RCW is not eligible to impose the tax under this section if the legislative authority of the county where the public facilities district is located has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

Sec. 2. RCW 82.14.485 and 2007 c 486 s 3 are each amended to read as follows:

(1) In a county with a population under three hundred thousand, the governing body of a public facilities district, which is created before August 1, 2001, under chapter 35.57 RCW or before January 1, 2000, under chapter 36.100 RCW, in which the total population in the public facilities district is greater than ninety thousand and less than one hundred thousand that commences improvement or rehabilitation of an existing regional center, to be used for community events, and artistic, musical, theatrical, or other cultural exhibitions, presentations, or performances and having two thousand or fewer permanent seats, before January 1, 2009, may impose a sales and use tax in accordance with the terms of this chapter. The tax is in addition to other taxes authorized by law and ((~~shall~~)) must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the public facilities district. The rate of tax for a public facilities district created prior to August 1, 2001, under chapter 35.57 RCW, may not exceed 0.025 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 a public facilities district created prior to January 1, 2000, under chapter 36.100 RCW, may not exceed 0.020 percent of the selling price in the case of a sales tax or the value of the article used in the case of a use tax.

(2) The tax imposed under subsection (1) of this section ((~~shall~~)) must be deducted from the amount of tax otherwise required to be collected or paid over to the department under chapter 82.08 or 82.12 RCW. The department ((~~shall~~)) must perform the collection of such taxes on behalf of the county at no cost to the public facilities district.

(3) The tax imposed in this section ((~~shall~~)) expires when ((~~the~~)) bonds issued ((~~for~~)) to finance or refinance the construction, improvement, rehabilitation, or expansion of the regional center and related parking facilities

are retired, but not more than ((~~twenty-five~~)) forty years after the tax is first collected.

(4) Moneys collected under this section ((~~shall~~)) may only be used for the purposes set forth in RCW 35.57.020 and must be matched with an amount from other public or private sources equal to thirty-three percent of the amount collected under this section, provided that amounts generated from nonvoter-approved taxes authorized under chapter 35.57 RCW may not constitute a public or private source. For the purpose of this section, public or private sources include, but are not limited to cash or in-kind contributions used in all phases of the development or improvement of the regional center, land that is donated and used for the siting of the regional center, cash or in-kind contributions from public or private foundations, or amounts attributed to private sector partners as part of a public and private partnership agreement negotiated by the public facilities district.

Passed by the House March 2, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 165

[Substitute House Bill 1279]

SCHOOL SAFETY DRILLS--VARIOUS CHANGES

AN ACT Relating to school safety drills; and amending RCW 28A.320.125.

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

Sec. 1. RCW 28A.320.125 and 2013 c 14 s 1 are each amended to read as follows:

(1) The legislature considers it to be a matter of public safety for public schools and staff to have current safe school plans and procedures in place, fully consistent with federal law. The legislature further finds and intends, by requiring safe school plans to be in place, that school districts will become eligible for federal assistance. The legislature further finds that schools are in a position to serve the community in the event of an emergency resulting from natural disasters or man-made disasters.

(2) Schools and school districts shall consider the guidance provided by the superintendent of public instruction, including the comprehensive school safety checklist and the model comprehensive safe school plans that include prevention, intervention, all hazard/crisis response, and postcrisis recovery, when developing their own individual comprehensive safe school plans. Each school district shall adopt, no later than September 1, 2008, and implement a safe school plan consistent with the school mapping information system pursuant to RCW 36.28A.060. The plan shall:

(a) Include required school safety policies and procedures;

(b) Address emergency mitigation, preparedness, response, and recovery;

(c) Include provisions for assisting and communicating with students and staff, including those with special needs or disabilities;

(d) Use the training guidance provided by the Washington emergency management division of the state military department in collaboration with the

Washington state office of the superintendent of public instruction school safety center and the school safety center advisory committee;

(e) Require the building principal to be certified on the incident command system;

(f) Take into account the manner in which the school facilities may be used as a community asset in the event of a community-wide emergency; and

(g) Set guidelines for requesting city or county law enforcement agencies, local fire departments, emergency service providers, and county emergency management agencies to meet with school districts and participate in safety-related drills.

(3) To the extent funds are available, school districts shall annually:

(a) Review and update safe school plans in collaboration with local emergency response agencies;

(b) Conduct an inventory of all hazardous materials;

(c) Update information on the school mapping information system to reflect current staffing and updated plans, including:

(i) Identifying all staff members who are trained on the national incident management system, trained on the incident command system, or are certified on the incident command system; and

(ii) Identifying school transportation procedures for evacuation, to include bus staging areas, evacuation routes, communication systems, parent-student reunification sites, and secondary transportation agreements consistent with the school mapping information system; and

(d) Provide information to all staff on the use of emergency supplies and notification and alert procedures.

(4) To the extent funds are available, school districts shall annually record and report on the information and activities required in subsection (3) of this section to the Washington association of sheriffs and police chiefs.

(5) School districts are encouraged to work with local emergency management agencies and other emergency responders to conduct one tabletop exercise, one functional exercise, and two full-scale exercises within a four-year period.

(6) ((~~Schools shall conduct no less than one safety-related drill each month that school is in session. Schools shall complete no less than one drill using the school mapping information system, three drills for lockdowns, one drill for shelter-in-place, three drills for fire evacuation in accordance with the state fire code, and one other safety-related drill to be determined by the school. Schools should consider drills for earthquakes, tsunamis, or other high-risk local events. Schools shall document the date and time of such drills.~~)) (a) Due to geographic location, schools have unique safety challenges. It is the responsibility of school principals and administrators to assess the threats and hazards most likely to impact their school, and to practice three basic functional drills, shelter-in-place, lockdown, and evacuation, as these drills relate to those threats and hazards. Some threats or hazards may require the use of more than one basic functional drill.

(b) Schools shall conduct at least one safety-related drill per month, including summer months when school is in session with students. These drills must teach students three basic functional drill responses:

(i) "Shelter-in-place," used to limit the exposure of students and staff to hazardous materials, such as chemical, biological, or radiological contaminants, released into the environment by isolating the inside environment from the outside;

(ii) "Lockdown," used to isolate students and staff from threats of violence, such as suspicious trespassers or armed intruders, that may occur in a school or in the vicinity of a school; and

(iii) "Evacuation," used to move students and staff away from threats, such as fires, oil train spills, or tsunamis.

(c) The drills described in (b) of this subsection must incorporate the following requirements:

(i) Use of the school mapping information system in at least one of the safety-related drills; and

(ii) A pedestrian evacuation drill for schools in mapped tsunami hazard zones.

(d) The drills described in (b) of this subsection may incorporate an earthquake drill using the state-approved earthquake safety technique "drop, cover, and hold."

(e) Schools shall document the date, time, and type (shelter-in-place, lockdown, or evacuate) of each drill required under this subsection (6), and maintain the documentation in the school office.

(f) This subsection (6) is intended to satisfy all federal requirements for comprehensive school emergency drills and evacuations.

(7) Educational service districts are encouraged to apply for federal emergency response and crisis management grants with the assistance of the superintendent of public instruction and the Washington emergency management division of the state military department.

(8) The superintendent of public instruction may adopt rules to implement provisions of this section. These rules may include, but are not limited to, provisions for evacuations, lockdowns, or other components of a comprehensive safe school plan.

Passed by the House April 17, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 166

[Substitute House Bill 1444]

HIGH SCHOOL GRADUATION REQUIREMENTS--CERTAIN STUDENTS

AN ACT Relating to facilitating on-time grade level progression and graduation for certain students; and amending RCW 28A.320.192.

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

Sec. 1. RCW 28A.320.192 and 2012 c 163 s 7 are each amended to read as follows:

In order to facilitate the on-time grade level progression and graduation of students who are homeless as described in RCW 28A.300.542, dependent pursuant to chapter 13.34 RCW, or at-risk youth or children in need of services

pursuant to chapter 13.32A RCW, school districts must incorporate the following procedures:

(1) School districts must waive specific courses required for graduation if similar coursework has been satisfactorily completed in another school district or must provide reasonable justification for denial. Should a waiver not be granted to a student who would qualify to graduate from the sending school district, the receiving school district must use best efforts to provide an alternative means of acquiring required coursework so that graduation may occur on time.

(2) School districts are encouraged to consolidate unresolved or incomplete coursework and provide opportunities for credit accrual through local classroom hours, correspondence courses, or the portable assisted study sequence units designed for migrant high school students.

(3) Should a student who is transferring at the beginning or during the student's junior or senior year be ineligible to graduate from the receiving school district after all alternatives have been considered, the sending and receiving districts must ensure the receipt of a diploma from the sending district if the student meets the graduation requirements of the sending district.

(4) Should a student have enrolled in three or more school districts as a high school student and have met state requirements but be ineligible to graduate from the receiving school district after all alternatives have been considered, the receiving school district must waive its local requirements and ensure the receipt of a diploma.

Passed by the House April 13, 2017.
Passed by the Senate April 6, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 167

[Substitute House Bill 1521]

STATE EMPLOYEE VACATION LEAVE--USE IN FIRST SIX MONTHS

AN ACT Relating to removing the requirement that an employee must work at least six months before taking vacation leave; amending RCW 43.01.040, 43.01.044, and 43.01.041; providing an effective date; and declaring an emergency.

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

Sec. 1. RCW 43.01.040 and 2011 1st sp.s. c 43 s 449 are each amended to read as follows:

Each subordinate officer and employee of the several offices, departments, and institutions of the state government shall be entitled under their contract of employment with the state government to not less than ((~~one working day~~)) eight hours of vacation leave with full pay for each month of employment ((~~if said employment is continuous for six months~~)).

Each such subordinate officer and employee shall be entitled under such contract of employment to not less than ((~~one~~)) eight additional ((~~working day~~)) hours of vacation with full pay each year for satisfactorily completing the first two, three, and five continuous years of employment respectively.

Such part-time officers or employees of the state government who are employed on a regular schedule of duration of not less than one year shall be entitled under their contract of employment to that fractional part of the vacation leave that the total number of hours of such employment bears to the total number of hours of full-time employment.

Each subordinate officer and employee of the several offices, departments, and institutions of the state government shall be entitled under his or her contract of employment with the state government to accrue unused vacation leave not to exceed ((~~thirty working days~~)) two hundred forty hours. Officers and employees transferring within the several offices, departments, and institutions of the state government shall be entitled to transfer such accrued vacation leave to each succeeding state office, department, or institution. All vacation leave shall be taken at the time convenient to the employing office, department, or institution: PROVIDED, That if a subordinate officer's or employee's request for vacation leave is deferred by reason of the convenience of the employing office, department, or institution, and a statement of the necessity therefor is retained by the agency, then the aforesaid maximum ((~~thirty working days~~)) two hundred forty hours of accrued unused vacation leave shall be extended for each month said leave is so deferred.

Sec. 2. RCW 43.01.044 and 1983 c 283 s 1 are each amended to read as follows:

As an alternative, in addition to the provisions of RCW 43.01.040 authorizing the accumulation of vacation leave in excess of ((~~thirty days~~)) two hundred forty hours with the filing of a statement of necessity, vacation leave in excess of ((~~thirty days~~)) two hundred forty hours may also be accumulated as provided in this section but without the filing of a statement of necessity. The accumulation of leave under this alternative method shall be governed by the following provisions:

(1) Each subordinate officer and employee of the several offices, departments, and institutions of state government may accumulate the vacation leave ((~~days~~)) hours between the time ((~~thirty days~~)) two hundred forty hours is accrued and his or her anniversary date of state employment.

(2) All vacation ((~~days~~)) hours accumulated under this section shall be used by the anniversary date and at a time convenient to the employing office, department, or institution. If an officer or employee does not use the excess leave by the anniversary date, then such leave shall be automatically extinguished and considered to have never existed.

(3) This section shall not result in any increase in a retirement allowance under any public retirement system in this state.

(4) Should the legislature revoke any benefits or rights provided under this section, no affected officer or employee shall be entitled thereafter to receive such benefits or exercise such rights as a matter of contractual right.

(5) Vacation leave credit acquired and accumulated under this section shall never, regardless of circumstances, be deferred by the employing office, department, or institution by filing a statement of necessity under the provisions of RCW 43.01.040.

(6) Notwithstanding any other provision of this chapter, on or after July 24, 1983, a statement of necessity for excess leave((~~,~~)) shall, as a minimum, include the following: (a) The specific number of ((~~days~~)) hours of excess leave; and (b)

the date on which it was authorized. A copy of any such authorization shall be sent to the department of retirement systems.

Sec. 3. RCW 43.01.041 and 2011 1st sp.s. c 39 s 13 are each amended to read as follows:

Officers and employees referred to in RCW 43.01.040 whose employment is terminated by their death, reduction in force, resignation, dismissal, or retirement, who have been employed for at least six continuous months, and who have accrued vacation leave as specified in RCW 43.01.040 or 43.01.044, shall be paid therefor under their contract of employment, or their estate if they are deceased, or if the employee in case of voluntary resignation has provided adequate notice of termination. ((~~Annual~~)) Vacation leave accumulated under RCW 43.01.044 is not to be included in the computation of retirement benefits. From July 1, 2011, through June 29, 2013, the amount of pay received by an employee under the provisions of this section shall not be reduced by any temporary salary reduction.

Should the legislature revoke any benefits or rights provided under chapter 292, Laws of 1985, no affected officer or employee shall be entitled thereafter to receive such benefits or exercise such rights as a matter of contractual right.

NEW SECTION. **Sec. 4.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2017.

Passed by the House March 1, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 168

[House Bill 1530]

STATE FERRY EMPLOYEES--VACATION LEAVE ACCRUAL LIMIT

AN ACT Relating to grandfathering the accrual of vacation leave above the statutory maximum for certain employees of the Washington state ferries; amending RCW 43.01.040; providing an effective date; and declaring an emergency.

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

Sec. 1. RCW 43.01.040 and 2011 1st sp.s. c 43 s 449 are each amended to read as follows:

Each subordinate officer and employee of the several offices, departments, and institutions of the state government shall be entitled under their contract of employment with the state government to not less than one working day of vacation leave with full pay for each month of employment if said employment is continuous for six months.

Each such subordinate officer and employee shall be entitled under such contract of employment to not less than one additional working day of vacation with full pay each year for satisfactorily completing the first two, three and five continuous years of employment respectively.

Such part time officers or employees of the state government who are employed on a regular schedule of duration of not less than one year shall be entitled under their contract of employment to that fractional part of the vacation

leave that the total number of hours of such employment bears to the total number of hours of full time employment.

Each subordinate officer and employee of the several offices, departments and institutions of the state government shall be entitled under his or her contract of employment with the state government to accrue unused vacation leave not to exceed thirty working days. However, employees of the Washington state ferries covered by collective bargaining agreements containing provisions in effect on June 30, 2017, allowing accrual of unused vacation leave not to exceed three hundred twenty hours shall be allowed to continue the higher accrual limit until such time as those provisions are modified through collective bargaining, or the bargaining unit changes its exclusive representative or is decertified. Officers and employees transferring within the several offices, departments and institutions of the state government shall be entitled to transfer such accrued vacation leave to each succeeding state office, department or institution. All vacation leave shall be taken at the time convenient to the employing office, department or institution: PROVIDED, That if a subordinate officer's or employee's request for vacation leave is deferred by reason of the convenience of the employing office, department or institution, and a statement of the necessity therefor is retained by the agency, then the aforesaid maximum thirty working days of accrued unused vacation leave shall be extended for each month said leave is so deferred.

NEW SECTION. **Sec. 2.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2017.

Passed by the House March 3, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 169

[House Bill 1623]

SECONDHAND ELECTRONIC DEVICES--AUTOMATIC PURCHASE KIOSKS--REQUIREMENTS

AN ACT Relating to secondhand dealers utilizing automated kiosks to purchase secondhand electronic devices; amending RCW 19.60.020 and 19.60.055; reenacting and amending RCW 19.60.010; and adding a new section to chapter 19.60 RCW.

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

Sec. 1. RCW 19.60.010 and 2011 c 289 s 2 are each reenacted and amended to read as follows:

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

(1) "Automated kiosk" means a self-serve interactive machine that purchases secondhand electronic devices.

(2) "Loan period" means the period of time from the date the loan is made until the date the loan is paid off, the loan is in default, or the loan is refinanced and new loan documents are issued, including all grace or extension periods.

(((~~(2)~~))) (3) "Melted metals" means metals derived from metal junk or precious metals that have been reduced to a melted state from other than ore or ingots which are produced from ore that has not previously been processed.

(((~~(3)~~))) (4) "Metal junk" means any metal that has previously been milled, shaped, stamped, or forged and that is no longer useful in its original form, except precious metals.

(((~~(4)~~))) (5) "Nonmetal junk" means any nonmetal, commonly discarded item that is worn out, or has outlasted its usefulness as intended in its original form except nonmetal junk does not include an item made in a former period which has enhanced value because of its age.

(((~~(5)~~))) (6) "Pawnbroker" means every person engaged, in whole or in part, in the business of loaning money on the security of pledges of personal property, or deposits or conditional sales of personal property, or the purchase or sale of personal property.

(((~~(6)~~))) (7) "Precious metals" means gold, silver, and platinum.

(((~~(7)~~))) (8) "Secondhand dealer" means every person engaged in whole or in part in the business of purchasing, selling, trading, consignment selling, or otherwise transferring for value, secondhand property including metal junk, melted metals, precious metals, whether or not the person maintains a fixed place of business within the state. Secondhand dealer also includes persons or entities conducting business, more than three times per year, at flea markets or swap meets. Secondhand dealer also includes persons or entities operating an automated kiosk.

(((~~(8)~~))) (9) "Secondhand precious metal dealer" means any person or entity engaged in whole or in part in the commercial activity or business of purchasing, selling, trading, consignment selling, or otherwise transferring for value, more than three times per year, secondhand property that is a precious metal, whether or not the person or entity maintains a permanent or fixed place of business within the state, or engages in the business at flea markets or swap meets. The terms "precious metal" and "secondhand property," for purposes of transactions by a secondhand precious metal dealer, do not include: (a) Gold, silver, or platinum coins, or other precious metal coins, that are legal tender, or precious metal coins that have numismatic or precious metal value, (b) gold, silver, platinum, or other precious metal bullion, or (c) gold, silver, platinum, or other precious metal dust, flakes, or nuggets.

(((~~(9)~~))) (10) "Secondhand property" means any item of personal property offered for sale which is not new, including metals in any form, except postage stamps, coins that are legal tender, bullion in the form of fabricated hallmarked bars, used books, and clothing of a resale value of seventy-five dollars or less, except furs.

(((~~(10)~~))) (11) "Transaction" means a pledge, or the purchase of, or consignment of, or the trade of any item of personal property by a pawnbroker or a secondhand dealer from a member of the general public.

Sec. 2. RCW 19.60.020 and 1991 c 323 s 2 are each amended to read as follows:

(1) Every pawnbroker and secondhand dealer doing business in this state shall maintain wherever that business is conducted a record in which shall be legibly written in the English language, at the time of each transaction the following information:

(a) The signature of the person with whom the transaction is made;

(b) The date of the transaction;

(c) The name of the person or employee or the identification number of the person or employee conducting the transaction, as required by the applicable chief of police or the county's chief law enforcement officer;

(d) The name, date of birth, sex, height, weight, race, and address and telephone number of the person with whom the transaction is made;

(e) A complete description of the property pledged, bought, or consigned, including the brand name, serial number, model number or name, any initials or engraving, size, pattern, and color or stone or stones, and in the case of firearms, the caliber, barrel length, type of action, and whether it is a pistol, rifle, or shotgun;

(f) The price paid or the amount loaned;

(g) The type and identifying number of identification used by the person with whom the transaction was made, which shall consist of a valid drivers license or identification card issued by any state or two pieces of identification issued by a governmental agency, one of which shall be descriptive of the person identified. At all times, one piece of current government issued picture identification will be required; and

(h) The nature of the transaction, a number identifying the transaction, the store identification as designated by the applicable law enforcement agency, or the name and address of the business and the name of the person or employee, conducting the transaction, and the location of the property.

(2) This record shall at all times during the ordinary hours of business, or at reasonable times if ordinary hours of business are not kept, be open to the inspection of any commissioned law enforcement officer of the state or any of its political subdivisions, and shall be maintained wherever that business is conducted, or at the secondhand dealer's principal place of business if the transaction took place through the use of an automated kiosk, for three years following the date of the transaction.

Sec. 3. RCW 19.60.055 and 1991 c 323 s 6 are each amended to read as follows:

(1) Property bought or received on consignment by any secondhand dealer with a permanent place of business in the state shall not be removed from that place of business except consigned property returned to the owner, within thirty days after the receipt of the property. Property shall at all times during the ordinary hours of business be open to inspection to any commissioned law enforcement officer of the state or any of its political subdivisions.

(2) Property bought or received on consignment by any secondhand dealer without a permanent place of business in the state, shall be held within the city or county in which the property was received, except consigned property returned to the owner, within thirty days after receipt of the property. The property shall be available within the appropriate jurisdiction for inspection at reasonable times by any commissioned law enforcement officer of the state or any of its political subdivisions.

(3) Property bought by any secondhand dealer through the use of an automated kiosk must be held for at least thirty days after the secondhand property was accepted by the automated kiosk. To satisfy this requirement the secondhand property may be held inside the automated kiosk or at a secure

location maintained by the secondhand dealer. The secondhand property purchased through an automated kiosk must be made available to any commissioned law enforcement officer of the state, or any of its political subdivisions, for inspection within a reasonable time. The cost of transporting the secondhand property to the law enforcement officer must be paid by the secondhand dealer.

NEW SECTION. **Sec. 4.** A new section is added to chapter 19.60 RCW to read as follows:

For a secondhand dealer to utilize an automated kiosk to purchase secondhand property in this state, the automated kiosk must have the capability to:

(1) Collect all information required under RCW 19.60.020(1);

(2) Connect with a live customer service representative that can remotely verify the identity of the person engaged in the transaction;

(3) Compare the secondhand property purchased against a state or federal database of stolen items using the serial number, International Mobile Equipment Identity (IMEI), the mobile equipment identifier (MEID), or other unique identifying number assigned to the device by the manufacturer; and

(4) Securely store all secondhand property purchased.

Passed by the House February 27, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 170

[House Bill 1676]

SERVICE ANIMALS IN TRAINING--CRIMES

AN ACT Relating to crimes involving a dog guide or service animal; amending RCW 9.91.170; and prescribing penalties.

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

Sec. 1. RCW 9.91.170 and 2003 c 53 s 52 are each amended to read as follows:

(1)(a) Any person who has received notice that his or her behavior is interfering with the use of a dog guide or service animal who continues with reckless disregard to interfere with the use of a dog guide or service animal by obstructing, intimidating, or otherwise jeopardizing the safety of the dog guide or service animal user or his or her dog guide or service animal is guilty of a misdemeanor, except as provided in (b) of this subsection.

(b) A second or subsequent violation of this subsection is a gross misdemeanor.

(2)(a) Any person who, with reckless disregard, allows his or her dog to interfere with the use of a dog guide or service animal by obstructing, intimidating, or otherwise jeopardizing the safety of the dog guide or service animal user or his or her dog guide or service animal is guilty of a misdemeanor, except as provided in (b) of this subsection.

(b) A second or subsequent violation of this subsection is a gross misdemeanor.

(3) Any person who, with reckless disregard, injures, disables, or causes the death of a dog guide or service animal is guilty of a gross misdemeanor.

(4) Any person who, with reckless disregard, allows his or her dog to injure, disable, or cause the death of a dog guide or service animal is guilty of a gross misdemeanor.

(5) Any person who intentionally injures, disables, or causes the death of a dog guide or service animal is guilty of a class C felony punishable according to chapter 9A.20 RCW.

(6) Any person who wrongfully obtains or exerts unauthorized control over a dog guide or service animal with the intent to deprive the dog guide or service animal user of his or her dog guide or service animal is guilty of theft in the first degree, RCW 9A.56.030.

(7)(a) In any case in which the defendant is convicted of a violation of this section, he or she shall also be ordered to make full restitution for all damages, including incidental and consequential expenses incurred by the dog guide or service animal user and the dog guide or service animal which arise out of or are related to the criminal offense.

(b) Restitution for a conviction under this section shall include, but is not limited to:

(i) The value of the replacement of an incapacitated or deceased dog guide or service animal, the training of a replacement dog guide or service animal, or retraining of the affected dog guide or service animal and all related veterinary and care expenses; and

(ii) Medical expenses of the dog guide or service animal user, training of the dog guide or service animal user, and compensation for wages or earned income lost by the dog guide or service animal user.

(8) Nothing in this section shall affect any civil remedies available for violation of this section.

(9) For purposes of this section, the following definitions apply:

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

(b) "Service animal" means an animal that is trained or in training for the purposes of assisting or accommodating a disabled person's sensory, mental, or physical disability.

(c) "Notice" means a verbal or otherwise communicated warning prescribing the behavior of another person and a request that the person stop their behavior.

(d) "Value" means the value to the dog guide or service animal user and does not refer to cost or fair market value.

Passed by the House February 28, 2017.

Passed by the Senate April 11, 2017.

Approved by the Governor May 4, 2017.

Filed in Office of Secretary of State May 4, 2017.

CHAPTER 171

[Engrossed Substitute House Bill 1719]

EARLY LEARNING--ADVISORY COMMITTEE MEMBERSHIP--HOME VISITING PROGRAMS

AN ACT Relating to updating certain department of early learning advising and contracting mechanisms to reflect federal requirements, legislative mandates, and planned system improvements; and amending RCW 43.215.090 and 43.215.130.

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

Sec. 1. RCW 43.215.090 and 2015 3rd sp.s. c 7 s 16 are each amended to read as follows:

(1) The early learning advisory council is established to advise the department on statewide early learning issues that ((~~would build~~)) contribute to the ongoing efforts of building a comprehensive system of quality early learning programs and services for Washington's young children and families ((~~by assessing needs and the availability of services, aligning resources, developing plans for data collection and professional development of early childhood educators, and establishing key performance measures~~)).

(2) The council shall work in conjunction with the department to ((~~develop a statewide early learning plan that guides~~)) assist in policy development and implementation that assist the department in promoting alignment of private and public sector actions, objectives, and resources, ((~~and~~)) ensuring school readiness.

(3) The council shall include diverse, statewide representation from public, nonprofit, and for-profit entities. Its membership shall include critical partners in service delivery and reflect regional, racial, and cultural diversity to adequately represent the needs of all children and families in the state.

(4) Councilmembers shall serve two-year terms. However, to stagger the terms of the council, the initial appointments for twelve of the members shall be for one year. Once the initial one-year to two-year terms expire, all subsequent terms shall be for two years, with the terms expiring on June 30th of the applicable year. The terms shall be staggered in such a way that, where possible, the terms of members representing a specific group do not expire simultaneously.

(5) The council shall consist of ((~~not more than twenty-three~~)) members essential to coordinating services statewide prenatal through age five, as follows:

(a) In addition to being staffed and supported by the department, the governor shall appoint ((~~at least~~)) one representative from each of the following: The ((~~department, the office of financial management, the department of social and health services, the~~)) department of health, the student achievement council, and the state board for community and technical colleges;

(b) One representative from the office of the superintendent of public instruction, to be appointed by the superintendent of public instruction;

(c) The governor shall appoint ((~~seven~~)) leaders in early childhood education to represent critical service delivery and support sectors, with at least one ((~~representative with experience or expertise in one or more of the areas such as~~)) individual representing each of the following: ((~~The K-12 system, family day care providers, and child care centers with four of the seven governor's appointees made as follows:~~))

(i) The head start state collaboration office director or the director's designee;

(ii) A representative of a head start, early head start, or migrant/seasonal head start((~~, or tribal head start~~)) program;

(iii) A representative of a local education agency; ((~~and~~))

(iv) A representative of the state agency responsible for programs under section 619 or part C of the federal individuals with disabilities education act;

(v) A representative of the early childhood education and assistance program;

(vi) A representative of licensed family day care providers;

(vii) A representative of child day care centers; and

(viii) A representative from the home visiting advisory committee established in RCW 43.215.130;

(d) Two members of the house of representatives, one from each caucus, ((~~and two members of the senate, one from each caucus,~~)) to be appointed by the speaker of the house of representatives and ((~~the president of the senate, respectively~~)) two members of the senate, one from each caucus, to be appointed by the majority leader in the senate and the minority leader in the senate;

(e) Two parents, one of whom serves on the department's parent advisory group, to be appointed by the governor;

(f) One representative of the private-public partnership created in RCW 43.215.070, to be appointed by the partnership board;

(g) One representative from the developmental disabilities community;

(h) Two representatives from early learning regional coalitions;

(i) Representatives of underserved communities who have a special expertise or interest in high quality early learning, one to be appointed by each of the following commissions:

(i) The Washington state commission on Asian Pacific American affairs;

(ii) The Washington state commission on African-American affairs; and

(iii) The Washington state commission on Hispanic affairs;

((~~(g) One~~)) (j) Two representatives designated by sovereign tribal governments, one of whom must be a representative of a tribal early childhood education assistance program or head start program; ((~~and (h)~~)) (k) One representative from the Washington federation of independent schools;

(l) One representative from the Washington library association; and

(m) One representative from a statewide advocacy coalition of organizations that focuses on early learning.

(6) The council shall be cochaired by ((~~one representative of a state agency and one nongovernmental~~)) two members, to be elected by the council for two-year terms and not more than one cochair may represent a state agency.

(7) The council shall appoint two members and stakeholders with expertise in early learning to sit on the technical working group created in section 2, chapter 234, Laws of 2010.

(8) Each member of the board shall be compensated in accordance with RCW 43.03.240 and reimbursed for travel expenses incurred in carrying out the duties of the board in accordance with RCW 43.03.050 and 43.03.060.

(9)(a) The council shall convene an early achievers review subcommittee to provide feedback and guidance on strategies to improve the quality of instruction

and environment for early learning and provide input and recommendations on the implementation and refinement of the early achievers program. The review conducted by the subcommittee shall be a part of the annual progress report required in RCW 43.215.102. At a minimum the review shall address the following:

(i) Adequacy of data collection procedures;

(ii) Coaching and technical assistance standards;

(iii) Progress in reducing barriers to participation for low-income providers and providers from diverse cultural backgrounds, including a review of the early achievers program's rating tools, quality standard areas, and components, and how they are applied;

(iv) Strategies in response to data on the effectiveness of early achievers program standards in relation to providers and children from diverse cultural backgrounds;

(v) Status of the life circumstance exemption protocols; and

(vi) Analysis of early achievers program data trends.

(b) The subcommittee must include consideration of cultural linguistic responsiveness when analyzing the areas for review required by (a) of this subsection.

(c) The subcommittee shall include representatives from child care centers, family child care, the early childhood education and assistance program, contractors for early achievers program technical assistance and coaching, tribal governments, the organization responsible for conducting early ((~~achiever[s]~~)) achievers program ratings, and parents of children participating in early learning programs, including working connections child care and early childhood education and assistance programs. The subcommittee shall include representatives from diverse cultural and linguistic backgrounds.

(10) The department shall provide staff support to the council.

Sec. 2. RCW 43.215.130 and 2013 c 165 s 1 are each amended to read as follows:

(1)(a) The home visiting services account is created in the state treasury. Revenues to the account shall consist of appropriations by the legislature and all other sources deposited in the account. All federal funds received by the department for home visiting activities must be deposited into the account.

(b)(i) Expenditures from the account shall be used for state matching funds for the purposes of the program established in this section and federally funded activities for the home visiting program, including administrative expenses.

(ii) The department oversees the account and is the lead state agency for home visiting system development. The nongovernmental private-public partnership ((~~administers~~)) supports the home visiting service delivery system and provides ((~~implementation~~)) support functions to funded programs.

(iii) It is the intent of the legislature that state funds invested in the account be matched ((~~at fifty percent~~)) by the private-public partnership each fiscal year. ((~~However, state funds in the account may be accessed in the event that the private-public partnership fails to meet the fifty percent match target. Should the private-public partnership not meet the fifty percent match target by the conclusion of the fiscal year ending on June 30th, the department and the private-public partnership, shall jointly submit a report to the relevant legislative committees detailing the reasons why the fifty percent match target was not met,~~

~~the actual match rate achieved, and a plan to achieve fifty percent match in the subsequent fiscal year. This report shall be submitted as promptly as practicable, but the lack of receipt of this report shall not prevent state funds in the account from being accessed.~~))

(iv) Amounts used for program administration by the department may not exceed an average of ((~~four~~)) ten percent in any two consecutive fiscal years.

(v) Authorizations for expenditures may be given only after private funds are committed. The nongovernmental private-public partnership must report to the department quarterly to demonstrate ((~~sufficient~~)) investment of private match funds.

(c) Expenditures from the account are subject to appropriation and the allotment provisions of chapter 43.88 RCW.

(2) The department must expend moneys from the account to provide state matching funds for partnership activities to implement home visiting services and administer the infrastructure necessary to develop, support, and evaluate evidence-based, research-based, and promising home visiting programs.

(3) Activities eligible for funding through the account include, but are not limited to:

(a) Home visiting services that achieve one or more of the following: (i) Enhancing child development and well-being by alleviating the effects on child development of poverty and other known risk factors; (ii) reducing the incidence of child abuse and neglect; or (iii) promoting school readiness for young children and their families; and

(b) Development and maintenance of the infrastructure for home visiting programs, including training, quality improvement, and evaluation.

(4) Beginning July 1, 2010, the department shall contract with the nongovernmental private-public partnership designated in RCW 43.215.070 to ((~~administer~~)) support programs funded through the home visiting services account. The department shall monitor performance and provide periodic reports on the ((~~use~~)) uses and outcomes of the home visiting services account.

(5) The ((~~nongovernmental private-public partnership~~)) department shall, in the administration of the programs:

(a) Fund programs through a competitive bid process or in compliance with the regulations of the funding source; and

(b) Convene an advisory committee of early learning and home visiting experts, including one representative from the department, to advise the partnership regarding research and the distribution of funds from the account to eligible programs.

Passed by the House April 19, 2017.

Passed by the Senate April 11, 2017.

Approved by the Governor May 4, 2017.

Filed in Office of Secretary of State May 4, 2017.

CHAPTER 172

[Substitute House Bill 1741]

EDUCATOR PREPARATION PROGRAMS--DATA--USE BY PROFESSIONAL EDUCATOR STANDARDS BOARD

AN ACT Relating to educator preparation data for use by the professional educator standards board; amending RCW 28B.77.100; and creating new sections.

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

NEW SECTION. **Sec. 1.** The legislature finds that the entities that are approved by the professional educator standards board collect and hold valuable information about candidates for educator certification. The education data center collects data for research purposes for the student achievement council and K-12 educational agencies. The training of effective teachers and understanding of the best practices of educator preparation programs is valuable information for policymakers. The preparation programs currently approved are required to collect and hold this information, but due to federal privacy concerns, the submission of reports contains only aggregate data, and thus makes it impossible to follow the careers of state educators into the field. The education data center has legislative authority to collect this information and meets federal privacy requirements. Therefore, the legislature intends to require transfer to the entity charged with K-12 and higher education research, such data required and held by state-approved educator preparation programs, while fully respecting the privacy of students.

Sec. 2. RCW 28B.77.100 and 2015 c 244 s 2 are each amended to read as follows:

(1)(a) In consultation with the education data center, institutions of higher education, and state education agencies, the council shall identify the data needed to carry out its responsibilities for policy analysis and public information. The primary goals of the council's data collection and research are to describe how students and other beneficiaries of higher education are being served; to compare and contrast the state of Washington's higher education system with the rest of the nation; and to assist state policymakers and institutions in making policy decisions.

(b) For the council, assistance to state policymakers and institutions of higher education in making policy decisions includes but is not limited to annual reporting of a national comparison of tuition and fees.

(2) One of the goals of the education data center's data collection and research for higher education is to support higher education accountability. For the education data center, assistance to state policymakers and institutions of higher education in making policy decisions includes but is not limited to regular completion of:

(a) Educational cost study reports as provided in RCW 43.41.415 and information on state support received by students as provided in RCW 43.41.410; and

(b) Per-student funding at similar public institutions of higher education in the global challenge states.

(3) State-approved educator preparation programs must collect and provide data as required for approval by the professional educator standards board to the education data center.

(4) The education data center and the state-approved educator preparation programs as described in RCW 28A.410.210 shall enter data-sharing agreements to facilitate the transfer of data required by the professional educator standards board. The education data center must hold, analyze, and make available for research and monitoring by the professional educator standards board, state-approved educator preparation programs, and other researchers with appropriate data-sharing agreements, the data on the preparation of educators.

(5) The education data center shall be considered an authorized representative of the council and the office under applicable federal and state statutes for purposes of accessing and compiling student record data for research purposes.

NEW SECTION. **Sec. 3.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the House February 28, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 173

[Engrossed Second Substitute House Bill 1802]
MILITARY VETERANS--STATE EMPLOYMENT--SHARED LEAVE

AN ACT Relating to increasing the access of veterans, military service members, and military spouses to shared leave in state employment; amending RCW 41.04.665; adding a new section to chapter 41.04 RCW; and creating a new section.

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

Sec. 1. RCW 41.04.665 and 2016 c 177 s 1 are each amended to read as follows:

(1) An agency head may permit an employee to receive leave under this section if:

(a)(i) The employee suffers from, or has a relative or household member suffering from, an illness, injury, impairment, or physical or mental condition which is of an extraordinary or severe nature;

(ii) The employee has been called to service in the uniformed services;

(iii) The employee is a current member of the uniformed services or is a veteran as defined under RCW 41.04.005, and is attending medical appointments or treatments for a service connected injury or disability;

(iv) The employee is a spouse of a current member of the uniformed services or a veteran as defined under RCW 41.04.005, who is attending medical appointments or treatments for a service connected injury or disability and requires assistance while attending appointment or treatment;

(v) A state of emergency has been declared anywhere within the United States by the federal or any state government and the employee has needed skills to assist in responding to the emergency or its aftermath and volunteers his or her services to either a governmental agency or to a nonprofit organization engaged in humanitarian relief in the devastated area, and the governmental agency or nonprofit organization accepts the employee's offer of volunteer services; or

(((~~(iv)~~))) (vi) The employee is a victim of domestic violence, sexual assault, or stalking;

(b) The illness, injury, impairment, condition, call to service, emergency volunteer service, or consequence of domestic violence, sexual assault, temporary layoff under section 3(5), chapter 32, Laws of 2010 1st sp. sess., or stalking has caused, or is likely to cause, the employee to:

(i) Go on leave without pay status; or

(ii) Terminate state employment;

(c) The employee's absence and the use of shared leave are justified;

(d) The employee has depleted or will shortly deplete his or her:

(i) Annual leave and sick leave reserves if he or she qualifies under (a)(i) of this subsection;

(ii) Annual leave and paid military leave allowed under RCW 38.40.060 if he or she qualifies under (a)(ii) of this subsection; or

(iii) Annual leave if he or she qualifies under (a)(((~~(iii)~~))) (v) or (((~~(iv)~~))) (vi) of this subsection;

(e) The employee has abided by agency rules regarding:

(i) Sick leave use if he or she qualifies under (a)(i) or (((~~(iv)~~))) (vi) of this subsection; or

(ii) Military leave if he or she qualifies under (a)(ii) of this subsection; and

(f) The employee has diligently pursued and been found to be ineligible for benefits under chapter 51.32 RCW if he or she qualifies under (a)(i) of this subsection.

(2) The agency head shall determine the amount of leave, if any, which an employee may receive under this section. However, an employee shall not receive a total of more than five hundred twenty-two days of leave, except that, a supervisor may authorize leave in excess of five hundred twenty-two days in extraordinary circumstances for an employee qualifying for the shared leave program because he or she is suffering from an illness, injury, impairment, or physical or mental condition which is of an extraordinary or severe nature. Shared leave received under the uniformed service shared leave pool in RCW 41.04.685 is not included in this total.

(3) The agency head must allow employees who are veterans, as defined under RCW 41.04.005, and their spouses, to access shared leave from the veterans' in-state service shared leave pool upon employment.

(4) An employee may transfer annual leave, sick leave, and his or her personal holiday, as follows:

(a) An employee who has an accrued annual leave balance of more than ten days may request that the head of the agency for which the employee works transfer a specified amount of annual leave to another employee authorized to receive leave under subsection (1) of this section. In no event may the employee request a transfer of an amount of leave that would result in his or her annual leave account going below ten days. For purposes of this subsection (((~~(3)~~))) (4)(a), annual leave does not accrue if the employee receives compensation in lieu of accumulating a balance of annual leave.

(b) An employee may transfer a specified amount of sick leave to an employee requesting shared leave only when the donating employee retains a minimum of one hundred seventy-six hours of sick leave after the transfer.

(c) An employee may transfer, under the provisions of this section relating to the transfer of leave, all or part of his or her personal holiday, as that term is defined under RCW 1.16.050, or as such holidays are provided to employees by agreement with a school district's board of directors if the leave transferred under this subsection does not exceed the amount of time provided for personal holidays under RCW 1.16.050.

((~~(4)~~)) (5) An employee of an institution of higher education under RCW 28B.10.016, school district, or educational service district who does not accrue annual leave but does accrue sick leave and who has an accrued sick leave balance of more than twenty-two days may request that the head of the agency for which the employee works transfer a specified amount of sick leave to another employee authorized to receive leave under subsection (1) of this section. In no event may such an employee request a transfer that would result in his or her sick leave account going below twenty-two days. Transfers of sick leave under this subsection are limited to transfers from employees who do not accrue annual leave. Under this subsection, "sick leave" also includes leave accrued pursuant to RCW 28A.400.300(1)(b) or 28A.310.240(1) with compensation for illness, injury, and emergencies.

((~~(5)~~)) (6) Transfers of leave made by an agency head under subsections ((~~(3) and~~)) (4) and (5) of this section shall not exceed the requested amount.

((~~(6)~~)) (7) Leave transferred under this section may be transferred from employees of one agency to an employee of the same agency or, with the approval of the heads of both agencies, to an employee of another state agency.

((~~(7)~~)) (8) While an employee is on leave transferred under this section, he or she shall continue to be classified as a state employee and shall receive the same treatment in respect to salary, wages, and employee benefits as the employee would normally receive if using accrued annual leave or sick leave.

(a) All salary and wage payments made to employees while on leave transferred under this section shall be made by the agency employing the person receiving the leave. The value of leave transferred shall be based upon the leave value of the person receiving the leave.

(b) In the case of leave transferred by an employee of one agency to an employee of another agency, the agencies involved shall arrange for the transfer of funds and credit for the appropriate value of leave.

(i) Pursuant to rules adopted by the office of financial management, funds shall not be transferred under this section if the transfer would violate any constitutional or statutory restrictions on the funds being transferred.

(ii) The office of financial management may adjust the appropriation authority of an agency receiving funds under this section only if and to the extent that the agency's existing appropriation authority would prevent it from expending the funds received.

(iii) Where any questions arise in the transfer of funds or the adjustment of appropriation authority, the director of financial management shall determine the appropriate transfer or adjustment.

((~~(8)~~)) (9) Leave transferred under this section shall not be used in any calculation to determine an agency's allocation of full time equivalent staff positions.

((~~(9)~~)) (10)(a) The value of any leave transferred under this section which remains unused shall be returned at its original value to the employee or

employees who transferred the leave when the agency head finds that the leave is no longer needed or will not be needed at a future time in connection with the illness or injury for which the leave was transferred or for any other qualifying condition. Unused shared leave may not be returned until one of the following occurs:

(i) The agency head receives from the affected employee a statement from the employee's doctor verifying that the illness or injury is resolved; or

(ii) The employee is released to full-time employment; has not received additional medical treatment for his or her current condition or any other qualifying condition for at least six months; and the employee's doctor has declined, in writing, the employee's request for a statement indicating the employee's condition has been resolved.

(b) If a shared leave account is closed and an employee later has a need to use shared leave due to the same condition listed in the closed account, the agency head must approve a new shared leave request for the employee.

(c) To the extent administratively feasible, the value of unused leave which was transferred by more than one employee shall be returned on a pro rata basis.

((~~(10)~~)) (11) An employee who uses leave that is transferred to him or her under this section may not be required to repay the value of the leave that he or she used.

((~~(11)~~)) (12) The director of financial management may adopt rules as necessary to implement subsection (2) of this section.

NEW SECTION. **Sec. 2.** A new section is added to chapter 41.04 RCW to read as follows:

(1) The veterans' in-state service shared leave pool is created to allow employees to donate leave to be used as shared leave for:

(a) Veteran employees who meet the requirements of RCW 41.04.665; or

(b) Spouses of veteran employees, who meet the requirements of RCW 41.04.665, who are caring for their spouses.

(2) Participation in the pool shall, at all times, be voluntary on the part of the employee. The department of veterans affairs shall administer the veterans' in-state service shared leave pool.

(3) Employees who are eligible to donate leave under RCW 41.04.665 may donate leave to the veterans' in-state service shared leave pool.

(4) A veteran employee who is eligible for shared leave under RCW 41.04.665 or a spouse of a veteran employee, who is eligible for shared leave under RCW 41.04.665, who is caring for his or her spouse may request shared leave from veterans' in-state service shared leave pool.

(5) Shared leave under this section may not be granted unless the pool has a sufficient balance to fund the requested shared leave.

(6) Shared leave paid under this section, in combination with an employees's salary, may not exceed the level of the employee's state monthly salary.

(7) Any leave donated must be removed from the personally accumulated leave balance of the employee donating the leave.

(8) All employees who donate to the shared leave pool must specify their intent to donate to the veterans' in-state service shared leave pool.

(9) An employee who receives shared leave from the pool is not required to recontribute such leave to the pool, except as otherwise provided in this section.

(10) Leave that may be donated or received by any one employee must be calculated as in RCW 41.04.665.

(11) As used in this section:

(a) "Employee" has the meaning provided in RCW 41.04.655, except that "employee" as used in this section does not include employees of school districts and educational service districts. "Employee" does not include employees called to service in the uniformed services.

(b) "Monthly salary" includes monthly salary and special pay and shift differential, or the monthly equivalent for hourly employees. "Monthly salary" does not include:

(i) Overtime pay;

(ii) Call back pay;

(iii) Standby pay; or

(iv) Performance bonuses.

(c) "Service in the uniformed services" has the meaning provided in RCW 41.04.655.

(d) "Veteran" has the meaning provided in RCW 41.04.005.

(12) The office of financial management, in consultation with the department of veterans affairs, shall adopt rules and policies governing the donation and use of shared leave from the veterans' in-state service shared leave pool, including definitions of pay and allowances and guidelines for agencies to use in recordkeeping concerning shared leave.

(13) Agencies shall investigate any alleged abuse of the veterans' in-state service shared leave pool and on a finding of wrongdoing, the employee may be required to repay all of the shared leave received from the veterans' in-state service shared leave pool.

(14) Higher education institutions shall adopt policies consistent with the needs of the employees under their respective jurisdictions.

NEW SECTION. **Sec. 3.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the House March 2, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 174

[House Bill 1965]

FINGERPRINTS AND PALMPRINTS--FIREARM LICENSES--SEX AND KIDNAPPING OFFENDERS

AN ACT Relating to standardizing the collection and distribution of criminal records; and amending RCW 9.41.070, 9.41.173, and 9A.44.130.

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

Sec. 1. RCW 9.41.070 and 2011 c 294 s 1 are each amended to read as follows:

(1) The chief of police of a municipality or the sheriff of a county shall within thirty days after the filing of an application of any person, issue a license

to such person to carry a pistol concealed on his or her person within this state for five years from date of issue, for the purposes of protection or while engaged in business, sport, or while traveling. However, if the applicant does not have a valid permanent Washington driver's license or Washington state identification card or has not been a resident of the state for the previous consecutive ninety days, the issuing authority shall have up to sixty days after the filing of the application to issue a license. The issuing authority shall not refuse to accept completed applications for concealed pistol licenses during regular business hours.

The applicant's constitutional right to bear arms shall not be denied, unless:

(a) He or she is ineligible to possess a firearm under the provisions of RCW 9.41.040 or 9.41.045, or is prohibited from possessing a firearm under federal law;

(b) The applicant's concealed pistol license is in a revoked status;

(c) He or she is under twenty-one years of age;

(d) He or she is subject to a court order or injunction regarding firearms pursuant to RCW 9A.46.080, 10.14.080, 10.99.040, 10.99.045, 26.09.050, 26.09.060, 26.10.040, 26.10.115, 26.26.130, 26.50.060, 26.50.070, or 26.26.590;

(e) He or she is free on bond or personal recognizance pending trial, appeal, or sentencing for a felony offense;

(f) He or she has an outstanding warrant for his or her arrest from any court of competent jurisdiction for a felony or misdemeanor; or

(g) He or she has been ordered to forfeit a firearm under RCW 9.41.098(1)(e) within one year before filing an application to carry a pistol concealed on his or her person.

No person convicted of a felony may have his or her right to possess firearms restored or his or her privilege to carry a concealed pistol restored, unless the person has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c), or RCW 9.41.040 (3) or (4) applies.

(2)(a) The issuing authority shall conduct a check through the national instant criminal background check system, the Washington state patrol electronic database, the department of social and health services electronic database, and with other agencies or resources as appropriate, to determine whether the applicant is ineligible under RCW 9.41.040 or 9.41.045 to possess a firearm, or is prohibited from possessing a firearm under federal law, and therefore ineligible for a concealed pistol license.

(b) The issuing authority shall deny a permit to anyone who is found to be prohibited from possessing a firearm under federal or state law.

(c) This subsection applies whether the applicant is applying for a new concealed pistol license or to renew a concealed pistol license.

(3) Any person whose firearms rights have been restricted and who has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c) or who is exempt under 18 U.S.C. Sec. 921(a)(20)(A) shall have his or her right to acquire, receive, transfer, ship, transport, carry, and possess firearms in accordance with Washington state law restored except as otherwise prohibited by this chapter.

(4) The license application shall bear the full name, residential address, telephone number at the option of the applicant, date and place of birth, race, gender, description, a complete set of fingerprints, and signature of the licensee,

and the licensee's driver's license number or state identification card number if used for identification in applying for the license. A signed application for a concealed pistol license shall constitute a waiver of confidentiality and written request that the department of social and health services, mental health institutions, and other health care facilities release information relevant to the applicant's eligibility for a concealed pistol license to an inquiring court or law enforcement agency.

The application for an original license shall include ((~~two~~)) a complete set((~~s~~)) of fingerprints to be forwarded to the Washington state patrol.

The license and application shall contain a warning substantially as follows:

CAUTION: Although state and local laws do not differ, federal law and state law on the possession of firearms differ. If you are prohibited by federal law from possessing a firearm, you may be prosecuted in federal court. A state license is not a defense to a federal prosecution.

The license shall contain a description of the major differences between state and federal law and an explanation of the fact that local laws and ordinances on firearms are preempted by state law and must be consistent with state law.

The application shall contain questions about the applicant's eligibility under RCW 9.41.040 and federal law to possess a pistol, the applicant's place of birth, and whether the applicant is a United States citizen. If the applicant is not a United States citizen, the applicant must provide the applicant's country of citizenship, United States issued alien number or admission number, and the basis on which the applicant claims to be exempt from federal prohibitions on firearm possession by aliens. The applicant shall not be required to produce a birth certificate or other evidence of citizenship. A person who is not a citizen of the United States shall, if applicable, meet the additional requirements of RCW 9.41.173 and produce proof of compliance with RCW 9.41.173 upon application. The license may be in triplicate or in a form to be prescribed by the department of licensing.

The original thereof shall be delivered to the licensee, the duplicate shall within seven days be sent to the director of licensing and the triplicate shall be preserved for six years, by the authority issuing the license.

The department of licensing shall make available to law enforcement and corrections agencies, in an on-line format, all information received under this subsection.

(5) The nonrefundable fee, paid upon application, for the original five-year license shall be thirty-six dollars plus additional charges imposed by the federal bureau of investigation that are passed on to the applicant. No other state or local branch or unit of government may impose any additional charges on the applicant for the issuance of the license.

The fee shall be distributed as follows:

(a) Fifteen dollars shall be paid to the state general fund;

(b) Four dollars shall be paid to the agency taking the fingerprints of the person licensed;

(c) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter; and

(d) Three dollars to the firearms range account in the general fund.

(6) The nonrefundable fee for the renewal of such license shall be thirty-two dollars. No other branch or unit of government may impose any additional charges on the applicant for the renewal of the license.

The renewal fee shall be distributed as follows:

(a) Fifteen dollars shall be paid to the state general fund;

(b) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter; and

(c) Three dollars to the firearms range account in the general fund.

(7) The nonrefundable fee for replacement of lost or damaged licenses is ten dollars to be paid to the issuing authority.

(8) Payment shall be by cash, check, or money order at the option of the applicant. Additional methods of payment may be allowed at the option of the issuing authority.

(9) A licensee may renew a license if the licensee applies for renewal within ninety days before or after the expiration date of the license. A license so renewed shall take effect on the expiration date of the prior license. A licensee renewing after the expiration date of the license must pay a late renewal penalty of ten dollars in addition to the renewal fee specified in subsection (6) of this section. The fee shall be distributed as follows:

(a) Three dollars shall be deposited in the state wildlife account and used exclusively first for the printing and distribution of a pamphlet on the legal limits of the use of firearms, firearms safety, and the preemptive nature of state law, and subsequently the support of volunteer instructors in the basic firearms safety training program conducted by the department of fish and wildlife. The pamphlet shall be given to each applicant for a license; and

(b) Seven dollars shall be paid to the issuing authority for the purpose of enforcing this chapter.

(10) Notwithstanding the requirements of subsections (1) through (9) of this section, the chief of police of the municipality or the sheriff of the county of the applicant's residence may issue a temporary emergency license for good cause pending review under subsection (1) of this section. However, a temporary emergency license issued under this subsection shall not exempt the holder of the license from any records check requirement. Temporary emergency licenses shall be easily distinguishable from regular licenses.

(11) A political subdivision of the state shall not modify the requirements of this section or chapter, nor may a political subdivision ask the applicant to voluntarily submit any information not required by this section.

(12) A person who knowingly makes a false statement regarding citizenship or identity on an application for a concealed pistol license is guilty of false swearing under RCW 9A.72.040. In addition to any other penalty provided for by law, the concealed pistol license of a person who knowingly makes a false statement shall be revoked, and the person shall be permanently ineligible for a concealed pistol license.

(13) A person may apply for a concealed pistol license:

(a) To the municipality or to the county in which the applicant resides if the applicant resides in a municipality;

(b) To the county in which the applicant resides if the applicant resides in an unincorporated area; or

(c) Anywhere in the state if the applicant is a nonresident.

(14) Any person who, as a member of the armed forces, including the national guard and armed forces reserves, is unable to renew his or her license under subsections (6) and (9) of this section because of the person's assignment, reassignment, or deployment for out-of-state military service may renew his or her license within ninety days after the person returns to this state from out-of-state military service, if the person provides the following to the issuing authority no later than ninety days after the person's date of discharge or assignment, reassignment, or deployment back to this state: (a) A copy of the person's original order designating the specific period of assignment, reassignment, or deployment for out-of-state military service, and (b) if appropriate, a copy of the person's discharge or amended or subsequent assignment, reassignment, or deployment order back to this state. A license so renewed under this subsection (14) shall take effect on the expiration date of the prior license. A licensee renewing after the expiration date of the license under this subsection (14) shall pay only the renewal fee specified in subsection (6) of this section and shall not be required to pay a late renewal penalty in addition to the renewal fee.

Sec. 2. RCW 9.41.173 and 2009 c 216 s 3 are each amended to read as follows:

(1) In order to obtain an alien firearm license, a nonimmigrant alien residing in Washington must apply to the sheriff of the county in which he or she resides.

(2) The sheriff of the county shall within sixty days after the filing of an application of a nonimmigrant alien residing in the state of Washington, issue an alien firearm license to such person to carry or possess a firearm for the purposes of hunting and sport shooting. The license shall be good for two years. The issuing authority shall not refuse to accept completed applications for alien firearm licenses during regular business hours. An application for a license may not be denied, unless the applicant's alien firearm license is in a revoked status, or the applicant:

(a) Is ineligible to possess a firearm under the provisions of RCW 9.41.040 or 9.41.045;

(b) Is subject to a court order or injunction regarding firearms pursuant to RCW 9A.46.080, 10.14.080, 10.99.040, 10.99.045, 26.09.050, 26.09.060, 26.10.040, 26.10.115, 26.26.130, 26.50.060, 26.50.070, or 26.26.590;

(c) Is free on bond or personal recognizance pending trial, appeal, or sentencing for a felony offense; or

(d) Has an outstanding warrant for his or her arrest from any court of competent jurisdiction for a felony or misdemeanor.

No license application shall be granted to a nonimmigrant alien convicted of a felony unless the person has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c), or unless RCW 9.41.040 (3) or (4) applies.

(3) The sheriff shall check with the national crime information center, the Washington state patrol electronic database, the department of social and health services electronic database, and with other agencies or resources as appropriate, to determine whether the applicant is ineligible under RCW 9.41.040 or 9.41.045 to possess a firearm.

(4) The license application shall bear the full name, residential address, telephone number at the option of the applicant, date and place of birth, race, gender, description, ((~~not more than two~~)) a complete set((~~s~~)) of fingerprints, and signature of the applicant, a copy of the applicant's passport and visa showing the applicant is in the country legally, and a valid Washington hunting license or documentation that the applicant is a member of a sport shooting club.

A signed application for an alien firearm license shall constitute a waiver of confidentiality and written request that the department of social and health services, mental health institutions, and other health care facilities release information relevant to the applicant's eligibility for an alien firearm license to an inquiring court or law enforcement agency.

The application for an original license shall include a complete set of fingerprints to be forwarded to the Washington state patrol.

The license and application shall contain a warning substantially as follows:

> CAUTION: Although state and local laws do not differ, federal law and state law on the possession of firearms differ. If you are prohibited by federal law from possessing a firearm, you may be prosecuted in federal court. A state license is not a defense to a federal prosecution.

The license shall contain a description of the major differences between state and federal law and an explanation of the fact that local laws and ordinances on firearms are preempted by state law and must be consistent with state law. The application shall contain questions about the applicant's eligibility under RCW 9.41.040 to possess a firearm. The nonimmigrant alien applicant shall be required to produce a passport and visa as evidence of being in the country legally.

The license may be in triplicate or in a form to be prescribed by the department of licensing. The original thereof shall be delivered to the licensee, the duplicate shall within seven days be sent to the director of licensing and the triplicate shall be preserved for six years, by the authority issuing the license.

The department of licensing shall make available to law enforcement and corrections agencies, in an online format, all information received under this section.

(5) The sheriff has the authority to collect a nonrefundable fee, paid upon application, for the two-year license. The fee shall be fifty dollars plus additional charges imposed by the Washington state patrol and the federal bureau of investigation that are passed on to the applicant. No other state or local branch or unit of government may impose any additional charges on the applicant for the issuance of the license. The fee shall be retained by the sheriff.

(6) Payment shall be by cash, check, or money order at the option of the applicant. Additional methods of payment may be allowed at the option of the sheriff.

(7) A political subdivision of the state shall not modify the requirements of this section, nor may a political subdivision ask the applicant to voluntarily submit any information not required by this section.

(8) A person who knowingly makes a false statement regarding citizenship or identity on an application for an alien firearm license is guilty of false swearing under RCW 9A.72.040. In addition to any other penalty provided for

by law, the alien firearm license of a person who knowingly makes a false statement shall be revoked, and the person shall be permanently ineligible for an alien firearm license.

Sec. 3. RCW 9A.44.130 and 2015 c 261 s 3 are each amended to read as follows:

(1)(a) Any adult or juvenile residing whether or not the person has a fixed residence, or who is a student, is employed, or carries on a vocation in this state who has been found to have committed or has been convicted of any sex offense or kidnapping offense, or who has been found not guilty by reason of insanity under chapter 10.77 RCW of committing any sex offense or kidnapping offense, shall register with the county sheriff for the county of the person's residence, or if the person is not a resident of Washington, the county of the person's school, or place of employment or vocation, or as otherwise specified in this section. When a person required to register under this section is in custody of the state department of corrections, the state department of social and health services, a local division of youth services, or a local jail or juvenile detention facility as a result of a sex offense or kidnapping offense, the person shall also register at the time of release from custody with an official designated by the agency that has jurisdiction over the person.

(b) Any adult or juvenile who is required to register under (a) of this subsection must give notice to the county sheriff of the county with whom the person is registered within three business days:

(i) Prior to arriving at a school or institution of higher education to attend classes;

(ii) Prior to starting work at an institution of higher education; or

(iii) After any termination of enrollment or employment at a school or institution of higher education.

(2)(a) A person required to register under this section must provide the following information when registering: (i) Name and any aliases used; (ii) complete and accurate residential address or, if the person lacks a fixed residence, where he or she plans to stay; (iii) date and place of birth; (iv) place of employment; (v) crime for which convicted; (vi) date and place of conviction; (vii) social security number; (viii) photograph; and (ix) fingerprints.

(b) A person may be required to update any of the information required in this subsection in conjunction with any address verification conducted by the county sheriff or as part of any notice required by this section.

(c) A photograph or copy of an individual's fingerprints, which may include palmprints may be taken at any time to update an individual's file.

(3) Any person required to register under this section who intends to travel outside the United States must provide, by certified mail, with return receipt requested, or in person, signed written notice of the plan to travel outside the country to the county sheriff of the county with whom the person is registered at least twenty-one days prior to travel. The notice shall include the following information: (a) Name; (b) passport number and country; (c) destination; (d) itinerary details including departure and return dates; (e) means of travel; and (f) purpose of travel. If the offender subsequently cancels or postpones travel outside the United States, the offender must notify the county sheriff not later than three days after cancellation or postponement of the intended travel outside the United States or on the departure date provided in the notification, whichever

is earlier. The county sheriff shall notify the United States marshals service as soon as practicable after receipt of the notification. In cases of unexpected travel due to family or work emergencies, or for offenders who travel routinely across international borders for work-related purposes, the notice must be submitted in person at least twenty-four hours prior to travel to the sheriff of the county where such offenders are registered with a written explanation of the circumstances that make compliance with this subsection (3) impracticable.

(4)(a) Offenders shall register with the county sheriff within the following deadlines:

(i) OFFENDERS IN CUSTODY. Sex offenders or kidnapping offenders who are in custody of the state department of corrections, the state department of social and health services, a local division of youth services, or a local jail or juvenile detention facility, must register at the time of release from custody with an official designated by the agency that has jurisdiction over the offender. The agency shall within three days forward the registration information to the county sheriff for the county of the offender's anticipated residence. The offender must also register within three business days from the time of release with the county sheriff for the county of the person's residence, or if the person is not a resident of Washington, the county of the person's school, or place of employment or vocation. The agency that has jurisdiction over the offender shall provide notice to the offender of the duty to register.

When the agency with jurisdiction intends to release an offender with a duty to register under this section, and the agency has knowledge that the offender is eligible for developmental disability services from the department of social and health services, the agency shall notify the division of developmental disabilities of the release. Notice shall occur not more than thirty days before the offender is to be released. The agency and the division shall assist the offender in meeting the initial registration requirement under this section. Failure to provide such assistance shall not constitute a defense for any violation of this section.

When a person required to register under this section is in the custody of the state department of corrections or a local corrections or probations agency and has been approved for partial confinement as defined in RCW 9.94A.030, the person must register at the time of transfer to partial confinement with the official designated by the agency that has jurisdiction over the offender. The agency shall within three days forward the registration information to the county sheriff for the county in which the offender is in partial confinement. The offender must also register within three business days from the time of the termination of partial confinement or release from confinement with the county sheriff for the county of the person's residence. The agency that has jurisdiction over the offender shall provide notice to the offender of the duty to register.

(ii) OFFENDERS UNDER FEDERAL JURISDICTION. Sex offenders or kidnapping offenders who are in the custody of the United States bureau of prisons or other federal or military correctional agency must register within three business days from the time of release with the county sheriff for the county of the person's residence, or if the person is not a resident of Washington, the county of the person's school, or place of employment or vocation.

(iii) OFFENDERS WHO ARE CONVICTED BUT NOT CONFINED. Sex offenders who are convicted of a sex offense and kidnapping offenders who are convicted for a kidnapping offense but who are not sentenced to serve a term of

confinement immediately upon sentencing shall report to the county sheriff to register within three business days of being sentenced.

(iv) OFFENDERS WHO ARE NEW RESIDENTS, TEMPORARY RESIDENTS, OR RETURNING WASHINGTON RESIDENTS. Sex offenders and kidnapping offenders who move to Washington state from another state or a foreign country must register within three business days of establishing residence or reestablishing residence if the person is a former Washington resident. If the offender is under the jurisdiction of an agency of this state when the offender moves to Washington, the agency shall provide notice to the offender of the duty to register.

Sex offenders and kidnapping offenders who are visiting Washington state and intend to reside or be present in the state for ten days or more shall register his or her temporary address or where he or she plans to stay with the county sheriff of each county where the offender will be staying within three business days of arrival. Registration for temporary residents shall include the information required by subsection (2)(a) of this section, except the photograph and fingerprints.

(v) OFFENDERS FOUND NOT GUILTY BY REASON OF INSANITY. Any adult or juvenile who has been found not guilty by reason of insanity under chapter 10.77 RCW of committing a sex offense or a kidnapping offense and who is in custody, as a result of that finding, of the state department of social and health services, must register within three business days from the time of release with the county sheriff for the county of the person's residence. The state department of social and health services shall provide notice to the adult or juvenile in its custody of the duty to register.

(vi) OFFENDERS WHO LACK A FIXED RESIDENCE. Any person who lacks a fixed residence and leaves the county in which he or she is registered and enters and remains within a new county for twenty-four hours is required to register with the county sheriff not more than three business days after entering the county and provide the information required in subsection (2)(a) of this section.

(vii) OFFENDERS WHO LACK A FIXED RESIDENCE AND WHO ARE UNDER SUPERVISION. Offenders who lack a fixed residence and who are under the supervision of the department shall register in the county of their supervision.

(viii) OFFENDERS WHO MOVE TO, WORK, CARRY ON A VOCATION, OR ATTEND SCHOOL IN ANOTHER STATE. Offenders required to register in Washington, who move to another state, or who work, carry on a vocation, or attend school in another state shall register a new address, fingerprints, and photograph with the new state within three business days after establishing residence, or after beginning to work, carry on a vocation, or attend school in the new state. The person must also send written notice within three business days of moving to the new state or to a foreign country to the county sheriff with whom the person last registered in Washington state. The county sheriff shall promptly forward this information to the Washington state patrol.

(b) The county sheriff shall not be required to determine whether the person is living within the county.

(c) An arrest on charges of failure to register, service of an information, or a complaint for a violation of RCW 9A.44.132, or arraignment on charges for a

violation of RCW 9A.44.132, constitutes actual notice of the duty to register. Any person charged with the crime of failure to register under RCW 9A.44.132 who asserts as a defense the lack of notice of the duty to register shall register within three business days following actual notice of the duty through arrest, service, or arraignment. Failure to register as required under this subsection (4)(c) constitutes grounds for filing another charge of failing to register. Registering following arrest, service, or arraignment on charges shall not relieve the offender from criminal liability for failure to register prior to the filing of the original charge.

(5)(a) If any person required to register pursuant to this section changes his or her residence address within the same county, the person must provide, by certified mail, with return receipt requested or in person, signed written notice of the change of address to the county sheriff within three business days of moving.

(b) If any person required to register pursuant to this section moves to a new county, within three business days of moving the person must register with the county sheriff of the county into which the person has moved and provide, by certified mail, with return receipt requested or in person, signed written notice of the change of address to the county sheriff with whom the person last registered. The county sheriff with whom the person last registered is responsible for address verification pursuant to RCW 9A.44.135 until the person completes registration of his or her new residence address.

(6)(a) Any person required to register under this section who lacks a fixed residence shall provide signed written notice to the sheriff of the county where he or she last registered within three business days after ceasing to have a fixed residence. The notice shall include the information required by subsection (2)(a) of this section, except the photograph ((~~and~~)), fingerprints, and palmprints. The county sheriff may, for reasonable cause, require the offender to provide a photograph and fingerprints. The sheriff shall forward this information to the sheriff of the county in which the person intends to reside, if the person intends to reside in another county.

(b) A person who lacks a fixed residence must report weekly, in person, to the sheriff of the county where he or she is registered. The weekly report shall be on a day specified by the county sheriff's office, and shall occur during normal business hours. The person must keep an accurate accounting of where he or she stays during the week and provide it to the county sheriff upon request. The lack of a fixed residence is a factor that may be considered in determining an offender's risk level and shall make the offender subject to disclosure of information to the public at large pursuant to RCW 4.24.550.

(c) If any person required to register pursuant to this section does not have a fixed residence, it is an affirmative defense to the charge of failure to register, that he or she provided written notice to the sheriff of the county where he or she last registered within three business days of ceasing to have a fixed residence and has subsequently complied with the requirements of subsections (4)(a)(vi) or (vii) and (6) of this section. To prevail, the person must prove the defense by a preponderance of the evidence.

(7) A sex offender subject to registration requirements under this section who applies to change his or her name under RCW 4.24.130 or any other law shall submit a copy of the application to the county sheriff of the county of the person's residence and to the state patrol not fewer than five days before the

entry of an order granting the name change. No sex offender under the requirement to register under this section at the time of application shall be granted an order changing his or her name if the court finds that doing so will interfere with legitimate law enforcement interests, except that no order shall be denied when the name change is requested for religious or legitimate cultural reasons or in recognition of marriage or dissolution of marriage. A sex offender under the requirement to register under this section who receives an order changing his or her name shall submit a copy of the order to the county sheriff of the county of the person's residence and to the state patrol within three business days of the entry of the order.

(8) Except as may otherwise be provided by law, nothing in this section shall impose any liability upon a peace officer, including a county sheriff, or law enforcement agency, for failing to release information authorized under this section.

Passed by the House April 18, 2017.
Passed by the Senate March 31, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 175

[Substitute House Bill 2037]

STUDENTS WITH DISABILITIES--WORK GROUP--EXPIRATION

AN ACT Relating to student services for students with disabilities; amending 2016 sp.s. c 22 s 2 (uncodified); creating a new section; and providing an expiration date.

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

NEW SECTION. **Sec. 1.** In the 2016 session, the legislature required the council of presidents to convene a work group to explore ways to improve the process for students with disabilities when they are transferring between institutions of higher education. The work group included representatives from the institutions, the student achievement council, students, and other stakeholders. Among other things, the work group conducted a survey for students and identified barriers and best practices. In the work group's report to the legislature, the work group recognized that improving services to students with disabilities is an ongoing and evolving process that warrants the continued attention of stakeholders. Therefore, the legislature intends to reauthorize the work group for the purposes of continuing its progress.

Sec. 2. 2016 sp.s. c 22 s 2 (uncodified) is amended to read as follows:

(1) The council of presidents shall convene a work group to develop a plan for removing obstacles for students with disabilities. The work group shall include:

(a) Representatives from the state board for community and technical colleges; the state college, regional universities, and state universities, each as defined in RCW 28B.10.016; the student achievement council; and statewide student associations; and

(b) At least two students with disabilities selected by statewide student associations.

(2) The plan shall focus on removing obstacles for students with disabilities transferring between institutions of higher education, including but not limited to: Standardizing medical documentation requirements, standardizing intake and review procedures, and developing best practices for institutions to provide outreach to and help prepare students for transmitting accommodations information and documentation to their next institution of higher education.

(3) The council of presidents shall provide the plan developed in subsection (2) of this section to the higher education committees of the legislature no later than December 31, 2016.

(4) The work group must continue developing a plan that focuses on removing obstacles for students with disabilities, as provided in subsection (2) of this section, and addressing changing methods of delivering course content, availability of course materials in an accessible manner, and the supplemental course material provided by third parties.

(5) The council shall provide the plan developed under this section to the higher education committees of the legislature no later than December 31, 2017.

(6) This section expires August 1, ((~~2017~~)) 2018.

Passed by the House March 7, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 176

[Substitute House Bill 2138]

ADAPTED HOUSING--DISABLED VETERANS--CONSTRUCTION TAX PREFERENCE

AN ACT Relating to tax relief for the construction of adapted housing for disabled veterans; amending RCW 82.14.820; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; and creating new sections.

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

NEW SECTION. **Sec. 1.** (1)(a) The legislature finds that it is important to recognize the service of veterans and to acknowledge the continued sacrifice of those veterans who have service-connected physical disabilities. The legislature further finds that many disabled veterans often need customized, accessible housing in order to be self-sufficient and to maintain a high quality of life. The legislature further finds that disabled veterans have higher poverty rates than disabled nonveterans. The legislature further finds that the federal government provides a grant to assist disabled veterans with the costs of constructing, modifying, or adapting their homes, but that thousands of these dollars end up covering the sales or use tax owed on these construction projects. The legislature further finds that this results in a shift of cost to the same population of disabled veterans whose burden the federal grant program is intended to ease.

(b) It is the legislature's intent to provide specific financial relief for disabled veterans by providing a sales and use tax exemption in the form of a remittance for the construction of adapted housing for disabled veterans who have been awarded a federal grant to modify their homes.

(2)(a) This section is the tax preference performance statement for the tax preferences contained in this act. This performance statement is only intended to

be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(b) The legislature categorizes the tax preference in section 2 of this act as one intended to provide tax relief for certain businesses or individuals, as indicated in RCW 82.32.808(2)(e).

(c) To measure the effectiveness of this act in achieving the specific public policy objective described in subsection (1) of this section, the joint legislative audit and review committee must, at minimum, evaluate the following:

(i) The number of qualifying adapted housing projects, as reported to the department of revenue through the remittance application process on an annual basis; and

(ii) The total amount of adapted housing grants awarded to veterans, as reported by the United States department of veterans affairs.

(d) In addition to the data sources described under this section, the joint legislative audit and review committee may use any other data it deems necessary in performing the evaluation under this subsection.

(e) The joint legislative audit and review committee must review the tax preferences provided in this act as part of its normal review process of tax preferences.

NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW to read as follows:

(1) An eligible purchaser who has paid the tax levied by RCW 82.08.020 on materials incorporated into, and labor and services rendered in respect to, adapted housing is eligible for an exemption from all or a portion of those taxes in the form of a remittance. The total amount of a remittance that an eligible purchaser may receive under this section and/or section 3 of this act is limited to two thousand five hundred dollars for each adapted housing project. The remittance under this section is for the state portion of the sales tax only.

(2)(a) An eligible purchaser claiming an exemption from tax in the form of a remittance under this section must pay the tax imposed by RCW 82.08.020 on such purchases eligible for the remittance. The eligible purchaser may then apply to the department for remittance of all or part of the tax paid under RCW 82.08.020 on such purchases, subject to the limits in subsections (1) and (3) of this section. As part of the application, the eligible purchaser must provide proof of eligibility for the remittance in the form of a copy of the grant award letter from the United States department of veterans affairs, construction contracts for adapted housing, and invoices for purchases qualifying for a remittance under this section.

(b) An eligible purchaser may not apply for more than one remittance under this section per calendar quarter.

(c) The department must on a quarterly basis remit exempted amounts to eligible purchasers whose applications were approved by the department during the previous quarter.

(3)(a) The remittance under this section is only available on a first-in-time basis. The department must keep a running total of all approved remittances under this section and/or section 3 of this act during each fiscal year. The department may not allow any remittance that would cause the total amount of remittances allowed under this section and/or section 3 of this act to exceed one

hundred twenty-five thousand dollars in any fiscal year, unless additional amounts are appropriated for this specific purpose.

(b) The department must provide notification on its web site monthly of the amount remaining before the statewide annual limit in this subsection is reached.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Adapted housing" means a construction project that has been approved by the United States department of veterans affairs as part of the specially adapted housing grant program or the special housing adaptation grant program to modify or construct a home so that it can accommodate the needs of a disabled or severely disabled veteran.

(b) "Eligible purchaser" means a disabled or severely disabled veteran who has received either a specially adapted housing grant or a special housing adaptation grant from the United States department of veterans affairs.

(c) "Special housing adaptation" has the same meaning, eligibility requirements, and restrictions as "special home adaptation grant" in 38 C.F.R. 3.809a, as of July 1, 2016.

(d) "Specially adapted housing" has the same meaning, eligibility requirements, and restrictions as in 38 C.F.R. 3.809, as of July 1, 2016.

NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW to read as follows:

(1) An eligible purchaser who has paid the tax levied by RCW 82.12.020 on materials incorporated as an ingredient or component of adapted housing is eligible for an exemption from all or a portion of that tax in the form of a remittance.

(2) All of the eligibility requirements, conditions, limitations, and definitions in section 2 of this act apply to this section.

Sec. 4. RCW 82.14.820 and 1997 c 450 s 4 are each amended to read as follows:

The exemptions in RCW 82.08.820 ((~~and~~)), 82.12.820, section 2 of this act, and section 3 of this act are for the state portion of the sales and use tax and do not extend to the tax imposed in this chapter.

NEW SECTION. **Sec. 5.** This act applies to sales or uses that occur on or after August 1, 2017.

Passed by the House April 7, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 177

[Substitute Senate Bill 5100]

HIGHER EDUCATION STUDENTS--FINANCIAL LITERACY INFORMATION--WORKSHOP

AN ACT Relating to financial literacy information for students at institutions of higher education; and amending RCW 28B.76.502.

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

Sec. 1. RCW 28B.76.502 and 2013 c 23 s 59 are each amended to read as follows:

(1) The office must provide a financial aid counseling curriculum to institutions of higher education with state need grant recipients. The curriculum must be available via a web site. The curriculum must include, but not be limited to:

(a) An explanation of the state need grant program rules, including maintaining satisfactory progress, repayment rules, and usage limits;

(b) Information on campus and private scholarships and work-study opportunities, including the application processes;

(c) An overview of student loan options with an emphasis on the repayment obligations a student borrower assumes regardless of program completion, including the likely consequences of default and sample monthly repayment amounts based on a range of student levels of indebtedness;

(d) An overview of ((~~financial literacy~~)) personal finance, including basic money management skills such as living within a budget and handling credit and debt;

(e) Average salaries for a wide range of jobs;

(f) ((~~Perspectives~~)) Financial education that meets the needs of, and includes perspectives from, a diverse group of students who are or were recipients of financial aid, including student loans, who may be trained by the financial education public-private partnership; and

(g) Contact information for local financial aid resources and the federal student aid ombuds'((~~s~~)) office.

(2) By the 2013-14 academic year, the institution of higher education must take reasonable steps to ensure that each state need grant recipient receives information outlined in subsection (1)(a) through (g) of this section by directly referencing or linking to the web site on the conditions of award statement provided to each recipient.

(3) By July 1, 2013, the office must disseminate the curriculum to all institutions of higher education participating in the state need grant program. The institutions of higher education may require nonstate need grant recipients to participate in all or portions of the financial aid counseling.

(4) Subject to the availability of amounts appropriated for this specific purpose, by the 2017-18 academic year, each institution of higher education must take reasonable steps to ensure that the institution presents, and each incoming student participates in, a financial education workshop. The scope of the workshop must include, but is not limited to, the information outlined in subsection (1)(b) through (g) of this section, and include recommendations by the financial education public-private partnership. The institutions are encouraged to present these workshops during student orientation or as early as possible in the academic year.

Passed by the Senate April 18, 2017.

Passed by the House April 12, 2017.

Approved by the Governor May 4, 2017.

Filed in Office of Secretary of State May 4, 2017.

CHAPTER 178

[Second Substitute Senate Bill 5107]

EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM--FUNDING FROM LOCAL SOURCES

AN ACT Relating to creating a local pathway for local governments, school districts, institutions of higher education, and nonprofit organizations to provide more high quality early learning opportunities by reducing barriers and increasing efficiency; amending RCW 43.215.099, 43.215.410, and 43.215.195; adding a new section to chapter 43.215 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** The legislature recognizes that local governments, school districts, institutions of higher education as defined in RCW 28B.10.016, and nonprofit organizations play an important role in strengthening the early care and education systems in the state. The legislature acknowledges that these entities may face barriers to investing in early care and education programs. The legislature intends to create a local pathway to high quality early learning to help these entities understand how they can use additional local and private funds with existing funds to expand access for existing programs. The legislature intends for this local pathway to reduce barriers and increase efficiency to provide more high quality early learning opportunities.

Sec. 2. RCW 43.215.099 and 2015 3rd sp.s. c 7 s 15 are each amended to read as follows:

(1) The foundation of quality in the early care and education system in Washington is the quality rating and improvement system entitled the early achievers program. In an effort to build on the existing quality framework, enhance access to quality care for children, and strengthen the entire early care and education systems in the state, it is important to integrate the efforts of state and local governments, school districts, institutions of higher education as defined in RCW 28B.10.016, and nonprofit organizations.

(2) Local governments, school districts, institutions of higher education as defined in RCW 28B.10.016, and nonprofit organizations are encouraged to collaborate with the department when establishing and strengthening early learning programs for residents.

(3) Local governments, school districts, institutions of higher education as defined in RCW 28B.10.016, and nonprofit organizations may contribute funds to the department for the following purposes:

(a) Initial investments to build capacity and quality in local early care and education programming; ((~~and~~))

(b) Reductions in copayments charged to parents or caregivers;

(c) To expand access and eligibility in the early childhood education and assistance program.

(4) Funds contributed to the department by local governments, school districts, institutions of higher education as defined in RCW 28B.10.016, and nonprofit organizations must be deposited in the early start account established in RCW 43.215.195.

(5) Children enrolled in the early childhood education and assistance program with funds contributed in accordance with subsection (3)(c) of this section are not considered to be eligible children as defined in RCW 43.215.405

and are not considered to be part of the state-funded entitlement required in RCW 43.215.456.

NEW SECTION. **Sec. 3.** A new section is added to chapter 43.215 RCW to read as follows:

To the greatest extent possible, the department must reduce barriers and increase efficiency for using local or private funds, or both, to provide more high quality early learning opportunities.

Sec. 4. RCW 43.215.410 and 2006 c 265 s 211 are each amended to read as follows:

The department shall administer a state-supported early childhood education and assistance program to assist eligible children with educational, social, health, nutritional, and cultural development to enhance their opportunity for success in the common school system. Eligible children shall be admitted to approved early childhood programs to the extent that the legislature provides funds, and additional ((~~eligible~~)) children may be admitted to the extent that grants and contributions from community sources provide sufficient funds for a program equivalent to that supported by state funds. Grants and contributions from community sources shall not supplant the funding required for the full statewide implementation of the early learning program in RCW 43.215.456.

Sec. 5. RCW 43.215.195 and 2015 3rd sp.s. c 7 s 17 are each amended to read as follows:

(1) The early start account is created in the custody of the state ((~~treasury~~)) treasurer. Revenues in the account shall consist of appropriations by the legislature and all other sources deposited into the account. ((~~Moneys in the account may only be used after appropriation.~~)) Expenditures from the account may be used only ((~~to improve the quality of early care and education programming~~)) for the purposes listed in RCW 43.215.099. All receipts from local governments, school districts, institutions of higher education as defined in RCW 28B.10.016, and nonprofit organizations must be deposited into the account.

(2) The department oversees the account. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(3) The department shall separately track funds received for each local government, school district, institution of higher education as defined in RCW 28B.10.016, or nonprofit organization that deposits funds into the account. Expenditures from these funds may be used only for the purposes listed in RCW 43.215.099 as identified in writing with the department by the contributing local government, school district, institution of higher education as defined in RCW 28B.10.016, or nonprofit organization.

Passed by the Senate March 1, 2017.

Passed by the House April 7, 2017.

Approved by the Governor May 4, 2017.

Filed in Office of Secretary of State May 4, 2017.

CHAPTER 179

[Engrossed Senate Bill 5234]

AP EXAMS--HIGHER EDUCATION CREDIT--INSTITUTION POLICIES

AN ACT Relating to a systemwide credit policy regarding AP exams; adding a new section to chapter 28B.10 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** The legislature finds that advanced placement coursework prepares students for postsecondary success and provides opportunities for them to earn college credit or secure placement in advanced courses. The legislature further finds that eighty-four thousand eight hundred sixty-six students took an AP exam in Washington state in 2015. The legislature further finds that six thousand six hundred sixty-seven of those students were underrepresented minority students and nine thousand four hundred seventy-one were low-income students. The legislature further finds that of the students that took an AP exam in Washington state in 2015, fifty-one thousand seven hundred twenty-five scored a three, four, or five.

Therefore, the legislature intends to establish a policy for granting as many undergraduate course credits as possible to students who have earned a minimum score of three on their AP exams and clearly communicate credit awarding policies and course equivalencies to students. The goal of the policy is to award course credit in all appropriate instances and maximize the number of college students given college credit for AP exam scores of three or higher.

NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.10 RCW to read as follows:

(1) The institutions of higher education must establish a coordinated, evidence-based policy for granting as many undergraduate college credits to students who have earned minimum scores of three on AP exams as possible and appropriate.

(2) Credit policy regarding all AP exams must be posted on campus web sites effective for the 2017 fall academic term. The institutions of higher education must conduct biennial reviews of their AP credit policy and report noncompliance to the appropriate committees of the legislature by November 1st each year beginning November 1, 2019.

Passed by the Senate April 13, 2017.
Passed by the House April 5, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 180

[Second Substitute Senate Bill 5258]

ACADEMIC, INNOVATION, AND MENTORING PROGRAM

AN ACT Relating to creating the Washington academic, innovation, and mentoring program; adding a new section to chapter 28A.215 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.215 RCW to read as follows:

(1) The Washington academic, innovation, and mentoring program is established.

(2) The purpose of the program is to enable eligible neighborhood youth development entities to provide out-of-school time programs for youth ages six to eighteen years of age that include educational services, social emotional learning, mentoring, and linkages to positive, prosocial leisure, and recreational activities. The programs must be designed for mentoring and academic enrichment.

(3) Eligible entities must meet the following requirements:

(a) Ensure that sixty percent or more of the academic, innovation, and mentoring program participants must qualify for free or reduced-price lunch;

(b) Have an existing partnership with the school district and a commitment to develop a formalized data-sharing agreement;

(c) Be facility based;

(d) Combine, or have a plan to combine, academics and social emotional learning;

(e) Engage in a continuous program quality improvement process;

(f) Conduct national criminal background checks for all employees and volunteers who work with children; and

(g) Have adopted standards for care including staff training, health and safety standards, and mechanisms for assessing and enforcing the program's compliance with the standards.

(4) Nonprofit entities applying for funding as a statewide network must:

(a) Have an existing infrastructure or network of academic, innovation, and mentoring program grant-eligible entities;

(b) Provide after-school and summer programs with youth development services; and

(c) Provide proven and tested recreational, educational, and character-building programs for children ages six to eighteen years of age.

(5) The office of the superintendent of public instruction must submit a report to the appropriate education and fiscal committees of the legislature by December 31, 2018, and an annual update by December 31 each year thereafter. The report must outline the programs established, target populations, and pretesting and posttesting results.

NEW SECTION. **Sec. 2.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the Senate April 13, 2017.
Passed by the House April 10, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 181

[Senate Bill 5274]

WASHINGTON STATE PATROL RETIREMENT SYSTEM--SALARY DEFINITION--OVERTIME

AN ACT Relating to defining salary for purposes of the Washington state patrol retirement system; and amending RCW 43.43.120.

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

Sec. 1. RCW 43.43.120 and 2011 1st sp.s. c 5 s 6 are each amended to read as follows:

As used in this section and RCW 43.43.130 through 43.43.320, unless a different meaning is plainly required by the context:

(1) "Actuarial equivalent" shall mean a benefit of equal value when computed upon the basis of such mortality table as may be adopted and such interest rate as may be determined by the director.

(2) "Annual increase" means as of July 1, 1999, seventy-seven cents per month per year of service which amount shall be increased each subsequent July 1st by three percent, rounded to the nearest cent.

(3)(a) "Average final salary," for members commissioned prior to January 1, 2003, shall mean the average monthly salary received by a member during the member's last two years of service or any consecutive two-year period of service, whichever is the greater, as an employee of the Washington state patrol; or if the member has less than two years of service, then the average monthly salary received by the member during the member's total years of service.

(b) "Average final salary," for members commissioned on or after January 1, 2003, shall mean the average monthly salary received by a member for the highest consecutive sixty service credit months; or if the member has less than sixty months of service, then the average monthly salary received by the member during the member's total months of service.

(c) In calculating average final salary under (a) or (b) of this subsection, the department of retirement systems shall include:

(i) Any compensation forgone by the member during the 2009-2011 fiscal biennium as a result of reduced work hours, mandatory or voluntary leave without pay, temporary reduction in pay implemented prior to December 11, 2010, or temporary layoffs if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the chief; and

(ii) Any compensation forgone by a member during the 2011-2013 fiscal biennium as a result of reduced work hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the chief. Reductions to current pay shall not include elimination of previously agreed upon future salary reductions.

(4) "Beneficiary" means any person in receipt of retirement allowance or any other benefit allowed by this chapter.

(5)(a) "Cadet," for a person who became a member of the retirement system after June 12, 1980, is a person who has passed the Washington state patrol's entry-level oral, written, physical performance, and background examinations and is, thereby, appointed by the chief as a candidate to be a commissioned officer of the Washington state patrol.

(b) "Cadet," for a person who became a member of the retirement system before June 12, 1980, is a trooper cadet, patrol cadet, or employee of like classification, employed for the express purpose of receiving the on-the-job training required for attendance at the state patrol academy and for becoming a commissioned trooper. "Like classification" includes: Radio operators or dispatchers; persons providing security for the governor or legislature; patrol

officers; drivers' license examiners; weighmasters; vehicle safety inspectors; central wireless operators; and warehouse workers.

(6) "Contributions" means the deduction from the compensation of each member in accordance with the contribution rates established under chapter 41.45 RCW.

(7) "Current service" shall mean all service as a member rendered on or after August 1, 1947.

(8) "Department" means the department of retirement systems created in chapter 41.50 RCW.

(9) "Director" means the director of the department of retirement systems.

(10) "Domestic partners" means two adults who have registered as domestic partners under RCW 26.60.040.

(11) "Employee" means any commissioned employee of the Washington state patrol.

(12) "Insurance commissioner" means the insurance commissioner of the state of Washington.

(13) "Lieutenant governor" means the lieutenant governor of the state of Washington.

(14) "Member" means any person included in the membership of the retirement fund.

(15) "Plan 2" means the Washington state patrol retirement system plan 2, providing the benefits and funding provisions covering commissioned employees who first become members of the system on or after January 1, 2003.

(16) "Prior service" shall mean all services rendered by a member to the state of Washington, or any of its political subdivisions prior to August 1, 1947, unless such service has been credited in another public retirement or pension system operating in the state of Washington.

(17) "Regular interest" means interest compounded annually at such rates as may be determined by the director.

(18) "Retirement board" means the board provided for in this chapter.

(19) "Retirement fund" means the Washington state patrol retirement fund.

(20) "Retirement system" means the Washington state patrol retirement system.

(21)(a) "Salary," for members commissioned prior to July 1, 2001, shall exclude any overtime earnings related to RCW 47.46.040, or any voluntary overtime, earned on or after July 1, 2001, and prior to July 1, 2017. On or after July 1, 2017, salary shall exclude overtime earnings in excess of seventy hours per year in total related to either RCW 47.46.040 or any voluntary overtime.

(b) "Salary," for members commissioned on or after July 1, 2001, shall exclude any overtime earnings related to RCW 47.46.040 or any voluntary overtime, earned prior to July 1, 2017, lump sum payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, holiday pay, or any form of severance pay. On or after July 1, 2017, salary shall exclude overtime earnings in excess of seventy hours per year in total related to either RCW 47.46.040 or any voluntary overtime.

(c) The addition of overtime earnings related to RCW 47.46.040 or any voluntary overtime earned on or after July 1, 2017, in this act is a benefit improvement that increases the member maximum contribution rate under RCW 41.45.0631(1) by 1.10 percent.

(22) "Service" shall mean services rendered to the state of Washington or any political subdivisions thereof for which compensation has been paid. Full time employment for seventy or more hours in any given calendar month shall constitute one month of service. An employee who is reinstated in accordance with RCW 43.43.110 shall suffer no loss of service for the period reinstated subject to the contribution requirements of this chapter. Only months of service shall be counted in the computation of any retirement allowance or other benefit provided for herein. Years of service shall be determined by dividing the total number of months of service by twelve. Any fraction of a year of service as so determined shall be taken into account in the computation of such retirement allowance or benefit.

(23) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).

(24) "State treasurer" means the treasurer of the state of Washington.

Unless the context expressly indicates otherwise, words importing the masculine gender shall be extended to include the feminine gender and words importing the feminine gender shall be extended to include the masculine gender.

Passed by the Senate April 17, 2017.
Passed by the House April 7, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 182

[Second Substitute Senate Bill 5285]

WORKFORCE ASSESSMENT--AGRICULTURE, ENVIRONMENT, OUTDOOR RECREATION, AND NATURAL RESOURCES SECTORS

AN ACT Relating to conducting a workforce study of employment opportunities in the agriculture, environment, outdoor recreation, and natural resources economic sectors intended to provide educators with the information needed for informing students about employment opportunities in the studied fields; creating new sections; and providing an expiration date.

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

NEW SECTION. **Sec. 1.** (1) The legislature finds that the agriculture, environment, outdoor recreation, and natural resources economic sectors can offer rewarding career paths for students who are interested in the natural world and are excited by the idea of having a career with outdoor opportunities. Not only are these careers currently available to students, but the United States department of agriculture predicts, in their recent report on employment opportunities for college graduates in food, agriculture, renewable natural resources, outdoor recreation, and the environment, that employment opportunities in these fields are expected to increase.

(2) The legislature further finds that thousands of Washington students do not have access to the types of education that are necessary to guide them down the pathways leading to marketable job skills and productive careers in the agriculture, environment, outdoor recreation, and natural resources economic sectors. Long-term career success in these fields require the ability to identify, apply, and integrate concepts from science, technology, engineering, and mathematics as they specifically relate to the agriculture, environment, outdoor

recreation, and natural resources economic sectors and the sectors' related careers.

(3) The legislature further finds that students will have the information they need to consider careers in the agriculture, environment, outdoor recreation, and natural resources economic sectors if educators are provided with actual applications of how to put integrated learning into action and facilitating experiences that allow students to get outdoors and learn in real-world and community-connected environments.

(4) The legislature further finds that the economic opportunities available for students interested in agriculture, natural resources, outdoor recreation, or the environment can be more readily unlocked if educators are provided with information on worker demand and qualifications so that they are equipped to assist students to access the economic opportunity and help make connections between education and outdoor careers. The information needed by educators to make these connections can be accomplished through a statewide workforce study of potential jobs in these fields.

NEW SECTION. **Sec. 2.** (1)(a) Subject to the availability of amounts appropriated for this specific purpose, the workforce training and education coordinating board shall conduct a workforce assessment for the agriculture, natural resources, outdoor recreation, and environment sectors. The purpose of the study is to assess the available data on current and projected employment levels and hiring demand for skilled mid-level workers in the agriculture, environment, outdoor recreation, and natural resources economic sectors in the state. Ultimately, this information is being collected so that educators have better information available as they develop programs for informing students about potential careers.

(b) The study must use a broad definition for the mid-level skilled occupations included in the study and identify up to five regions of the state based on the specific workforce characteristics of agriculture, natural resources, outdoor recreation, and environment employers.

(2) The study required by this section must, at a minimum:

(a) Include assessment of:

(i) Data from the employment security department on the current and projected levels of employment and net job vacancies;

(ii) Data used by workforce development councils in identifying demand for workers in their areas;

(iii) Data from the United States census bureau; and

(iv) Data from the United States census bureau's longitudinal employer-household dynamics dataset.

(b) Identify and interview a sample of major employers from the agriculture, environment, outdoor recreation, and natural resources economic sectors in each region to assess employers' perspective and expectations on employment and hiring of skilled mid-level workers in their industry and area. The study must also include an assessment of food and fiber processing jobs in the state.

(3) In conducting any study pursuant to this section, the workforce training and education coordinating board must convene and consult with a steering committee to define the scope of mid-level skilled occupations considered, validate designation of specific regions to be analyzed, and assist in the design of information collection. The steering committee must include representatives of

statewide business organizations and a delegate of the state board for community and technical colleges who will be staff.

(4) In implementing this section, the workforce training and education coordinating board may complete the work directly or, at its discretion, contract the assignment, or portions of the assignment, to a third party or parties chosen by the workforce training and education coordinating board. However, the final delivered product must be reported under the workforce training and education coordinating board.

(5) The report must include recommendations on current sources that provide the most representative and useful information for educators and counselors, further steps to improve the specificity, timeliness, and quality of information available on skilled workforce needs and issues in the areas of the state, and steps necessary to extend this work both into entry level and advanced level occupations, and into identification of specific skills that are key to enabling workers to be productive in this sector.

(6) Consistent with RCW 43.01.036, the study required by this section must be completed and the results reported to the legislature by October 15, 2018.

(7) This section expires June 30, 2019.

Passed by the Senate April 17, 2017.
Passed by the House April 11, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 183

[Substitute Senate Bill 5327]

COURT CLERKS--MINUTES--RESIDENTIAL TIME SUMMARY REPORTS

AN ACT Relating to court clerks; and amending RCW 2.32.050, 26.09.231, and 26.18.230.

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

Sec. 1. RCW 2.32.050 and 2011 c 336 s 45 are each amended to read as follows:

The clerk of the supreme court, each clerk of the court of appeals, and each clerk of a superior court, has power to take and certify the proof and acknowledgment of a conveyance of real property, or any other written instrument authorized or required to be proved or acknowledged, and to administer oaths in every case when authorized by law; and it is the duty of the clerk of the supreme court, each clerk of the court of appeals, and of each county clerk for each of the courts for which he or she is clerk:

(1) To keep the seal of the court and affix it in all cases where he or she is required by law;

(2) To record the proceedings of the court;

(3) To keep the records, files, and other books and papers appertaining to the court;

(4) To file all papers delivered to him or her for that purpose in any action or proceeding in the court as directed by court rule or statute;

(5) To attend the court of which he or she is clerk, to administer oaths, and receive the verdict of a jury in any action or proceeding therein, in the presence and under the direction of the court;

(6) To keep the ((~~journal~~)) minutes of the proceedings of the court, and, under the direction of the court, to enter its orders, judgments, and decrees;

(7) To authenticate by certificate or transcript, as may be required, the records, files, or proceedings of the court, or any other paper appertaining thereto and filed with him or her;

(8) To exercise the powers and perform the duties conferred and imposed upon him or her elsewhere by statute;

(9) In the performance of his or her duties to conform to the direction of the court;

(10) To publish notice of the procedures for inspection of the public records of the court.

Sec. 2. RCW 26.09.231 and 2007 c 496 s 701 are each amended to read as follows:

The parties to dissolution matters shall file with the clerk of the court the residential time summary report. The summary report shall be on the form developed by the administrative office of the courts in consultation with the department of social and health services division of child support. The parties must complete the form and file the form with the court order. ((~~The clerk of the court must forward the form to the division of child support on at least a monthly basis.~~))

Sec. 3. RCW 26.18.230 and 2007 c 496 s 702 are each amended to read as follows:

(1) The administrative office of the courts in consultation with the department of social and health services, division of child support, shall develop a residential time summary report form to provide for the reporting of summary information in every case in which residential time with children is to be established or modified.

(2) The residential time summary report must include at a minimum: A breakdown of residential schedules with a reasonable degree of specificity regarding actual time with each parent, including enforcement practices, representation status of the parties, whether domestic violence, child abuse, chemical dependency, or mental health issues exist, and whether the matter was agreed or contested.

((~~(3) The division of child support shall compile and electronically transmit the information in the residential time summary reports to the administrative office of the courts for purposes of tracking residential time awards by parent, enforcement practices, representation status of the parties, the existence of domestic violence, child abuse, chemical dependency, or mental health issues and whether the matter was agreed or contested.~~

~~(4) The administrative office of the courts shall report the compiled information, organized by each county, on at least an annual basis. The information shall be itemized by quarter. These reports shall be made publicly available through the judicial information public access services and shall not contain any personal identifying information of parties in the proceedings.~~))

Passed by the Senate April 13, 2017.
Passed by the House April 11, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 184

[Senate Bill 5359]

MILITARY SERVICE MEMBERS--PROFESSIONAL LICENSING STREAMLINING--REPORTS

AN ACT Relating to requiring annual reporting on the implementation of laws to streamline licensing processes for military service members and their spouses; and amending RCW 73.04.150.

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

Sec. 1. RCW 73.04.150 and 2005 c 141 s 1 are each amended to read as follows:

(1) There is hereby created a joint committee on veterans' and military affairs. The committee shall consist of: (a) Eight members of the senate appointed by the president of the senate, four of whom shall be members of the majority party and four of whom shall be members of the minority party; and (b) eight members of the house of representatives appointed by the speaker, four of whom shall be members of the majority party and four of whom shall be members of the minority party. Members of the committee shall be appointed before the close of the 2005 legislative session, and before the close of each regular session during an odd-numbered year thereafter.

(2) Each member's term of office shall run from the close of the session in which he or she was appointed until the close of the next regular session held in an odd-numbered year. If a successor is not appointed during a session, the member's term shall continue until the member is reappointed or a successor is appointed. The term of office for a committee member who does not continue as a member of the senate or house of representatives shall cease upon the convening of the next session of the legislature during an odd-numbered year after the member's appointment, or upon the member's resignation, whichever is earlier. Vacancies on the committee shall be filled by appointment in the same manner as described in subsection (1) of this section. All such vacancies shall be filled from the same political party and from the same house as the member whose seat was vacated.

(3) The committee shall establish an executive committee of four members, two of whom are members of the senate and two of whom are members of the house of representatives. The executive committee shall appoint one cochair from the two executive committee members who are senators and one cochair from the two executive committee members who are representatives. The two cochairs shall be from different political parties and their terms of office shall run from the close of the session in which they are appointed until the close of the next regular session in an odd-numbered year. The executive committee is responsible for performing all general administrative and personnel duties assigned to it in the rules and procedures adopted by the joint committee, as well as other duties delegated to it by the joint committee.

(4) The joint committee on veterans' and military affairs has the following powers and duties:

(a) To study veterans' issues, active military forces issues, and national guard and reserve component issues, and make recommendations to the legislature; and

(b) To study structure and administration of the department of veterans affairs and the military department, and make recommendations to the legislature.

(5) The joint committee shall adopt rules and procedures for its orderly operation. The joint committee may create subcommittees to perform duties under this section.

(6) The regulating authorities for the department of licensing and the department of health shall file reports to the legislature biennially and the Washington state military transition council annually beginning January 1, 2018, and appear annually before the joint committee on veterans' and military affairs, to provide updates on progress in their efforts to implement the requirements of chapter 18.340 RCW, chapter 32, Laws of 2011, and chapter 351, Laws of 2011. By January 1, 2018, the department of labor and industries and the professional educator standards board must each submit a report to the legislature, including an assessment on how its licensing, certification, and apprenticeship programs apply training and experience acquired by military members and their spouses outside of Washington, and recommendations about whether such programs should be included in the reporting schedule within this subsection.

Passed by the Senate April 13, 2017.
Passed by the House April 7, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 185

[Senate Bill 5391]

DEPARTMENT OF VETERANS AFFAIRS--VARIOUS CHANGES

AN ACT Relating to clarifying the powers, duties, and functions of the department of veterans affairs; amending RCW 43.60A.020, 43.60A.100, 43.60A.151, 43.60A.154, 43.60A.155, 43.60A.190, 72.36.115, and 73.08.005; reenacting and amending RCW 43.60A.150; and decodifying RCW 43.60A.901, 43.60A.902, and 43.60A.905.

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

Sec. 1. RCW 43.60A.020 and 1975-'76 2nd ex.s. c 115 s 2 are each amended to read as follows:

There is hereby created a department of state government to be known as the department of veterans affairs. ((~~All powers, duties, and functions now or through action of this legislature vested by law in the department of social and health services relating to veterans and veteran affairs are transferred to the department, except those powers, duties, and functions which are expressly directed elsewhere by law.~~)) Powers, duties, and functions to be ((~~transferred~~)) vested in the department shall include, but not be limited to, all those powers, duties, and functions involving cooperation with other governmental units, such as cities and counties, or with the federal government, in particular those concerned with participation in federal grants-in-aid programs relating to veterans and veteran affairs. ((~~Also transferred to the department shall be the powers, duties, and functions of the bonus division of the treasurer's office: PROVIDED, That such transfer shall not occur until the bonus division completes its current duties of accepting and processing bonus claims arising from the Vietnam conflict. This section shall not be construed to continue the~~

~~powers, duties and functions of said bonus division beyond a time when such powers, duties or functions would otherwise cease.~~))

Sec. 2. RCW 43.60A.100 and 1991 c 55 s 1 are each amended to read as follows:

The department of veterans affairs, to the extent funds are made available, shall: (1) Contract with professional counseling specialists to provide a range of direct treatment services to ((~~war-affected~~)) state veterans ((~~and to those national guard and reservists who served in the Middle East~~)), including national guard and reservists, with military-related mental health needs, and their family members; (2) provide additional treatment services to Washington state Vietnam veterans for posttraumatic stress disorder, particularly for those veterans whose posttraumatic stress disorder has intensified or initially emerged due to ((~~the~~)) war ((~~in the Middle East~~)) or combat-related stress; (3) provide an educational program designed to train primary care professionals, such as mental health professionals, about the effects of war-related stress ((~~and~~)), trauma, and traumatic brain injury; (4) provide informational and counseling services for the purpose of establishing and fostering peer-support networks throughout the state for families of deployed members of the reserves and the Washington national guard; (5) provide for veterans' families, a referral network of community mental health providers who are skilled in treating deployment stress, combat stress, ((~~and~~)) posttraumatic stress, and traumatic brain injury.

Sec. 3. RCW 43.60A.150 and 2007 c 451 s 2 and 2007 c 241 s 6 are each reenacted and amended to read as follows:

(1) The Washington veterans conservation corps is created. The department shall establish enrollment procedures for the program. Enrollees may choose to participate in either or both the volunteer projects list authorized in subsection (2) of this section, and the training, certification, ecotherapy, and placement program authorized in RCW 43.60A.151.

(2) The department shall create a list of veterans who are interested in working on projects that restore Washington's natural habitat. The department shall promote the opportunity to volunteer for the veterans conservation corps through its local counselors and representatives. Only veterans who grant their approval may be included on the list. The department shall consult with the salmon recovery board, the recreation and conservation funding board, the department of natural resources, the department of fish and wildlife, the department of agriculture, conservation districts, and the state parks and recreation commission to determine the most effective ways to market the veterans conservation corps to agencies and ((~~local sponsors of habitat restoration projects~~)) natural resource partners.

Sec. 4. RCW 43.60A.151 and 2012 c 229 s 820 are each amended to read as follows:

(1) The department shall assist veterans enrolled in the veterans conservation corps with obtaining employment in conservation programs and projects that restore Washington's natural habitat, maintain and steward local, state, and federal forestlands and other outdoor lands, maintain and improve urban and suburban storm water management facilities and other water management facilities, and other environmental maintenance, stewardship, and restoration projects. The department shall consult with the workforce training

and education coordinating board, the state board for community and technical colleges, the employment security department, and other state agencies administering conservation corps programs, to incorporate training, education, ecotherapy, and certification in environmental restoration and management fields into the program. The department may enter into agreements with community colleges, private schools, conservation districts, state or local agencies, or other entities to provide training, internships, and educational courses as part of the enrollee benefits from the program.

(2) The department may receive gifts, grants, federal funds, or other moneys from public or private sources, for the use and benefit of the veterans conservation corps program. The funds shall be deposited to the veterans conservation corps account created in RCW 43.60A.153.

((~~(3) The department shall submit a report to the appropriate committees of the legislature by December 1, 2008, on the status of the veterans conservation corps program, including the number of enrollees employed in projects, training provided, certifications earned, employment placements achieved, program funding provided from all sources, and the results of the pilot project authorized in section 4, chapter 451, Laws of 2007.~~))

Sec. 5. RCW 43.60A.154 and 2007 c 451 s 7 are each amended to read as follows:

((~~(1)~~)) The department shall seek to enter agreements with the bureau of land management, the national park service, the United States forest service, the United States fish and wildlife service, and other federal agencies managing lands or waterways in Washington, for the employment of veterans conservation corps enrollees in maintenance, restoration, and stewardship projects. ((~~Up to twenty percent of the costs of the veterans conservation corps enrollees participation in a federal project may be provided by the department, including the costs of training provided on the project.~~

~~(2) By September 30, 2008, the department shall provide a report to the governor and appropriate committees of the senate and house of representatives regarding agreements entered with federal agencies to employ veteran conservation corps enrollees on federal land projects, and any revisions to the program needed to increase the number of these agreements.~~))

Sec. 6. RCW 43.60A.155 and 2007 c 451 s 8 are each amended to read as follows:

((~~(1) During calendar years 2007 and 2008~~)) The salmon recovery funding board shall cooperate with the department of veterans affairs to inform salmon habitat project sponsors of the availability of veterans conservation corps enrollees to perform project work. From applications submitted, the board and the department shall identify projects that propose work suitable for corps enrollees and located near where enrollees are based or may be created. The department may provide the project applicants with information regarding the benefits of employing a veterans conservation corps enrollee in the project, ((~~including funding that the department may make available to assist with the project. Such funding shall be considered by the salmon recovery funding board as matched funding in evaluating the project for salmon recovery funding board funding.~~

~~(2) As an element of the report required under RCW 43.60A.151(3), the salmon recovery funding board and the department shall jointly report to the governor and the appropriate committees of the senate and house of representatives regarding projects funded during the 2007 and 2008 grant cycles that employ veterans conservation corps enrollees. The report shall include recommendations for increasing the use of veterans conservation corps enrollees in salmon habitat projects that receive funding from the salmon recovery funding board~~)) as well as training to increase the success of hiring a veteran.

Sec. 7. RCW 43.60A.190 and 2014 c 182 s 1 are each amended to read as follows:

(1) The department shall:

(a) Maintain a current list of certified veteran-owned businesses; and

(b) Make the list of certified veteran-owned businesses available on the department's public web site.

(2) To qualify as a certified veteran-owned business, the business must:

(a) Be at least fifty-one percent owned and controlled by:

(i) A veteran as defined as every person who at the time he or she seeks certification has received a discharge with an honorable characterization or received a discharge for medical reasons with an honorable record, where applicable, and who has served in at least one of the capacities listed in RCW 41.04.007; ((~~or~~))

(ii) A person who is in receipt of disability compensation or pension from the department of veterans affairs; or

(iii) An active or reserve member in any branch of the armed forces of the United States, including the national guard, coast guard, and armed forces reserves; and

(b) Be either an enterprise which is incorporated in the state of Washington as a Washington domestic corporation, or an enterprise whose principal place of business is located within the state of Washington for enterprises which are not incorporated.

(3) To participate in the linked deposit program under chapter 43.86A RCW, a veteran-owned business qualified under this section must be certified by the department as a business:

(a) In which the veteran owner possesses and exercises sufficient expertise specifically in the business's field of operation to make decisions governing the long-term direction and the day-to-day operations of the business;

(b) That is organized for profit and performing a commercially useful function; and

(c) That meets the criteria for a small business concern as established under chapter 39.19 RCW.

(4) The department shall create a logo for the purpose of identifying veteran-owned businesses to the public. The department shall put the logo on an adhesive sticker or decal suitable for display in a business window and distribute the stickers or decals to veteran-owned businesses listed with the department.

(5)(a) Businesses may submit an application on a form prescribed by the department to apply for certification under this section.

(b) The department must notify the state treasurer of veteran-owned businesses who have participated in the linked deposit program and are no longer certified under this section. The written notification to the state treasurer

must contain information regarding the reasons for the decertification and information on financing provided to the veteran-owned business under RCW 43.86A.060.

(6) The department may adopt rules necessary to implement this section.

Sec. 8. RCW 72.36.115 and 2009 c 521 s 169 are each amended to read as follows:

(1) The department shall establish and maintain in this state an eastern Washington state veterans' cemetery.

(2) All honorably discharged veterans((~~, as defined by RCW 41.04.007,~~)) and their spouses or state registered domestic partners who meet eligibility requirements under 38 C.F.R. Sec. 38.620 are eligible for interment in the eastern Washington state veterans' cemetery.

(3) The department shall collect all federal veterans' burial benefits and other available state or county resources.

(4) The department shall adopt rules defining the services available, eligibility, fees, and the general operations associated with the eastern Washington state veterans' cemetery.

Sec. 9. RCW 73.08.005 and 2016 c 76 s 1 are each amended to read as follows:

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

(1) "Direct costs" includes those allowable costs that can be readily assigned to the statutory objectives of this chapter, consistent with the cost principles promulgated by the federal office of management and budget in circular No. A-87, dated May 10, 2004.

(2) "Family" means the spouse or domestic partner, surviving spouse, surviving domestic partner, and dependent children of a living or deceased veteran, or a servicemember who was killed in the line of duty regardless of the number of days served.

(3) "Indigent" means a person who is defined as such by the county legislative authority using one or more of the following definitions:

(a) Receiving one of the following types of public assistance: Temporary assistance for needy families, aged, blind, or disabled assistance benefits, pregnant women assistance benefits, poverty-related veterans' benefits, food stamps or food stamp benefits transferred electronically, refugee resettlement benefits, medicaid, medical care services, or supplemental security income;

(b) Receiving an annual income, after taxes, of up to one hundred fifty percent or less of the current federally established poverty level, or receiving an annual income not exceeding a higher qualifying income established by the county legislative authority; or

(c) Unable to pay reasonable costs for shelter, food, utilities, and transportation because his or her available funds are insufficient.

(4) "Indirect costs" includes those allowable costs that are generally associated with carrying out the statutory objectives of this chapter, but the identification and tracking of those costs cannot be readily assigned to a specific statutory objective without an accounting effort that is disproportionate to the benefit received. A county legislative authority may allocate allowable indirect costs to its veterans' assistance fund if it is accomplished in a manner consistent

with the cost principles promulgated by the federal office of management and budget in circular No. A-87, dated May 10, 2004.

(5)(a) "Veteran" means:

(i) A person who served in the active military, naval, or air service; a member of the women's air forces service pilots during World War II; a United States documented merchant mariner with service aboard an oceangoing vessel operated by the war shipping administration; the office of defense transportation, or their agents, from December 7, 1941, through December 31, 1946; or a civil service crewmember with service aboard a United States army transport service or United States naval transportation service vessel in oceangoing service from December 7, 1941, through December 31, 1946, who meets one of the following criteria:

(A) Served on active duty for at least one hundred eighty days and who was released with an honorable discharge;

(B) Received an honorable or general under honorable characterization of service with a medical reason for separation for a condition listed as non-existed prior to service, regardless of number of days served; or

(C) Received an honorable discharge and has received a rating for a service connected disability from the United States department of veterans affairs regardless of number of days served;

(ii) A current member honorably serving in the armed forces reserve or national guard who has been activated by presidential call up for purposes other than training;

(iii) A former member of the armed forces reserve or national guard who has fulfilled his or her initial military service obligation and was released with an honorable discharge;

(iv) A former member of the armed forces reserve or national guard who ((~~was released before their term ended and was released with an honorable discharge~~)) does not have over one hundred seventy-nine days of active duty service, but meets the federal definition of a veteran having completed twenty years of service.

(b) At the discretion of the county legislative authority and in consultation with the veterans' advisory board, counties may expand eligibility for the veterans assistance fund as the county determines necessary, which may include serving veterans with additional discharge characterizations.

(6) "Veterans' advisory board" means a board established by a county legislative authority under the authority of RCW 73.08.035.

(7) "Veterans' assistance fund" means an account in the custody of the county auditor, or the chief financial officer in a county operating under a charter, that is funded by taxes levied under the authority of RCW 73.08.080.

(8) "Veterans' assistance program" means a program approved by the county legislative authority under the authority of RCW 73.08.010 that is fully or partially funded by the veterans' assistance fund authorized by RCW 73.08.080.

NEW SECTION. **Sec. 10.** The following sections are decodified:

(1) RCW 43.60A.901 (Transfer of property, records, funds, assets of agencies whose functions are transferred to department);

(2) RCW 43.60A.902 (Rules and regulations, pending business, contracts, of agencies whose functions are transferred to department to be continued—Savings); and

(3) RCW 43.60A.905 (Savings—1975-'76 2nd ex.s. c 115).

Passed by the Senate April 17, 2017.
Passed by the House April 7, 2017.
Approved by the Governor May 4, 2017.
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CHAPTER 186

[Substitute Senate Bill 5404]

SUNSCREEN--SCHOOLS

AN ACT Relating to sunscreen in schools; amending RCW 28A.210.260; adding a new section to chapter 28A.210 RCW; creating new sections; and declaring an emergency.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.210 RCW to read as follows:

(1) Any person, including students, parents, and school personnel, may possess topical sunscreen products to help prevent sunburn while on school property, at a school-related event or activity, or at summer camp. As excepted in RCW 28A.210.260, a sunscreen product may be possessed and applied under this section without the prescription or note of a licensed health care professional if the product is regulated by the United States food and drug administration for over-the-counter use. For student use, a sunscreen product must be supplied by a parent or guardian.

(2) Schools are encouraged to educate students about sun safety guidelines.

(3) Nothing in this section requires school personnel to assist students in applying sunscreen.

(4) As used in this section, "school" means a public school, school district, educational service district, or private school with any of grades kindergarten through twelve.

Sec. 2. RCW 28A.210.260 and 2013 c 180 s 1 are each amended to read as follows:

Public school districts and private schools which conduct any of grades kindergarten through the twelfth grade may provide for the administration of oral medication, topical medication, eye drops, ear drops, or nasal spray, of any nature to students who are in the custody of the school district or school at the time of administration, but are not required to do so by this section, subject to the following conditions:

(1) The board of directors of the public school district or the governing board of the private school or, if none, the chief administrator of the private school shall adopt policies which address the designation of employees who may administer oral medications, topical medications, eye drops, ear drops, or nasal spray to students, the acquisition of parent requests and instructions, and the acquisition of requests from licensed health professionals prescribing within the scope of their prescriptive authority and instructions regarding students who require medication for more than fifteen consecutive school days, the identification of the medication to be administered, the means of safekeeping medications with special attention given to the safeguarding of legend drugs as

defined in chapter 69.41 RCW, and the means of maintaining a record of the administration of such medication;

(2) The board of directors shall seek advice from one or more licensed physicians or nurses in the course of developing the foregoing policies;

(3) The public school district or private school is in receipt of a written, current and unexpired request from a parent, or a legal guardian, or other person having legal control over the student to administer the medication to the student;

(4) The public school district or the private school is in receipt of (a) a written, current and unexpired request from a licensed health professional prescribing within the scope of his or her prescriptive authority for administration of the medication, as there exists a valid health reason which makes administration of such medication advisable during the hours when school is in session or the hours in which the student is under the supervision of school officials, and (b) written, current and unexpired instructions from such licensed health professional prescribing within the scope of his or her prescriptive authority regarding the administration of prescribed medication to students who require medication for more than fifteen consecutive workdays;

(5) The medication is administered by an employee designated by or pursuant to the policies adopted pursuant to subsection (1) of this section and in substantial compliance with the prescription of a licensed health professional prescribing within the scope of his or her prescriptive authority or the written instructions provided pursuant to subsection (4) of this section. If a school nurse is on the premises, a nasal spray that is a legend drug or a controlled substance must be administered by the school nurse. If no school nurse is on the premises, a nasal spray that is a legend drug or a controlled substance may be administered by a trained school employee or parent-designated adult who is not a school nurse. The board of directors shall allow school personnel, who have received appropriate training and volunteered for such training, to administer a nasal spray that is a legend drug or a controlled substance. After a school employee who is not a school nurse administers a nasal spray that is a legend drug or a controlled substance, the employee shall summon emergency medical assistance as soon as practicable;

(6) The medication is first examined by the employee administering the same to determine in his or her judgment that it appears to be in the original container and to be properly labeled; and

(7) The board of directors shall designate a professional person licensed pursuant to chapter 18.71 RCW or chapter 18.79 RCW as it applies to registered nurses and advanced registered nurse practitioners, to delegate to, train, and supervise the designated school district personnel in proper medication procedures;

(8)(a) For the purposes of this section, "parent-designated adult" means a volunteer, who may be a school district employee, who receives additional training from a health care professional or expert in epileptic seizure care selected by the parents, and who provides care for the child consistent with the individual health plan.

(b) To be eligible to be a parent-designated adult, a school district employee not licensed under chapter 18.79 RCW must file, without coercion by the employer, a voluntary written, current, and unexpired letter of intent stating the employee's willingness to be a parent-designated adult. If a school employee

who is not licensed under chapter 18.79 RCW chooses not to file a letter under this section, the employee shall not be subject to any employer reprisal or disciplinary action for refusing to file a letter;

(9) The board of directors shall designate a professional person licensed under chapter 18.71, 18.57, or 18.79 RCW as it applies to registered nurses and advanced registered nurse practitioners, to consult and coordinate with the student's parents and health care provider, and train and supervise the appropriate school district personnel in proper procedures for care for students with epilepsy to ensure a safe, therapeutic learning environment. Training may also be provided by an epilepsy educator who is nationally certified. Parent-designated adults who are school employees are required to receive the training provided under this subsection. Parent-designated adults who are not school employees must show evidence of comparable training. The parent-designated adult must also receive additional training as established in subsection (8)(a) of this section for the additional care the parents have authorized the parent-designated adult to provide. The professional person designated under this subsection is not responsible for the supervision of the parent-designated adult for those procedures that are authorized by the parents;

(10) This section does not apply to topical sunscreen products regulated by the United States food and drug administration for over-the-counter use. Provisions related to possession and application of topical sunscreen products are in section 1 of this act.

NEW SECTION. **Sec. 3.** This act does not create any civil liability on the part of the state or any state agency, officer, employee, agent, political subdivision, or school district.

NEW SECTION. **Sec. 4.** This act may be known and cited as the student sun safety education act.

NEW SECTION. **Sec. 5.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate April 17, 2017.
Passed by the House April 10, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 187

[Substitute Senate Bill 5644]

COOPERATIVE SKILL CENTERS--FACILITY MAINTENANCE--ACCOUNTING

AN ACT Relating to skill center facility maintenance; and creating a new section.

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

NEW SECTION. **Sec. 1.** A host district of a cooperative skill center must maintain a separate minor repair and maintenance capital account for facilities constructed or renovated with state funding. Participating school districts must make annual deposits into the account to pay for future minor repair and maintenance costs of those facilities. The host district has authority to collect those deposits by charging participating districts an annual per-pupil facility fee.

Passed by the Senate April 17, 2017.
Passed by the House April 7, 2017.
Approved by the Governor May 4, 2017.
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CHAPTER 188

[Senate Bill 5661]

VETERANS--LEOFF 2--INTERUPTIVE SERVICE CREDIT--STUDY

AN ACT Relating to interruptive service credit for members of the law enforcement officers' and firefighters' retirement system; and adding a new section to chapter 41.26 RCW.

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

NEW SECTION. **Sec. 1.** The law enforcement officers' and firefighters' plan 2 retirement board shall study the requirement that members of plan 2 that are veterans make member contributions to the retirement plan for service credit in cases where the member left employment to serve during a specific conflict, but was not awarded a campaign badge or medal. The conflicts include: The crisis in Lebanon, the invasion of Grenada, Operation Just Cause in Panama, Operation Restore Hope in Somalia, Operation Uphold Democracy in Haiti, Operation Joint Endeavor in Bosnia, Operation Noble Eagle, Operation Enduring Freedom in Southern or Central Asia, and Operation Iraqi Freedom. The board shall work with the department of retirement systems and the military department to estimate the number of additional members that could become eligible for service credit without contributions, estimate the number of members that may be eligible for refunds if such a policy extended to past service credit purchases, and estimate the costs to the plan that would result from such policy changes. The board shall report the findings of the study to the appropriate committees of the legislature by January 1, 2018.

NEW SECTION. **Sec. 2.** Section 1 of this act is added to chapter 41.26 RCW, but because of its temporary nature, shall not be codified.

Passed by the Senate April 17, 2017.
Passed by the House April 7, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 189

[Senate Bill 5662]

PROFESSIONAL EDUCATOR STANDARDS BOARD--SUPERINTENDENT MEMBERSHIP--DESIGNEE

AN ACT Relating to professional educator standards board membership; and amending RCW 28A.410.200.

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

Sec. 1. RCW 28A.410.200 and 2009 c 531 s 2 are each amended to read as follows:

(1)(a) The Washington professional educator standards board is created, consisting of twelve members to be appointed by the governor to four-year terms

and the superintendent of public instruction or the superintendent's designee. On August 1, 2009, the board shall be reduced to twelve members.

(b) Vacancies on the board shall be filled by appointment or reappointment by the governor to terms of four years.

(c) No person may serve as a member of the board for more than two consecutive full four-year terms.

(d) The governor shall biennially appoint the chair of the board. No board member may serve as chair for more than four consecutive years.

(2) A majority of the members of the board shall be active practitioners with the majority being classroom based. Membership on the board shall include individuals having one or more of the following:

(a) Experience in one or more of the education roles for which state preparation program approval is required and certificates issued;

(b) Experience providing or leading a state-approved teacher or educator preparation program;

(c) Experience providing mentoring and coaching to education professionals or others; and

(d) Education-related community experience.

(3) In appointing board members, the governor shall consider the individual's commitment to quality education and the ongoing improvement of instruction, experiences in the public schools or private schools, involvement in developing quality teaching preparation and support programs, and vision for the most effective yet practical system of assuring teaching quality. The governor shall also consider the diversity of the population of the state.

(4) All appointments to the board made by the governor are subject to confirmation by the senate.

(5) Each member of the board shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for travel expenses incurred in carrying out the duties of the board in accordance with RCW 43.03.050 and 43.03.060.

(6) The governor may remove a member of the board for neglect of duty, misconduct, malfeasance or misfeasance in office, or for incompetency or unprofessional conduct as defined in chapter 18.130 RCW. In such a case, the governor shall file with the secretary of state a statement of the causes for and the order of removal from office, and the secretary of state shall send a certified copy of the statement of causes and order of removal to the last known post office address of the member.

(7) Members of the board shall hire an executive director and an administrative assistant to reside in the office of the superintendent of public instruction for administrative purposes only.

(8) Members of the board may create informal advisory groups as needed to inform the board's work.

Passed by the Senate March 8, 2017.

Passed by the House April 10, 2017.

Approved by the Governor May 4, 2017.

Filed in Office of Secretary of State May 4, 2017.

CHAPTER 190

[Engrossed Senate Bill 5665]

BEER, SPIRITS, AND WINE DISTRIBUTORS--CREDIT CARD FEES

AN ACT Relating to the use of credit cards for purchases of beer, spirits, and wine by the purchaser licensed to sell beer, spirits, and/or wine for consumption on the licensed premises; and amending RCW 66.28.270.

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

Sec. 1. RCW 66.28.270 and 2009 c 373 s 11 are each amended to read as follows:

(1) Nothing in this chapter prohibits the use of checks, credit or debit cards, prepaid accounts, electronic funds transfers, and other similar methods as approved by the board, as cash payments for purposes of this title. Electronic ((~~fund[s]~~)) funds transfers must be: (((~~(1)~~))) (a) Voluntary; (((~~(2)~~))) (b) conducted pursuant to a prior written agreement of the parties that includes a provision that the purchase be initiated by an irrevocable invoice or sale order before the time of delivery; (((~~(3)~~))) (c) initiated by the retailer, manufacturer, importer, or distributor no later than the first business day following delivery; and (((~~(4)~~))) (d) completed as promptly as is reasonably practical, and in no event((~~,~~)) later than five business days following delivery.

(2) Any person licensed as a distributor of beer, spirits, and/or wine may pass credit card fees on to a purchaser licensed to sell beer, spirits, and/or wine for consumption on the licensed premises, if the decision to use a credit card is entirely voluntary and the credit card fees are set out as a separate line item on the distributor's invoice. Nothing in this section requires the use of a credit card by any licensee. In establishing the fees to be passed on as authorized in this section a distributor must use the same method of determining or calculating such fees for all customers who elect to use a credit card when accepting delivery of beer, spirits and/or wine. The aggregate of all credit card fees passed on to customers by a distributor as authorized under this section during a calendar month, or such longer time as may be established by the board, may not exceed the aggregate of the fees imposed on that distributor by credit card issuers during that same time period.

Passed by the Senate April 17, 2017.
Passed by the House April 11, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 191

[Senate Bill 5778]

RESIDENT STUDENT STATUS--TRANSFERRED G.I. BILL BENEFITS--FEDERAL LAW

AN ACT Relating to modifying the definition of resident student to comply with the federal requirements established by the veterans access, choice, and accountability act of 2014; and amending RCW 28B.15.012.

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

Sec. 1. RCW 28B.15.012 and 2015 3rd sp.s. c 8 s 1 are each amended to read as follows:

Whenever used in this chapter:

(1) The term "institution" shall mean a public university, college, or community or technical college within the state of Washington.

(2) The term "resident student" shall mean:

(a) A financially independent student who has had a domicile in the state of Washington for the period of one year immediately prior to the time of commencement of the first day of the semester or quarter for which the student has registered at any institution and has in fact established a bona fide domicile in this state primarily for purposes other than educational;

(b) A dependent student, if one or both of the student's parents or legal guardians have maintained a bona fide domicile in the state of Washington for at least one year immediately prior to commencement of the semester or quarter for which the student has registered at any institution;

(c) A student classified as a resident based upon domicile by an institution on or before May 31, 1982, who was enrolled at a state institution during any term of the 1982-1983 academic year, so long as such student's enrollment (excepting summer sessions) at an institution in this state is continuous;

(d) Any student who has spent at least seventy-five percent of both his or her junior and senior years in high schools in this state, whose parents or legal guardians have been domiciled in the state for a period of at least one year within the five-year period before the student graduates from high school, and who enrolls in a public institution of higher education within six months of leaving high school, for as long as the student remains continuously enrolled for three quarters or two semesters in any calendar year;

(e) Any person who has completed the full senior year of high school and obtained a high school diploma, both at a Washington public high school or private high school approved under chapter 28A.195 RCW, or a person who has received the equivalent of a diploma; who has lived in Washington for at least three years immediately prior to receiving the diploma or its equivalent; who has continuously lived in the state of Washington after receiving the diploma or its equivalent and until such time as the individual is admitted to an institution of higher education under subsection (1) of this section; and who provides to the institution an affidavit indicating that the individual will file an application to become a permanent resident at the earliest opportunity the individual is eligible to do so and a willingness to engage in any other activities necessary to acquire citizenship, including but not limited to citizenship or civics review courses;

(f) Any person who has lived in Washington, primarily for purposes other than educational, for at least one year immediately before the date on which the person has enrolled in an institution, and who holds lawful nonimmigrant status pursuant to 8 U.S.C. Sec. (a)(15) (E)(iii), (H)(i), or (L), or who holds lawful nonimmigrant status as the spouse or child of a person having nonimmigrant status under one of those subsections, or who, holding or having previously held such lawful nonimmigrant status as a principal or derivative, has filed an application for adjustment of status pursuant to 8 U.S.C. Sec. 1255(a);

(g) A student who is on active military duty stationed in the state or who is a member of the Washington national guard;

(h) A student who is on active military duty or a member of the national guard who entered service as a Washington resident and who has maintained Washington as his or her domicile but is not stationed in the state;

(i) A student who is the spouse or a dependent of a person who is on active military duty or a member of the national guard who entered service as a Washington resident and who has maintained Washington as his or her domicile but is not stationed in the state. If the person on active military duty is reassigned out-of-state, the student maintains the status as a resident student so long as the student is continuously enrolled in a degree program;

(j) A student who is entitled to transferred federal post-9/11 veterans educational assistance act of 2008 (38 U.S.C. Sec. 3301 et seq.) benefits based on the student's relationship as a spouse, former spouse, or child to an individual who is on active duty in the uniformed services;

(k) A student who resides in the state of Washington and is the spouse or a dependent of a person who is a member of the Washington national guard;

((~~(k)~~)) (l) A student who has separated from the uniformed services with any period of honorable service after at least ninety days of active duty service; is eligible for benefits under the federal all-volunteer force educational assistance program (38 U.S.C. Sec. 3001 et seq.), the federal post-9/11 veterans educational assistance act of 2008 (38 U.S.C. Sec. 3301 et seq.), or any other federal law authorizing educational assistance benefits for veterans; and enters an institution of higher education in Washington within three years of the date of separation;

((~~(l)~~)) (m) A student who is entitled to veterans administration educational assistance benefits based on the student's relationship as a spouse, former spouse, or child to an individual who has separated from the uniformed services with any period of honorable service after at least ninety days of active duty service, and who enters an institution of higher education in Washington within three years of the service member's date of separation;

((~~(m)~~)) (n) A student who is entitled to veterans administration educational assistance benefits based on the student's relationship with a deceased member of the uniformed services who ((~~completed at least ninety days of active duty service and~~)) died in the line of duty((~~, and the student enters an institution of higher education in Washington within three years of the service member's death~~));

((~~(n)~~)) (o) A student of an out-of-state institution of higher education who is attending a Washington state institution of higher education pursuant to a home tuition agreement as described in RCW 28B.15.725;

((~~(o)~~)) (p) A student who meets the requirements of RCW 28B.15.0131 or 28B.15.0139: PROVIDED, That a nonresident student enrolled for more than six hours per semester or quarter shall be considered as attending for primarily educational purposes, and for tuition and fee paying purposes only such period of enrollment shall not be counted toward the establishment of a bona fide domicile of one year in this state unless such student proves that the student has in fact established a bona fide domicile in this state primarily for purposes other than educational;

((~~(p)~~)) (q) A student who resides in Washington and is on active military duty stationed in the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington; or

((~~(q)~~)) (r) A student who resides in Washington and is the spouse or a dependent of a person who resides in Washington and is on active military duty stationed in the Oregon counties of Columbia, Gilliam, Hood River, Multnomah,

Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington. If the person on active military duty moves from Washington or is reassigned out of the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington, the student maintains the status as a resident student so long as the student resides in Washington and is continuously enrolled in a degree program.

(3)(a) A student who qualifies under subsection (2)(((~~(k), (l), or (m)~~))) (j), (l), (m), or (n) of this section and who remains continuously enrolled at an institution of higher education shall retain resident student status.

(b) Nothing in subsection (2)(((~~(k), (l), or (m)~~))) (j), (l), (m), or (n) of this section applies to students who have a dishonorable discharge from the uniformed services, or to students who are the spouse or child of an individual who has had a dishonorable discharge from the uniformed services, unless the student is receiving veterans administration educational assistance benefits.

(4) The term "nonresident student" shall mean any student who does not qualify as a "resident student" under the provisions of this section and RCW 28B.15.013. Except for students qualifying under subsection (2)(e) or (((~~(n)~~))) (o) of this section, a nonresident student shall include:

(a) A student attending an institution with the aid of financial assistance provided by another state or governmental unit or agency thereof, such nonresidency continuing for one year after the completion of such semester or quarter. This condition shall not apply to students from Columbia, Multnomah, Clatsop, Clackamas, or Washington county, Oregon participating in the border county pilot project under RCW 28B.76.685, 28B.76.690, and 28B.15.0139.

(b) A person who is not a citizen of the United States of America who does not have permanent or temporary resident status or does not hold "Refugee-Parolee" or "Conditional Entrant" status with the United States citizenship immigration services or is not otherwise permanently residing in the United States under color of law and who does not also meet and comply with all the applicable requirements in this section and RCW 28B.15.013.

(5) The term "domicile" shall denote a person's true, fixed and permanent home and place of habitation. It is the place where the student intends to remain, and to which the student expects to return when the student leaves without intending to establish a new domicile elsewhere. The burden of proof that a student, parent or guardian has established a domicile in the state of Washington primarily for purposes other than educational lies with the student.

(6) The term "dependent" shall mean a person who is not financially independent. Factors to be considered in determining whether a person is financially independent shall be set forth in rules adopted by the student achievement council and shall include, but not be limited to, the state and federal income tax returns of the person and/or the student's parents or legal guardian filed for the calendar year prior to the year in which application is made and such other evidence as the council may require.

(7) The term "active military duty" means the person is serving on active duty in:

(a) The armed forces of the United States government; or

(b) The Washington national guard; or

(c) The coast guard, merchant mariners, or other nonmilitary organization when such service is recognized by the United States government as equivalent to service in the armed forces.

(8) The term "active duty service" means full-time duty, other than active duty for training, as a member of the uniformed services of the United States. Active duty service as a national guard member under Title 32 U.S.C. for the purpose of organizing, administering, recruiting, instructing, or training and active service under 32 U.S.C. Sec. 502(f) for the purpose of responding to a national emergency is recognized as active duty service.

(9) The term "uniformed services" is defined by Title 10 U.S.C.; subsequently structured and organized by Titles 14, 33, and 42 U.S.C.; consisting of the United States army, United States marine corps, United States navy, United States air force, United States coast guard, United States public health service commissioned corps, and the national oceanic and atmospheric administration commissioned officer corps.

Passed by the Senate April 18, 2017.
Passed by the House April 10, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 192

[Senate Bill 5849]

VETERANS' SERVICES--RECRUITMENT PROGRAM--PEER-TO-PEER SUPPORT

AN ACT Relating to veterans' services; amending RCW 43.60A.100; adding a new section to chapter 43.41 RCW; adding a new section to chapter 43.60A RCW; and creating new sections.

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

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

(1) Veterans are national heroes who have made great sacrifices in their lives for the protection of our nation;

(2) Due to the relatively high number of military installations in our state, as well as the standard of living in our state, many veterans choose to live in Washington;

(3) Many veterans have a need for support services, including peer-to-peer counseling services. Some veterans need to talk about their experiences with combat, deployment, or other situations experienced during their time in the military. Often, there is no person better prepared to speak with a veteran about his or her experiences than another veteran;

(4) In 2009, the state of Texas created an award winning peer-to-peer counseling network, called the military veteran peer network. On a voluntary basis, veterans elect to receive specialized training about the facilitation of group counseling sessions. After receiving their training, the volunteers create peer-to-peer support groups in their local communities;

(5) Veterans living in Washington would benefit from a program that is similar to the military veteran peer network.

Sec. 2. RCW 43.60A.100 and 1991 c 55 s 1 are each amended to read as follows:

The department of veterans affairs, to the extent funds are made available, shall: (1) Contract with professional counseling specialists to provide a range of direct treatment services to ((~~war~~)) combat-affected state veterans and to those national guard and reservists who served in the Middle East, and their family members; (2) provide additional treatment services to Washington state Vietnam veterans for posttraumatic stress disorder, particularly for those veterans whose posttraumatic stress disorder has intensified or initially emerged due to ((~~the war~~)) combat in the Middle East; (3) provide an educational program designed to train primary care professionals, such as ((~~mental~~)) behavioral health professionals, about the effects of ((~~war~~)) combat-related stress and trauma; (4) provide informational and counseling services for the purpose of establishing and fostering peer-support networks throughout the state for families of deployed members of the reserves and the Washington national guard; (5) provide for veterans' families, a referral network of community mental health providers who are skilled in treating deployment stress, combat stress, and posttraumatic stress; and (6) offer training and support for volunteers interested in providing peer-to-peer support to other veterans.

NEW SECTION. **Sec. 3.** The legislature finds that:

(1) Washington state provides a stated preference for hiring veterans and provides a scoring preference for hiring and promotional opportunities to veterans in the form of enhanced test scores;

(2) Few agencies outside of law enforcement use tests in hiring or promotion;

(3) Veterans have experience that is broader than law enforcement and the state can benefit by recruiting people with this experience;

(4) Veterans leave service with experience in transportation, teaching and education, logistics, computer technology, health care, media and communications, construction and engineering, and administrative support;

(5) Many state agencies and other public employers are struggling to fill and retain employees in key positions;

(6) Many public and private employers have developed veteran hiring and recruitment programs that take advantage of the broad experience that veterans bring to the job market.

NEW SECTION. **Sec. 4.** A new section is added to chapter 43.41 RCW to read as follows:

(1) The office shall develop a military recruitment program that targets veterans and gives them credit for their knowledge, skills, and leadership abilities. In developing the program, the office shall consult with the department of enterprise services, department of veteran affairs, the state military transition council, the veterans employee resource group, and other interested stakeholders. Program development must include, but is not limited to, identifying: (a) Public and private military recruitment programs and ways those programs can be used in Washington; (b) similar military and state job classes and develop a system to provide veterans with experience credit for similar work; and (c) barriers to state employment and opportunities to better utilize veterans experience.

(2) The office shall report to the legislature with a draft plan by January 1, 2018, that includes draft bill language if necessary.

NEW SECTION. **Sec. 5.** A new section is added to chapter 43.60A RCW to read as follows:

By December 31, 2018, the department of veterans affairs must submit a report to the legislature on the veteran peer-to-peer training and support program authorized in section 2 of this act to determine the effectiveness of the program in meeting the needs of veterans in the state. The report must include the number of veterans receiving peer-to-peer support and the location of such support services; the number of veterans trained through the program to provide peer-to-peer support; and the types of training and support services provided by the program. The report must also include an analysis of peer-to-peer training and support programs developed by other states, as well as in the private and nonprofit sectors, in order to evaluate best practices for implementing and managing the veteran peer-to-peer training and support program authorized in section 2 of this act.

Passed by the Senate April 17, 2017.
Passed by the House April 11, 2017.
Approved by the Governor May 4, 2017.
Filed in Office of Secretary of State May 4, 2017.

CHAPTER 193

[Substitute House Bill 1043]

INSURANCE COMMISSIONER--NONPUBLIC PERSONAL HEALTH INFORMATION--CONFIDENTIALITY

AN ACT Relating to nonpublic personal health information; reenacting and amending RCW 42.56.400; and adding a new section to chapter 48.02 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 48.02 RCW to read as follows:

(1) All nonpublic personal health information obtained by, disclosed to, or in the custody of the commissioner, regardless of the form or medium, is confidential and is not subject to public disclosure under chapter 42.56 RCW. The commissioner shall not disclose nonpublic personal health information except in the furtherance of regulatory or legal action brought as a part of the commissioner's official duties.

(2) The following definitions apply only for the purposes of this section:

(a) "Health information" means any information or data, except age or gender, whether oral or recorded in any form or medium, created by or derived from a health care provider or a patient, or a policyholder or enrollee, that relates to:

(i) The past, present, or future physical, mental, or behavioral health or condition of an individual;

(ii) The provision of health care to an individual; or

(iii) Payment for the provision of health care to an individual.

(b) "Health care" means preventive, diagnostic, therapeutic, rehabilitative, maintenance, or palliative care, services, procedures, tests, or counseling that:

(i) Relates to the physical, mental, or behavioral condition of an individual;

(ii) Affects the structure or function of the human body or any part of the human body, including the banking of blood, sperm, organs, or any other tissue; or

(iii) Prescribes, dispenses, or furnishes to an individual drugs or biologicals, or medical devices or health care equipment and supplies.

(c) "Nonpublic personal health information" means health information:

(i) That identifies an individual who is the subject of the information; or

(ii) With respect to which there is a reasonable basis to believe that the information could be used to identify an individual.

(d) "Patient" means an individual who is receiving, has received, or has sought health care. The term includes a deceased individual who has received health care.

(e) "Policyholder" or "enrollee" means a person who is covered by, enrolled in, has applied for, or purchased, an insurance policy, a health plan as defined in RCW 48.43.005, a group plan, or any other product regulated by the insurance commissioner. "Policyholder" or "enrollee" may include, without limitation, a subscriber, member, annuitant, beneficiary, spouse, or dependent.

(3) The commissioner may:

(a) Share documents, materials, or other information, including the confidential documents, materials, or information subject to subsection (1) of this section, with (i) the national association of insurance commissioners and its affiliates and subsidiaries, and (ii) regulatory and law enforcement officials of this and other states and nations, the federal government, and international authorities, if the recipient agrees to maintain the confidentiality and privileged status of the document, material, or other information;

(b) Receive documents, materials, or information, including otherwise either confidential or privileged documents, materials, or information, from (i) the national association of insurance commissioners and its affiliates and subsidiaries, and (ii) regulatory and law enforcement officials of this and other states and nations, the federal government, and international authorities and must maintain as confidential or privileged any document, material, or information received that is either confidential or privileged, or both, under the laws of the jurisdiction that is the source of the document, material, or information; and

(c) Enter into agreements governing the sharing and use of information consistent with this subsection.

(4) No waiver of an existing claim of confidentiality or privilege in the documents, materials, or information may occur as a result of disclosure to the commissioner under this section or as a result of sharing as authorized in subsection (3) of this section.

(5) The commissioner shall add language in large font to the release consumers use when filing complaints with the office, whether on-line or in writing, informing them that the office may share their personal health information with other entities and for the purposes authorized under subsection (3) of this section, and that the information will only be shared if it is to be held confidential by the other entity. Consumers shall be provided the opportunity to opt out at the time of filing their complaint, indicating that their personal health information may not be shared under subsection (3) of this section.

Sec. 2. RCW 42.56.400 and 2016 c 142 s 20, 2016 c 142 s 19, and 2016 c 122 s 4 are each reenacted and amended to read as follows:

The following information relating to insurance and financial institutions is exempt from disclosure under this chapter:

(1) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110;

(2) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state purchased health care program by the authority, or transferred by the authority to a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW;

(3) The names and individual identification data of either all owners or all insureds, or both, received by the insurance commissioner under chapter 48.102 RCW;

(4) Information provided under RCW 48.30A.045 through 48.30A.060;

(5) Information provided under RCW 48.05.510 through 48.05.535, 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600 through 48.46.625;

(6) Examination reports and information obtained by the department of financial institutions from banks under RCW 30A.04.075, from savings banks under RCW 32.04.220, from savings and loan associations under RCW 33.04.110, from credit unions under RCW 31.12.565, from check cashers and sellers under RCW 31.45.030(3), and from securities brokers and investment advisers under RCW 21.20.100, all of which is confidential and privileged information;

(7) Information provided to the insurance commissioner under RCW 48.110.040(3);

(8) Documents, materials, or information obtained by the insurance commissioner under RCW 48.02.065, all of which are confidential and privileged;

(9) Documents, materials, or information obtained by the insurance commissioner under RCW 48.31B.015(2) (l) and (m), 48.31B.025, 48.31B.030, and 48.31B.035, all of which are confidential and privileged;

(10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and 7.70.140 that, alone or in combination with any other data, may reveal the identity of a claimant, health care provider, health care facility, insuring entity, or self-insurer involved in a particular claim or a collection of claims. For the purposes of this subsection:

(a) "Claimant" has the same meaning as in RCW 48.140.010(2).

(b) "Health care facility" has the same meaning as in RCW 48.140.010(6).

(c) "Health care provider" has the same meaning as in RCW 48.140.010(7).

(d) "Insuring entity" has the same meaning as in RCW 48.140.010(8).

(e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);

(11) Documents, materials, or information obtained by the insurance commissioner under RCW 48.135.060;

(12) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.060;

(13) Confidential and privileged documents obtained or produced by the insurance commissioner and identified in RCW 48.37.080;

(14) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.140;

(15) Documents, materials, or information obtained by the insurance commissioner under RCW 48.17.595;

(16) Documents, materials, or information obtained by the insurance commissioner under RCW 48.102.051(1) and 48.102.140 (3) and (7)(a)(ii);

(17) Documents, materials, or information obtained by the insurance commissioner in the commissioner's capacity as receiver under RCW 48.31.025 and 48.99.017, which are records under the jurisdiction and control of the receivership court. The commissioner is not required to search for, log, produce, or otherwise comply with the public records act for any records that the commissioner obtains under chapters 48.31 and 48.99 RCW in the commissioner's capacity as a receiver, except as directed by the receivership court;

(18) Documents, materials, or information obtained by the insurance commissioner under RCW 48.13.151;

(19) Data, information, and documents provided by a carrier pursuant to section 1, chapter 172, Laws of 2010;

(20) Information in a filing of usage-based insurance about the usage-based component of the rate pursuant to RCW 48.19.040(5)(b);

(21) Data, information, and documents, other than those described in RCW 48.02.210(2), that are submitted to the office of the insurance commissioner by an entity providing health care coverage pursuant to RCW 28A.400.275 and 48.02.210;

(22) Data, information, and documents obtained by the insurance commissioner under RCW 48.29.017;

(23) Information not subject to public inspection or public disclosure under RCW 48.43.730(5);

(24) Documents, materials, or information obtained by the insurance commissioner under chapter 48.05A RCW; ((~~and~~))

(25) Documents, materials, or information obtained by the insurance commissioner under RCW 48.74.025, 48.74.028, 48.74.100(6), 48.74.110(2) (b) and (c), and 48.74.120 to the extent such documents, materials, or information independently qualify for exemption from disclosure as documents, materials, or information in possession of the commissioner pursuant to a financial conduct examination and exempt from disclosure under RCW 48.02.065; and

(26) Nonpublic personal health information obtained by, disclosed to, or in the custody of the insurance commissioner, as provided in section 1 of this act.

Passed by the House April 20, 2017.

Passed by the Senate April 19, 2017.

Approved by the Governor May 5, 2017.

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CHAPTER 194

[Substitute House Bill 1273]

NONDOMICILED COMMERCIAL DRIVERS' LICENSES AND LEARNERS' PERMITS--FEDERAL STANDARDS

AN ACT Relating to the alignment of state statutes with federal standards for the issuance of nondomiciled commercial drivers' licenses and nondomiciled commercial learners' permits; amending RCW 46.25.010, 46.25.070, and 46.25.---; adding a new section to chapter 46.25 RCW; and providing effective dates.

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

Sec. 1. RCW 46.25.010 and 2013 c 224 s 3 are each amended to read as follows:

The definitions set forth in this section apply throughout this chapter.

(1) "Alcohol" means any substance containing any form of alcohol, including but not limited to ethanol, methanol, propanol, and isopropanol.

(2) "Alcohol concentration" means:

(a) The number of grams of alcohol per one hundred milliliters of blood; or

(b) The number of grams of alcohol per two hundred ten liters of breath.

(3) "Commercial driver's license" (CDL) means a license issued to an individual under chapter 46.20 RCW that has been endorsed in accordance with the requirements of this chapter to authorize the individual to drive a class of commercial motor vehicle.

(4) The "commercial driver's license information system" (CDLIS) is the information system established pursuant to 49 U.S.C. Sec. 31309 to serve as a clearinghouse for locating information related to the licensing and identification of commercial motor vehicle drivers.

(5) "Commercial learner's permit" (CLP) means a permit issued under RCW 46.25.052 for the purposes of behind-the-wheel training.

(6) "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle:

(a) Has a gross combination weight rating or gross combination weight of 11,794 kilograms or more (26,001 pounds or more), whichever is greater, inclusive of ((~~a [any]~~)) any towed unit ((~~[or units]~~)) or units with a gross vehicle weight rating or gross vehicle weight of more than 4,536 kilograms (10,000 pounds or more), whichever is greater; or

(b) Has a gross vehicle weight rating or gross vehicle weight of 11,794 kilograms or more (26,001 pounds or more), whichever is greater; or

(c) Is designed to transport sixteen or more passengers, including the driver; or

(d) Is of any size and is used in the transportation of hazardous materials as defined in this section; or

(e) Is a school bus regardless of weight or size.

(7) "Conviction" means an unvacated adjudication of guilt, or a determination that a person has violated or failed to comply with the law in a court of original jurisdiction or by an authorized administrative tribunal, an unvacated forfeiture of bail or collateral deposited to secure the person's appearance in court, a plea of guilty or nolo contendere accepted by the court, the payment of a fine or court cost, entry into a deferred prosecution program

under chapter 10.05 RCW, or violation of a condition of release without bail, regardless of whether or not the penalty is rebated, suspended, or probated.

(8) "Disqualification" means a prohibition against driving a commercial motor vehicle.

(9) "Drive" means to drive, operate, or be in physical control of a motor vehicle in any place open to the general public for purposes of vehicular traffic. For purposes of RCW 46.25.100, 46.25.110, and 46.25.120, "drive" includes operation or physical control of a motor vehicle anywhere in the state.

(10) "Drugs" are those substances as defined by RCW 69.04.009, including, but not limited to, those substances defined by 49 C.F.R. Sec. 40.3.

(11) "Employer" means any person, including the United States, a state, or a political subdivision of a state, who owns or leases a commercial motor vehicle, or assigns a person to drive a commercial motor vehicle.

(12) "Gross vehicle weight rating" (GVWR) means the value specified by the manufacturer as the maximum loaded weight of a single vehicle. The GVWR of a combination or articulated vehicle, commonly referred to as the "gross combined weight rating" or GCWR, is the GVWR of the power unit plus the GVWR of the towed unit or units. If the GVWR of any unit cannot be determined, the actual gross weight will be used. If a vehicle with a GVWR of less than 11,794 kilograms (26,001 pounds or less) has been structurally modified to carry a heavier load, then the actual gross weight capacity of the modified vehicle, as determined by RCW 46.44.041 and 46.44.042, will be used as the GVWR.

(13) "Hazardous materials" means any material that has been designated as hazardous under 49 U.S.C. Sec. 5103 and is required to be placarded under subpart F of 49 C.F.R. Part 172 or any quantity of a material listed as a select agent or toxin in 42 C.F.R. Part 73.

(14) "Motor vehicle" means a vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power used on highways, or any other vehicle required to be registered under the laws of this state, but does not include a vehicle, machine, tractor, trailer, or semitrailer operated exclusively on a rail.

(15) "Out-of-service order" means a declaration by an authorized enforcement officer of a federal, state, Canadian, Mexican, or local jurisdiction that a driver, a commercial motor vehicle, or a motor carrier operation is out-of-service pursuant to 49 C.F.R. Secs. 386.72, 392.5, 395.13, 396.9, or compatible laws, or the North American uniform out-of-service criteria.

(16) "Positive alcohol confirmation test" means an alcohol confirmation test that:

(a) Has been conducted by a breath alcohol technician under 49 C.F.R. Part 40; and

(b) Indicates an alcohol concentration of 0.04 or more.

A report that a person has refused an alcohol test, under circumstances that constitute the refusal of an alcohol test under 49 C.F.R. Part 40, will be considered equivalent to a report of a positive alcohol confirmation test for the purposes of this chapter.

(17) "School bus" means a commercial motor vehicle used to transport preprimary, primary, or secondary school students from home to school, from

school to home, or to and from school-sponsored events. School bus does not include a bus used as a common carrier.

(18) "Serious traffic violation" means:

(a) Excessive speeding, defined as fifteen miles per hour or more in excess of the posted limit;

(b) Reckless driving, as defined under state or local law;

(c) Driving while using a handheld wireless communications device [handheld mobile telephone], defined as a violation of RCW 46.61.667(1)(b) or an equivalent administrative rule or local law, ordinance, rule, or resolution;

(d) Texting, defined as a violation of RCW 46.61.668(1)(b) or an equivalent administrative rule or local law, ordinance, rule, or resolution;

(e) A violation of a state or local law relating to motor vehicle traffic control, other than a parking violation, arising in connection with an accident or collision resulting in death to any person;

(f) Driving a commercial motor vehicle without obtaining a commercial driver's license;

(g) Driving a commercial motor vehicle without a commercial driver's license in the driver's possession; however, any individual who provides proof to the court by the date the individual must appear in court or pay any fine for such a violation, that the individual held a valid CDL on the date the citation was issued, is not guilty of a "serious traffic violation";

(h) Driving a commercial motor vehicle without the proper class of commercial driver's license endorsement or endorsements for the specific vehicle group being operated or for the passenger or type of cargo being transported; and

(i) Any other violation of a state or local law relating to motor vehicle traffic control, other than a parking violation, that the department determines by rule to be serious.

(19) "State" means a state of the United States and the District of Columbia.

(20) "Substance abuse professional" means an alcohol and drug specialist meeting the credentials, knowledge, training, and continuing education requirements of 49 C.F.R. Sec. 40.281.

(21) "Tank vehicle" means any commercial motor vehicle that is designed to transport any liquid or gaseous materials within a tank or tanks having an individual rated capacity of more than one hundred nineteen gallons and an aggregate rated capacity of one thousand gallons or more that is either permanently or temporarily attached to the vehicle or the chassis. A commercial motor vehicle transporting an empty storage container tank, not designed for transportation, with a rated capacity of one thousand gallons or more that is temporarily attached to a flatbed trailer is not considered a tank vehicle.

(22) "Type of driving" means one of the following:

(a) "Nonexcepted interstate," which means the CDL or CLP holder or applicant operates or expects to operate in interstate commerce, is both subject to and meets the qualification requirements under 49 C.F.R. Part 391 as it existed on July 8, 2014, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, and is required to obtain a medical examiner's certificate under 49 C.F.R. Sec. 391.45 as it existed on July 8, 2014, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section;

(b) "Excepted interstate," which means the CDL or CLP holder or applicant operates or expects to operate in interstate commerce, but engages exclusively in transportation or operations excepted under 49 C.F.R. Secs. 390.3(f), 391.2, 391.68, or 398.3, as they existed on July 8, 2014, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, from all or parts of the qualification requirements of 49 C.F.R. Part 391 as it existed on July 8, 2014, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, and is therefore not required to obtain a medical examiner's certificate under 49 C.F.R. Sec. 391.45 as it existed on July 8, 2014, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section;

(c) "Nonexcepted intrastate," which means the CDL or CLP holder or applicant operates only in intrastate commerce and is therefore subject to state driver qualification requirements; or

(d) "Excepted intrastate," which means the CDL or CLP holder or applicant operates in intrastate commerce, but engages exclusively in transportation or operations excepted from all or parts of the state driver qualification requirements.

(23) "United States" means the fifty states and the District of Columbia.

(24) "Verified positive drug test" means a drug test result or validity testing result from a laboratory certified under the authority of the federal department of health and human services that:

(a) Indicates a drug concentration at or above the cutoff concentration established under 49 C.F.R. Sec. 40.87; and

(b) Has undergone review and final determination by a medical review officer.

A report that a person has refused a drug test, under circumstances that constitute the refusal of a federal department of transportation drug test under 49 C.F.R. Part 40, will be considered equivalent to a report of a verified positive drug test for the purposes of this chapter.

(25)(a) "Nondomiciled CLP or CDL" means a permit or license, respectively, issued under section 3 of this act to a person who meets one of the following criteria:

(i) Is domiciled in a foreign country as provided in 49 C.F.R. Sec. 383.23(b)(1) as it existed on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section; or

(ii) Is domiciled in another state as provided in 49 C.F.R. Sec. 383.23(b)(2) as it existed on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section.

(b) The definition in this subsection (25) applies exclusively to the use of the term in this chapter and is not to be applied in any other chapter of the Revised Code of Washington.

Sec. 2. RCW 46.25.070 and 2013 c 224 s 7 are each amended to read as follows:

(1) The application for a commercial driver's license or commercial learner's permit must include the following:

(a) The full name and current mailing and residential address of the person;

(b) A physical description of the person, including sex, height, weight, and eye color;

(c) Date of birth;

(d) Except in the case of an applicant for a nondomiciled CLP or CDL who is domiciled in a foreign country and who has not been issued a social security number, the applicant's social security number;

(e) The person's signature;

(f) Certifications including those required by 49 C.F.R. Sec. 383.71;

(g) The names of all states where the applicant has previously been licensed to drive any type of motor vehicle during the previous ten years;

(h) Any other information required by the department; and

(i) A consent to release driving record information to parties identified in chapter 46.52 RCW and this chapter.

(2) An applicant for a commercial driver's license or commercial learner's permit, and every licensee seeking to renew his or her license, must meet the requirements of 49 C.F.R. Sec. 383.71 as it existed on July 8, 2014, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section.

(3) An applicant for a hazardous materials endorsement must submit an application and comply with federal transportation security administration requirements as specified in 49 C.F.R. Part 1572.

(4) When a licensee changes his or her name, mailing address, or residence address, the person shall notify the department as provided in RCW 46.20.205.

(5) No person who has been a resident of this state for thirty days may drive a commercial motor vehicle under the authority of a commercial driver's license issued by another jurisdiction.

NEW SECTION. **Sec. 3.** A new section is added to chapter 46.25 RCW to read as follows:

(1) The department may issue a nondomiciled CLP or CDL to a person who meets one of the following criteria:

(a) Is domiciled in a foreign country as provided in 49 C.F.R. Sec. 383.23(b)(1) as it existed on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section; or

(b) Is domiciled in another state as provided in 49 C.F.R. Sec. 383.23(b)(2) as it existed on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section.

(2) A person applying for a nondomiciled CLP or CDL must:

(a) Surrender any nonresident or nondomiciled CLP or CDL issued by another state;

(b) Be in possession of a valid driver's license issued by this state or by his or her jurisdiction of domicile;

(c) Meet the requirements of 49 C.F.R. Sec. 383.71(f) as it existed on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section; and

(d) Be otherwise eligible and meet the applicable requirements for the issuance of a CLP or CDL under this chapter, including the payment of all appropriate fees.

(3) Before issuing a nondomiciled CLP or CDL, the department must establish the practical capability of disqualifying the person under the conditions applicable to a CLP or CDL issued to a resident of this state.

(4) A nondomiciled CLP or CDL issued under this section:

(a) Must be marked "non-domiciled" on the face of the document;

(b) Must include the information, be issued with the appropriate classifications, endorsements, and restrictions, and, except as may be limited under subsection (5) of this section, expire and be subject to renewal in the same manner as required for a CLP or CDL issued under this chapter;

(c) Permits operation of a commercial motor vehicle to the same extent as a CLP or CDL issued under this section; and

(d) Is valid only when accompanied by a valid driver's license issued by this state or by the person's jurisdiction of domicile.

(5) A nondomiciled CLP or CDL issued to an individual who has temporary lawful status or valid employment authorization in the United States:

(a) Is valid only when accompanied by an unexpired employment authorization document issued by the United States citizenship and immigration services or an unexpired foreign passport accompanied by an approved I-94 form documenting the applicant's most recent admittance into the United States;

(b) Must expire no later than the first anniversary of the individual's birthdate that occurs after the expiration of the individual's employment authorization document or authorized stay in the United States, or if there is no expiration date for the employment authorization or authorized stay, one year from the first anniversary of the individual's birthdate that occurs after issuance; and

(c) May be renewed if the individual presents valid documentary evidence that the employment authorization document or temporary lawful status in the United States is still in effect or has been extended.

(6) A person who has been issued a nondomiciled CLP or CDL:

(a) Is subject to all applicable requirements for and disqualifications from operating a commercial motor vehicle as provided under this chapter and is subject to the withdrawal of driving privileges as provided by this title; and

(b) Must notify the department of the issuance of any disqualifications or license suspensions or revocations, whether in the United States or in the person's jurisdiction of domicile.

Sec. 4. RCW 46.25.--- and 2017 c ... s 3 (section 3 of this act) are each amended to read as follows:

(1) The department may issue a nondomiciled CLP or CDL to a person who meets one of the following criteria:

(a) Is domiciled in a foreign country as provided in 49 C.F.R. Sec. 383.23(b)(1) as it existed on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section; or

(b) Is domiciled in another state as provided in 49 C.F.R. Sec. 383.23(b)(2) as it existed on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section.

(2) A person applying for a nondomiciled CLP or CDL must:

(a) Surrender any nonresident or nondomiciled CLP or CDL issued by another state;

(b) Be in possession of a valid driver's license issued by this state or by his or her jurisdiction of domicile;

(c) Meet the requirements of 49 C.F.R. Sec. 383.71(f) as it existed on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section; and

(d) Be otherwise eligible and meet the applicable requirements for the issuance of a CLP or CDL under this chapter, including the payment of all appropriate fees.

(3) Before issuing a nondomiciled CLP or CDL, the department must establish the practical capability of disqualifying the person under the conditions applicable to a CLP or CDL issued to a resident of this state.

(4) A nondomiciled CLP or CDL issued under this section:

(a) Must be marked "non-domiciled" on the face of the document;

(b) Must include the information, be issued with the appropriate classifications, endorsements, and restrictions, and, except as may be limited under subsection (5) of this section, expire and be subject to renewal in the same manner as required for a CLP or CDL issued under this chapter;

(c) Permits operation of a commercial motor vehicle to the same extent as a CLP or CDL issued under this section; and

(d) Is valid only when accompanied by a valid driver's license issued by this state or by the person's jurisdiction of domicile.

(5) A nondomiciled CLP or CDL issued to an individual who has temporary lawful status or valid employment authorization in the United States:

(a) Is valid only when accompanied by an unexpired employment authorization document issued by the United States citizenship and immigration services or an unexpired foreign passport accompanied by an approved I-94 form documenting the applicant's most recent admittance into the United States;

(b) Must expire no later than the ((~~first anniversary of the individual's birthdate that occurs after the~~)) expiration of the individual's employment authorization document or authorized stay in the United States, or if there is no expiration date for the employment authorization or authorized stay, one year from the ((~~first anniversary of the individual's birthdate that occurs after~~)) date of issuance; and

(c) May be renewed if the individual presents valid documentary evidence that the employment authorization document or temporary lawful status in the United States is still in effect or has been extended.

(6) A person who has been issued a nondomiciled CLP or CDL:

(a) Is subject to all applicable requirements for and disqualifications from operating a commercial motor vehicle as provided under this chapter and is subject to the withdrawal of driving privileges as provided by this title; and

(b) Must notify the department of the issuance of any disqualifications or license suspensions or revocations, whether in the United States or in the person's jurisdiction of domicile.

NEW SECTION. **Sec. 5.** Except for section 4 of this act, this act takes effect October 1, 2017.

NEW SECTION. **Sec. 6.** Section 4 of this act takes effect June 1, 2018.

Passed by the House April 17, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 195

[House Bill 1337]

INTERSTATE MEDICAL LICENSURE COMPACT

AN ACT Relating to the interstate medical licensure compact; amending RCW 43.70.250; adding a new section to chapter 42.56 RCW; adding a new chapter to Title 18 RCW; and prescribing penalties.

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

NEW SECTION. **Sec. 1.** PURPOSE. In order to strengthen access to health care, and in recognition of the advances in the delivery of health care, the member states of the interstate medical licensure compact have allied in common purpose to develop a comprehensive process that complements the existing licensing and regulatory authority of state medical boards, provides a streamlined process that allows physicians to become licensed in multiple states, thereby enhancing the portability of a medical license and ensuring the safety of patients. The compact creates another pathway for licensure and does not otherwise change a state's existing medical practice act. The compact also adopts the prevailing standard for licensure and affirms that the practice of medicine occurs where the patient is located at the time of the physician-patient encounter, and therefore, requires the physician to be under the jurisdiction of the state medical board where the patient is located. State medical boards that participate in the compact retain the jurisdiction to impose an adverse action against a license to practice medicine in that state issued to a physician through the procedures in the compact.

NEW SECTION. **Sec. 2.** DEFINITIONS. In this compact:

(1) "Bylaws" means those bylaws established by the interstate commission pursuant to section 11 of this act for its governance, or for directing and controlling its actions and conduct.

(2) "Commissioner" means the voting representative appointed by each member board pursuant to section 11 of this act.

(3) "Conviction" means a finding by a court that an individual is guilty of a criminal offense through adjudication, or entry of a plea of guilt or no contest to the charge by the offender. Evidence of an entry of a conviction of a criminal offense by the court shall be considered final for purposes of disciplinary action by a member board.

(4) "Expedited license" means a full and unrestricted medical license granted by a member state to an eligible physician through the process set forth in the compact.

(5) "Interstate commission" means the interstate commission created pursuant to section 11 of this act.

(6) "License" means authorization by a state for a physician to engage in the practice of medicine, which would be unlawful without the authorization.

(7) "Medical practice act" means laws and regulations governing the practice of allopathic and osteopathic medicine within a member state.

(8) "Member board" means a state agency in a member state that acts in the sovereign interests of the state by protecting the public through licensure, regulation, and education of physicians as directed by the state government.

(9) "Member state" means a state that has enacted the compact.

(10) "Offense" means a felony, gross misdemeanor, or crime of moral turpitude.

(11) "Physician" means any person who:

(a) Is a graduate of a medical school accredited by the liaison committee on medical education, the commission on osteopathic college accreditation, or a medical school listed in the international medical education directory or its equivalent;

(b) Passed each component of the United States medical licensing examination (USMLE) or the comprehensive osteopathic medical licensing examination (COMLEX-USA) within three attempts, or any of its predecessor examinations accepted by a state medical board as an equivalent examination for licensure purposes;

(c) Successfully completed graduate medical education approved by the accreditation council for graduate medical education or the American osteopathic association;

(d) Holds specialty certification or a time-unlimited specialty certificate recognized by the American board of medical specialties or the American osteopathic association bureau of osteopathic specialists;

(e) Possesses a full and unrestricted license to engage in the practice of medicine issued by a member board;

(f) Has never been convicted, received adjudication, deferred adjudication, community supervision, or deferred disposition for any offense by a court of appropriate jurisdiction;

(g) Has never held a license authorizing the practice of medicine subjected to discipline by a licensing agency in any state, federal, or foreign jurisdiction, excluding any action related to nonpayment of fees related to a license;

(h) Has never had a controlled substance license or permit suspended or revoked by a state or the United States drug enforcement administration; and

(i) Is not under active investigation by a licensing agency or law enforcement authority in any state, federal, or foreign jurisdiction.

(12) "Practice of medicine" means the clinical prevention, diagnosis, or treatment of human disease, injury, or condition requiring a physician to obtain and maintain a license in compliance with the medical practice act of a member state.

(13) "Rule" means a written statement by the interstate commission promulgated pursuant to section 12 of this act that is of general applicability, implements, interprets, or prescribes a policy or provision of the compact, or an organizational, procedural, or practice requirement of the interstate commission, and has the force and effect of statutory law in a member state, and includes the amendment, repeal, or suspension of an existing rule.

(14) "State" means any state, commonwealth, district, or territory of the United States.

(15) "State of principal license" means a member state where a physician holds a license to practice medicine and which has been designated as such by the physician for purposes of registration and participation in the compact.

NEW SECTION. **Sec. 3.** ELIGIBILITY. (1) A physician must meet the eligibility requirements as defined in section 2(11) of this act to receive an expedited license under the terms and provisions of the compact.

(2) A physician who does not meet the requirements of section 2(11) of this act may obtain a license to practice medicine in a member state if the individual complies with all laws and requirements, other than the compact, relating to the issuance of a license to practice medicine in that state.

NEW SECTION. **Sec. 4.** DESIGNATION OF STATE OF PRINCIPAL LICENSE. (1) A physician shall designate a member state as the state of principal license for purposes of registration for expedited licensure through the compact if the physician possesses a full and unrestricted license to practice medicine in that state, and the state is:

(a) The state of primary residence for the physician; or

(b) The state where at least twenty-five percent of the practice of medicine occurs; or

(c) The location of the physician's employer; or

(d) If no state qualifies under (a), (b), or (c) of this subsection, the state designated as state of residence for purpose of federal income tax.

(2) A physician may redesignate a member state as state of principal license at any time, as long as the state meets the requirements in subsection (1) of this section.

(3) The interstate commission is authorized to develop rules to facilitate redesignation of another member state as the state of principal license.

NEW SECTION. **Sec. 5.** APPLICATION AND ISSUANCE OF EXPEDITED LICENSURE. (1) A physician seeking licensure through the compact shall file an application for an expedited license with the member board of the state selected by the physician as the state of principal license.

(2) Upon receipt of an application for an expedited license, the member board within the state selected as the state of principal license shall evaluate whether the physician is eligible for expedited licensure and issue a letter of qualification, verifying or denying the physician's eligibility, to the interstate commission.

(a) Static qualifications which include verification of medical education, graduate medical education, results of any medical or licensing examination, and other qualifications as determined by the interstate commission through rule, shall not be subject to additional primary source verification where already primary source verified by the state of principal license.

(b) The member board within the state selected as the state of principal license shall, in the course of verifying eligibility, perform a criminal background check of an applicant, including the use of the results of fingerprint or other biometric data checks compliant with the requirements of the federal bureau of investigation, with the exception of federal employees who have suitability determination in accordance United States 5 C.F.R. § 731.202.

(c) Appeal on the determination of eligibility shall be made to the member state where the application was filed and shall be subject to the laws of that state.

(3) Upon verification in subsection (2) of this section, physicians eligible for an expedited license shall complete the registration process established by the interstate commission to receive a license in a member state selected pursuant to subsection (1) of this section, including the payment of any applicable fees.

(4) After receiving verification of eligibility under subsection (2) of this section and any fees under subsection (3) of this section, a member board shall issue an expedited license to the physician. This license shall authorize the physician to practice medicine in the issuing state consistent with the medical practice act and all applicable laws and regulations of the issuing member board and member state.

(5) An expedited license shall be valid for a period consistent with the licensure period in the member state and in the same manner as required for other physicians holding a full and unrestricted license within the member state.

(6) An expedited license obtained through the compact shall be terminated if a physician fails to maintain a license in the state of principal licensure for a nondisciplinary reason, without redesignation of a new state of principal licensure.

(7) The interstate commission is authorized to develop rules regarding the application process, including payment of any applicable fees, and the issuance of an expedited license.

NEW SECTION. **Sec. 6.** FEES FOR EXPEDITED LICENSURE. (1) A member state issuing an expedited license authorizing the practice of medicine in that state may impose a fee for a license issued or renewed through the compact.

(2) The interstate commission is authorized to develop rules regarding fees for expedited licenses.

NEW SECTION. **Sec. 7.** RENEWAL AND CONTINUED PARTICIPATION. (1) A physician seeking to renew an expedited license granted in a member state shall complete a renewal process with the interstate commission if the physician:

(a) Maintains a full and unrestricted license in a state of principal license;

(b) Has not been convicted, received adjudication, deferred adjudication, community supervision, or deferred disposition for any offense by a court of appropriate jurisdiction;

(c) Has not had a license authorizing the practice of medicine subject to discipline by a licensing agency in any state, federal, or foreign jurisdiction, excluding any action related to nonpayment of fees related to a license; and

(d) Has not had a controlled substance license or permit suspended or revoked by a state or the United States drug enforcement administration.

(2) Physicians shall comply with all continuing professional development or continuing medical education requirements for renewal of a license issued by a member state.

(3) The interstate commission shall collect any renewal fees charged for the renewal of a license and distribute the fees to the applicable member board.

(4) Upon receipt of any renewal fees collected in subsection (3) of this section, a member board shall renew the physician's license.

(5) Physician information collected by the interstate commission during the renewal process with be distributed to all member boards.

(6) The interstate commission is authorized to develop rules to address renewal of licenses obtained through the compact.

NEW SECTION. **Sec. 8.** COORDINATED INFORMATION SYSTEM. (1) The interstate commission shall establish a database of all physicians licensed, or who have applied for licensure, under section 5 of this act.

(2) Notwithstanding any other provision of law, member boards shall report to the interstate commission any public action or complaints against a licensed physician who has applied or received an expedited license through the compact.

(3) Member boards shall report disciplinary or investigatory information determined as necessary and proper by rule of the interstate commission.

(4) Member boards may report any nonpublic complaint, disciplinary, or investigatory information not required by subsection (3) of this section to the interstate commission.

(5) Member boards shall share complaint or disciplinary information about a physician upon request of another member board.

(6) All information provided to the interstate commission or distributed by member boards shall be confidential, filed under seal, and used only for investigatory or disciplinary matters.

(7) The interstate commission is authorized to develop rules for mandated or discretionary sharing of information by member boards.

NEW SECTION. **Sec. 9.** JOINT INVESTIGATIONS. (1) Licensure and disciplinary records of physicians are deemed investigative.

(2) In addition to the authority granted to a member board by its respective medical practice act or other applicable state law, a member board may participate with other member boards in joint investigations of physicians licensed by the member boards.

(3) A subpoena issued by a member state shall be enforceable in other member states.

(4) Member boards may share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the compact.

(5) Any member state may investigate actual or alleged violations of the statutes authorizing the practice of medicine in any other member state in which a physician holds a license to practice medicine.

NEW SECTION. **Sec. 10.** DISCIPLINARY ACTIONS. (1) Any disciplinary action taken by any member board against a physician licensed through the compact shall be deemed unprofessional conduct which may be subject to discipline by other member boards, in addition to any violation of the medical practice act or regulations in that state.

(2) If a license granted to a physician by the member board in the state of principal license is revoked, surrendered or relinquished in lieu of discipline, or suspended, then all licenses issued to the physician by member boards shall automatically be placed, without further action necessary by any member board, on the same status. If the member board in the state of principal license subsequently reinstates the physician's license, a license issued to the physician by any other member board shall remain encumbered until that respective member board takes action to reinstate the license in a manner consistent with the medical practice act of that state.

(3) If disciplinary action is taken against a physician by a member board not in the state of principal license, any other member board may deem the action conclusive as to matter of law and fact decided, and:

(a) Impose the same or lesser sanctions against the physician so long as such sanctions are consistent with the medical practice act of that state; or

(b) Pursue separate disciplinary action against the physician under its respective medical practice act, regardless of the action taken in other member states.

(4) If a license granted to a physician by a member board is revoked, surrendered or relinquished in lieu of discipline, or suspended, then any licenses issued to the physician by any other member boards shall be suspended, automatically and immediately without further action necessary by the other member boards, for ninety days upon entry of the order by the disciplining board, to permit the member boards to investigate the basis for the action under the medical practice act of that state. A member board may terminate the automatic suspension of the license it issued prior to the completion of the ninety day suspension period in a manner consistent with the medical practice act of that state.

NEW SECTION. **Sec. 11.** INTERSTATE MEDICAL LICENSURE COMPACT COMMISSION. (1) The member states hereby create the "interstate medical licensure compact commission."

(2) The purpose of the interstate commission is the administration of the interstate medical licensure compact, which is a discretionary state function.

(3) The interstate commission shall be a body corporate and joint agency of the member states and shall have all the responsibilities, powers, and duties set forth in the compact, and such additional powers as may be conferred upon it by a subsequent concurrent action of the respective legislatures of the member states in accordance with the terms of the compact.

(4) The interstate commission shall consist of two voting representatives appointed by each member state who shall serve as commissioners. In states where allopathic and osteopathic physicians are regulated by separate member boards, or if the licensing and disciplinary authority is split between multiple member boards within a member state, the member state shall appoint one representative from each member board. A commissioner shall be:

(a) An allopathic or osteopathic physician appointed to a member board;

(b) An executive director, executive secretary, or similar executive of a member board; or

(c) A member of the public appointed to a member board.

(5) The interstate commission shall meet at least once each calendar year. A portion of this meeting shall be a business meeting to address such matters as may properly come before the commission, including the election of officers. The chairperson may call additional meetings and shall call for a meeting upon the request of a majority of the member states.

(6) The bylaws may provide for meetings of the interstate commission to be conducted by telecommunication or electronic communication.

(7) Each commissioner participating at a meeting of the interstate commission is entitled to one vote. A majority of commissioners shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the interstate commission. A commissioner shall not delegate a

vote to another commissioner. In the absence of its commissioner, a member state may delegate voting authority for a specified meeting to another person from that state who shall meet the requirements of subsection (4) of this section.

(8) The interstate commission shall provide public notice of all meetings and all meetings shall be open to the public. The interstate commission may close a meeting, in full or in portion, where it determines by a two-thirds vote of the commissioners present that an open meeting would be likely to:

(a) Relate solely to the internal personnel practices and procedures of the interstate commission;

(b) Discuss matters specifically exempted from disclosure by federal statute;

(c) Discuss trade secrets, commercial, or financial information that is privileged or confidential;

(d) Involve accusing a person of a crime, or formally censuring a person;

(e) Discuss information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(f) Discuss investigative records compiled for law enforcement purposes; or

(g) Specifically relate to the participation in a civil action or other legal proceeding.

(9) The interstate commission shall keep minutes which shall fully describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, including record of any roll call votes.

(10) The interstate commission shall make its information and official records, to the extent not otherwise designated in the compact or by its rules, available to the public for inspection.

(11) The interstate commission shall establish an executive committee, which shall include officers, members, and others as determined by the bylaws. The executive committee shall have the power to act on behalf of the interstate commission, with the exception of rule making, during periods when the interstate commission is not in session. When acting on behalf of the interstate commission, the executive committee shall oversee the administration of the compact including enforcement and compliance with the provisions of the compact, its bylaws and rules, and other such duties as necessary.

(12) The interstate commission may establish other committees for governance and administration of the compact.

NEW SECTION. **Sec. 12.** POWERS AND DUTIES OF THE INTERSTATE COMMISSION. The interstate commission shall have the duty and power to:

(1) Oversee and maintain the administration of the compact;

(2) Promulgate rules which shall be binding to the extent and in the manner provided for in the compact;

(3) Issue, upon the request of a member state or member board, advisory opinions concerning the meaning or interpretation of the compact, its bylaws, rules, and actions;

(4) Enforce compliance with compact provisions, the rules promulgated by the interstate commission, and the bylaws, using all necessary and proper means including, but not limited to, the use of judicial process;

(5) Establish and appoint committees including, but not limited to, an executive committee as required by section 11 of this act, which shall have the

power to act on behalf of the interstate commission in carrying out its powers and duties;

(6) Pay, or provide for the payment of the expenses related to the establishment, organization, and ongoing activities of the interstate commission;

(7) Establish and maintain one or more offices;

(8) Borrow, accept, hire, or contract for services of personnel;

(9) Purchase and maintain insurance and bonds;

(10) Employ an executive director who shall have such powers to employ, select or appoint employees, agents, or consultants, and to determine their qualifications define their duties, and fix their compensation;

(11) Establish personnel policies and programs relating to conflicts of interest, rates of compensation, and qualifications of personnel;

(12) Accept donations and grants of money, equipment, supplies, materials and services, and to receive, utilize, and dispose of it in a manner consistent with the conflict of interest policies established by the interstate commission;

(13) Lease, purchase, accept contributions or donations of, or otherwise to own, hold, improve or use, any property, real, personal, or mixed;

(14) Sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed;

(15) Establish a budget and make expenditures;

(16) Adopt a seal and bylaws governing the management and operation of the interstate commission;

(17) Report annually to the legislatures and governors of the member states concerning the activities of the interstate commission during the preceding year. Such reports shall also include reports of financial audits and any recommendations that may have been adopted by the interstate commission;

(18) Coordinate education, training, and public awareness regarding the compact, its implementation, and its operation;

(19) Maintain records in accordance with the bylaws;

(20) Seek and obtain trademarks, copyrights, and patents; and

(21) Perform such functions as may be necessary or appropriate to achieve the purposes of the compact.

NEW SECTION. **Sec. 13.** FINANCE POWERS. (1) The interstate commission may levy on and collect an annual assessment from each member state to cover the cost of the operations and activities of the interstate commission and its staff. The total assessment must be sufficient to cover the annual budget approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated upon a formula to be determined by the interstate commission, which shall promulgate a rule binding upon all member states.

(2) The interstate commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same.

(3) The interstate commission shall not pledge the credit of any of the member states, except by, and with the authority of, the member state.

(4) The interstate commission shall be subject to a yearly financial audit conducted by a certified or licensed public accountant and the report of the audit shall be included in the annual report of the interstate commission.

NEW SECTION. **Sec. 14.** ORGANIZATION AND OPERATION OF THE INTERSTATE COMMISSION. (1) The interstate commission shall, by a majority of commissioners present and voting, adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes of the compact within twelve months of the first interstate commission meeting.

(2) The interstate commission shall elect or appoint annually from among its commissioners a chair, a vice-chair, and a treasurer, each of whom shall have such authority and duties as may be specified in the bylaws. The chair, or in the chair's absence or disability, the vice-chair, shall preside at all meetings of the interstate commission.

(3) Officers selected in subsection (2) of this section shall serve without renumeration from the interstate commission.

(4) The officers and employees of the interstate commission shall be immune from suit and liability, either personally or in their official capacity, for a claim for damage to or loss of property or personal injury or other civil liability caused or arising out of, or relating to, an actual or alleged act, error, or omission that occurred, or that such person had a reasonable basis for believing occurred, within the scope of interstate commission employment, duties, or responsibilities, provided that such person shall not be protected from suit or liability for damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of such person.

(a) The liability of the executive director and employees of the interstate commission or representatives of the interstate commission, acting within the scope of such person's employment or duties for acts, errors, or omissions occurring within such person's state, may not exceed the limits of liability set forth under the Constitution and laws of that state for state officials, employees, and agents. The interstate commission is considered to be an instrumentality of the states for the purposes of any such action. Nothing in this subsection shall be construed to protect such person from suit or liability for damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of such person.

(b) The interstate commission shall defend the executive director, its employees, and subject to the approval of the attorney general or other appropriate legal counsel of the member state represented by an interstate commission representative, shall defend such interstate commission representative in any civil action seeking to impose liability arising out of an actual or alleged act, error, or omission that occurred within the scope of interstate commission employment, duties, or responsibilities, or that the defendant had a reasonable basis for believing occurred within the scope of interstate commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such person.

(c) To the extent not covered by the state involved, member state, or the interstate commission, the representatives or employees of the interstate commission shall be held harmless in the amount of a settlement or judgment, including attorneys' fees and costs, obtained against such persons arising out of an actual or alleged act, error, or omission that occurred within the scope of interstate commission employment, duties, or responsibilities, or that such persons had a reasonable basis for believing occurred within the scope of

interstate commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such persons.

NEW SECTION. **Sec. 15.** RULE-MAKING FUNCTIONS OF THE INTERSTATE COMMISSION. (1) The interstate commission shall promulgate reasonable rules in order to effectively and efficiently achieve the purposes of the compact. Notwithstanding the foregoing, in the event the interstate commission exercises its rule-making authority in a manner that is beyond the scope of the purposes of the compact, or the powers granted hereunder, then such an action by the interstate commission shall be invalid and have no force or effect.

(2) Rules deemed appropriate for the operations of the interstate commission shall be made pursuant to a rule-making process that substantially conforms to the "model state administrative procedure act" of 2010, and subsequent amendments thereto.

(3) Not later than thirty days after a rule is promulgated, any person may file a petition for judicial review of the rule in the United States district court for the District of Columbia or the federal district where the interstate commission has its principal offices, provided that the filing of such a petition shall not stay or otherwise prevent the rule from becoming effective unless the court finds that the petitioner has a substantial likelihood of success. The court shall give deference to the actions of the interstate commission consistent with applicable law and shall not find the rule to be unlawful if the rule represents a reasonable exercise of the authority granted to the interstate commission.

NEW SECTION. **Sec. 16.** OVERSIGHT OF INTERSTATE COMPACT. (1) The executive, legislative, and judicial branches of state government in each member state shall enforce the compact and shall take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of the compact and the rules promulgated hereunder shall have standing as statutory law but shall not override existing state authority to regulate the practice of medicine.

(2) All courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject manner of the compact which may affect the powers, responsibilities, or actions of the interstate commission.

(3) The interstate commission shall be entitled to receive all service of process in any such proceeding, and shall have standing to intervene in the proceeding for all purposes. Failure to provide service of process to the interstate commission shall render a judgment or order void as to the interstate commission, the compact, or promulgated rules.

NEW SECTION. **Sec. 17.** ENFORCEMENT OF INTERSTATE COMPACT. (1) The interstate commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of the compact.

(2) The interstate commission may, by majority vote of the commissioners, initiate legal action in the United States district court for the District of Columbia, or, at the discretion of the interstate commission, in the federal district where the interstate commission has its principal offices, to enforce compliance with the provisions of the compact, and its promulgated rules and bylaws,

against a member state in default. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation including reasonable attorneys' fees.

(3) The remedies herein shall not be the exclusive remedies of the interstate commission. The interstate commission may avail itself of any other remedies available under state law or the regulation of a profession.

NEW SECTION. **Sec. 18.** DEFAULT PROCEDURES. (1) The grounds for default include, but are not limited to, failure of a member state to perform such obligations or responsibilities imposed upon it by the compact, or the rules and bylaws of the interstate commission promulgated under the compact.

(2) If the interstate commission determines that a member state has defaulted in the performance of its obligations or responsibilities under the compact, or the bylaws or promulgated rules, the interstate commission shall:

(a) Provide written notice to the defaulting state and other member states, of the nature of the default, the means of curing the default, and any action taken by the interstate commission. The interstate commission shall specify the conditions by which the defaulting state must cure its default; and

(b) Provide remedial training and specific technical assistance regarding the default.

(3) If the defaulting state fails to cure the default, the defaulting state shall be terminated from the compact upon an affirmative vote of a majority of the commissioners and all rights, privileges, and benefits conferred by the compact shall terminate on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of the default.

(4) Termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to terminate shall be given by the interstate commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.

(5) The interstate commission shall establish rules and procedures to address licenses and physicians that are materially impacted by the termination of a member state, or the withdrawal of a member state.

(6) The member state which has been terminated is responsible for all dues, obligations, and liabilities incurred through the effective date of termination including obligations, the performance of which extends beyond the effective date of termination.

(7) The interstate commission shall not bear any costs relating to any state that has been found to be in default or which has been terminated from the compact, unless otherwise mutually agreed upon in writing between the interstate commission and the defaulting state.

(8) The defaulting state may appeal the action of the interstate commission by petitioning the United States district court for the District of Columbia or the federal district where the interstate commission has its principal offices. The prevailing party shall be awarded all costs of such litigation including reasonable attorneys' fees.

NEW SECTION. **Sec. 19.** DISPUTE RESOLUTION. (1) The interstate commission shall attempt, upon the request of a member state, to resolve disputes which are subject to the compact and which may arise among member states or member boards.

(2) The interstate commission shall promulgate rules providing for both mediation and binding dispute resolution as appropriate.

NEW SECTION. **Sec. 20.** MEMBER STATES, EFFECTIVE DATE, AND AMENDMENT. (1) Any state is eligible to become a member state of the compact.

(2) The compact shall become effective and binding upon legislative enactment of the compact into law by no less than seven states. Thereafter, it shall become effective and binding on a state upon enactment of the compact into law by that state.

(3) The governors of nonmember states, or their designees, shall be invited to participate in the activities of the interstate commission on a nonvoting basis prior to adoption of the compact by all states.

(4) The interstate commission may propose amendments to the compact for enactment by the member states. No amendment shall become effective and binding upon the interstate commission and the member states unless and until it is enacted into law by unanimous consent of the member states.

NEW SECTION. **Sec. 21.** WITHDRAWAL. (1) Once effective, the compact shall continue in force and remain binding upon each and every member state; provided that a member state may withdraw from the compact by specifically repealing the statute which enacted the compact into law.

(2) Withdrawal from the compact shall be by the enactment of a statute repealing the same, but shall not take effect until one year after the effective date of such statute and until written notice of the withdrawal has been given by the withdrawing state to the governor of each other member state.

(3) The withdrawing state shall immediately notify the chairperson of the interstate commission in writing upon the introduction of legislation repealing the compact in the withdrawing state.

(4) The interstate commission shall notify the other member states of the withdrawing state's intent to withdraw within sixty days of its receipt of notice provided under subsection (3) of this section.

(5) The withdrawing state is responsible for all dues, obligations, and liabilities incurred through the effective date of withdrawal, including obligations, the performance of which extend beyond the effective date of withdrawal.

(6) Reinstatement following withdrawal of a member state shall occur upon the withdrawing state reenacting the compact or upon such later date as determined by the interstate commission.

(7) The interstate commission is authorized to develop rules to address the impact of the withdrawal of a member state on licenses granted in other member states to physicians who designated the withdrawing member state as the state of principal license.

NEW SECTION. **Sec. 22.** DISSOLUTION. (1) The compact shall dissolve effective upon the date of the withdrawal or default of the member state which reduces the membership in the compact to one member state.

(2) Upon the dissolution of the compact, the compact becomes null and void and shall be of no further force or effect, and the business and affairs of the interstate commission shall be concluded and surplus funds shall be distributed in accordance with the bylaws.

NEW SECTION. **Sec. 23.** SEVERABILITY AND CONSTRUCTION. (1) The provisions of the compact shall be severable, and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.

(2) The provisions of the compact shall be liberally construed to effectuate its purposes.

(3) Nothing in the compact shall be construed to prohibit the applicability of other interstate compacts to which the states are members.

NEW SECTION. **Sec. 24.** BINDING EFFECT OF COMPACT AND OTHER LAWS. (1) Nothing herein prevents the enforcement of any other law of a member state that is not inconsistent with the compact.

(2) All laws in a member state in conflict with the compact are superseded to the extent of the conflict.

(3) All lawful actions of the interstate commission, including all rules and bylaws promulgated by the commission, are binding upon the member states.

(4) All agreements between the interstate commission and the member states are binding in accordance with their terms.

(5) In the event any provision of the compact exceeds the constitutional limits imposed on the legislature of any member state, such provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

NEW SECTION. **Sec. 25.** A new section is added to chapter 42.56 RCW to read as follows:

(1) Information distributed to any Washington health profession board or commission by an interstate health professions licensure compact or member boards as described in section 8(6) of this act of the interstate medical licensure compact is exempt from disclosure under this chapter. This exemption does not prohibit the requestor from requesting these documents from the state of origin.

(2) This exemption does not pertain to any records created by Washington health profession boards or commissions from the documents described in subsection (1) of this section. Records created by Washington health profession boards or commissions from the documents described in subsection (1) of this section may be exempt under other sections of this chapter.

Sec. 26. RCW 43.70.250 and 2016 c 146 s 1 are each amended to read as follows:

(1) It shall be the policy of the state of Washington that the cost of each professional, occupational, or business licensing program be fully borne by the members of that profession, occupation, or business.

(2) The secretary shall from time to time establish the amount of all application fees, license fees, registration fees, examination fees, permit fees, renewal fees, and any other fee associated with licensing or regulation of professions, occupations, or businesses administered by the department. Any and all fees or assessments, or both, levied on the state to cover the costs of the operations and activities of the interstate health professions licensure compacts

with participating authorities listed under chapter 18.130 RCW shall be borne by the persons who hold licenses issued pursuant to the authority and procedures established under the compacts. In fixing said fees, the secretary shall set the fees for each program at a sufficient level to defray the costs of administering that program and the cost of regulating licensed volunteer medical workers in accordance with RCW 18.130.360, except as provided in RCW 18.79.202. In no case may the secretary increase a licensing fee for an ambulatory surgical facility licensed under chapter 70.230 RCW prior to July 1, 2018, nor may he or she commence the adoption of rules to increase a licensing fee prior to July 1, 2018.

(3) All such fees shall be fixed by rule adopted by the secretary in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW.

NEW SECTION. **Sec. 27.** Sections 1 through 24 of this act constitute a new chapter in Title 18 RCW.

Passed by the House February 15, 2017.
Passed by the Senate April 19, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 196

[Substitute House Bill 1467]

REGIONAL FIRE PROTECTION SERVICE AUTHORITIES--VARIOUS CHANGES

AN ACT Relating to removing disincentives to the voluntary formation of regional fire protection service authorities by establishing parity, equalizing certain provisions with existing laws governing fire protection districts, and clarifying the formation process; amending RCW 52.26.220, 52.26.230, 84.55.092, 52.18.050, 52.18.010, 52.26.180, 52.26.030, 84.52.043, 84.52.043, 84.52.125, and 52.26.070; reenacting and amending RCW 52.26.020, 84.52.010, and 84.52.010; creating a new section; providing effective dates; providing expiration dates; and declaring an emergency.

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

Sec. 1. RCW 52.26.220 and 2006 c 200 s 12 are each amended to read as follows:

(1) ((~~Notwithstanding any other provision in this chapter to the contrary, any~~)) (a) The initial imposition of a benefit charge authorized by this chapter ((~~is not effective unless a proposition to impose the benefit charge is approved by a~~)) must be approved by not less than sixty percent majority of the voters of the regional fire protection service authority voting at a general election or at a special election called by the authority for that purpose((~~, held within the authority~~)). ((~~A~~)) Ballot ((~~measure that contains~~)) measures containing an authorization to impose benefit charges ((~~and~~)) that ((~~is~~)) are approved by the voters pursuant to RCW 52.26.060 ((~~meets~~)) satisfy the proposition approval requirement of this subsection and subsection (2) of this section.

(b) An election held ((~~under this section~~)) for the initial imposition of a benefit charge must be held not more than twelve months prior to the date on which the first charge is to be assessed.

(c) A benefit charge approved at an election expires in six ((~~years~~)) or fewer years as authorized by the voters, unless subsequently reapproved by the voters.

(2) ((~~The~~)) Ballot measures calling for the initial imposition of a benefit charge must be submitted so as to enable ((~~the~~)) voters favoring the

authorization of a ((~~regional fire protection service authority~~)) benefit charge to vote "Yes" and those opposed to vote "No." The ballot question is as follows:

> "Shall . . . . . the regional fire protection service authority composed of (insert the participating fire protection jurisdictions) . . . . . be authorized to impose benefit charges each year for . . . . (insert number of years not to exceed six) years, not to exceed an amount equal to sixty percent of its operating budget, and be prohibited from imposing an additional property tax under RCW 52.26.140(1)(c)?
>
> YES NO
> □ □"

(3) ((~~Authorities renewing the benefit charge may elect to use the following alternative ballot:~~)) (a) The continued imposition of a benefit charge authorized by this chapter may be approved for six consecutive years. A ballot measure calling for the continued imposition of a benefit charge for six consecutive years must be approved by a majority of the voters of the regional fire protection service authority voting at a general election or at a special election called by the authority for that purpose.

(b) Ballot measures calling for the continued imposition of a benefit charge must be submitted so as to enable voters favoring the continued imposition of the benefit charge to vote "Yes" and those opposed to vote "No." The ballot question must be substantially in the following form:

> "Shall . . . . . the regional fire protection service authority composed of (insert the participating fire protection jurisdictions) . . . . . be authorized to continue voter-authorized benefit charges each year for ((~~. . . . (insert number of years not to exceed~~)) six((~~)~~)) consecutive years, not to exceed an amount equal to sixty percent of its operating budget, and be prohibited from imposing an additional property tax under RCW 52.26.140(1)(c)?
>
> YES NO
> □ □"

Sec. 2. RCW 52.26.230 and 2004 c 129 s 29 are each amended to read as follows:

(1) Not fewer than ten days nor more than six months before the election at which the proposition to impose the benefit charge is submitted as provided in this chapter, the governing board of the regional fire protection service authority, or the planning committee if the benefit charge is proposed as part of the initial formation of the authority, shall hold a public hearing specifically setting forth its proposal to impose benefit charges for the support of its legally authorized activities that will maintain or improve the services afforded in the authority. A report of the public hearing shall be filed with the county treasurer of each county in which the property is located and be available for public inspection.

(2) Prior to November 15th of each year the governing board of the authority shall hold a public hearing to review and establish the regional fire protection service authority benefit charges for the subsequent year.

(3) All resolutions imposing or changing the benefit charges must be filed with the county treasurer or treasurers of each county in which the property is located, together with the record of each public hearing, before November 30th immediately preceding the year in which the benefit charges are to be collected on behalf of the authority.

(4) After the benefit charges have been established, the owners of the property subject to the charge must be notified of the amount of the charge.

Sec. 3. RCW 84.55.092 and 1998 c 16 s 3 are each amended to read as follows:

(1) The regular property tax levy for each taxing district other than the state may be set at the amount which would be allowed otherwise under this chapter if the regular property tax levy for the district for taxes due in prior years beginning with 1986 had been set at the full amount allowed under this chapter including any levy authorized under RCW 52.16.160 or 52.26.140(1)(c) that would have been imposed but for the limitation in RCW 52.18.065 or 52.26.240, applicable upon imposition of the benefit charge under chapter 52.18 or 52.26 RCW.

(2) The purpose of this section is to remove the incentive for a taxing district to maintain its tax levy at the maximum level permitted under this chapter, and to protect the future levy capacity of a taxing district that reduces its tax levy below the level that it otherwise could impose under this chapter, by removing the adverse consequences to future levy capacities resulting from such levy reductions.

Sec. 4. RCW 52.18.050 and 2013 c 49 s 1 are each amended to read as follows:

(1)(a) The initial imposition of a benefit charge authorized by this chapter must be approved by not less than sixty percent of the voters of the district voting at a general election or at a special election called by the district for that purpose.

(b) An election held for the initial imposition of a benefit charge must be held not more than twelve months prior to the date on which the first charge is to be assessed.

(c) A benefit charge approved at an election expires in six or fewer years as authorized by the voters unless subsequently reapproved by the voters.

(2) Ballot measures calling for the initial imposition of a benefit charge must be submitted so as to enable voters favoring the authorization of a benefit charge to vote "Yes" and those opposed to vote "No," and the ballot question must be as follows:

> "Shall . . . . . county fire protection district No. . . . . be authorized to impose benefit charges each year for . . . . (insert number of years not to exceed six) years, not to exceed an amount equal to sixty percent of its operating budget, and be prohibited from imposing an additional property tax under RCW 52.16.160?
>
> YES □ NO □"

(3)(a) The continued imposition of a benefit charge authorized by this chapter ((~~must be approved by a majority of the voters of the district voting at a general election or at a special election called by the district for that purpose~~)) may be approved for six consecutive years.

(((~~(b) Ballot measures calling for the continued imposition of a benefit charge must be submitted so as to enable voters favoring the continued imposition of the benefit charge to vote "Yes" and those opposed to vote "No." The ballot question must be substantially in the following form:~~)) A ballot measure calling for the continued imposition of a benefit charge for six consecutive years must be approved by a majority of the voters of the district voting at a general election or at a special election called by the district for that purpose.

(b) Ballot measures calling for the continued imposition of a benefit charge must be submitted so as to enable voters favoring the continued imposition of the benefit charge to vote "Yes" and those opposed to vote "No." The ballot question must be substantially in the following form:

"Shall . . . . . county fire protection district No. . . . . be authorized to continue voter-authorized benefit charges each year for ((~~. . . . (insert number of years not to exceed six)~~)) six consecutive years, not to exceed an amount equal to sixty percent of its operating budget, and be prohibited from imposing an additional property tax under RCW 52.16.160?

YES	NO
□	□"

Sec. 5. RCW 52.18.010 and 1998 c 16 s 1 are each amended to read as follows:

(1) Pursuant to an approved initial or continued benefit charge authorized under RCW 52.18.050, the board of fire commissioners of a fire protection district may by resolution, for fire protection district purposes authorized by law, fix and impose a benefit charge on personal property and improvements to real property which are located within the fire protection district on the date specified and which have or will receive the benefits provided by the fire protection district, to be paid by the owners of the properties((~~: PROVIDED, That~~)).

(2) A benefit charge ((~~shall~~)) does not apply to:

(a) Personal property and improvements to real property owned or used by any recognized religious denomination or religious organization as, or including, a sanctuary or for purposes related to the bona fide religious ministries of the denomination or religious organization, including schools and educational facilities used for kindergarten, primary, or secondary educational purposes or for institutions of higher education and all grounds and buildings related thereto, but not including personal property and improvements to real property owned or used by any recognized religious denomination or religious organization for business operations, profit-making enterprises, or activities not including use of a sanctuary or related to kindergarten, primary, or secondary educational purposes or for institutions of higher education; and

(b) Any of the following tax-exempt properties, provided such entity is not required to pay a fire protection charge under subsection (8) of this section:

(i) Property of housing authorities that is exempt from property taxes under RCW 35.82.210;

(ii) Property of nonprofit entities providing rental housing for very low-income households or providing space for the placement of a mobile home for a very low-income household that is exempt from property taxes under RCW 84.36.560;

(iii) Property of nonprofit homes for the aging that is exempt from property taxes under RCW 84.36.041;

(iv) Property of nonprofit organizations, corporations, or associations providing housing for eligible persons with developmental disabilities that is exempt from property taxes under RCW 84.36.042;

(v) Property of nonprofit organizations providing emergency or transitional housing for low-income homeless persons or victims of domestic violence who are homeless for personal safety reasons that is exempt from property taxes under RCW 84.36.043;

(vi) Property of the state housing finance commission that is exempt from property taxes under RCW 84.36.135; and

(vii) Property of nonprofit corporations operating sheltered workshops for persons with disabilities that is exempt from property taxes under RCW 84.36.350.

(3) A benefit charge may apply to a tax-exempt property included in subsection (2)(b) of this section if the tax-exempt property is located in a fire protection district that:

(a) Is less than four square miles in size;

(b) Has approved a benefit charge prior to the effective date of this section; and

(c) Has a population exceeding nineteen thousand people as of the effective date of this section, as determined by the office of financial management.

(4) A limited benefit charge may apply to property or improvements owned by a Christmas tree grower as defined in RCW 15.13.250(4) so long as the property or improvement is located on land that has been approved as farm and agricultural land with standing crops under chapter 84.34 RCW. For such property or improvement, a benefit charge may not exceed the reduction in property tax that results from the imposition of a benefit charge, as required under RCW 52.18.065.

(5) The aggregate amount of such benefit charges in any one year shall not exceed an amount equal to sixty percent of the operating budget for the year in which the benefit charge is to be collected: PROVIDED, That it shall be the duty of the county legislative authority or authorities of the county or counties in which the fire protection district is located to make any necessary adjustments to assure compliance with such limitation and to immediately notify the board of fire commissioners of any changes thereof.

(6) A benefit charge imposed shall be reasonably proportioned to the measurable benefits to property resulting from the services afforded by the district. It is acceptable to apportion the benefit charge to the values of the properties as found by the county assessor or assessors modified generally in the proportion that fire insurance rates are reduced or entitled to be reduced as the result of providing the services. Any other method that reasonably apportions the benefit charges to the actual benefits resulting from the degree of protection,

which may include but is not limited to the distance from regularly maintained fire protection equipment, the level of fire prevention services provided to the properties, or the need of the properties for specialized services, may be specified in the resolution and shall be subject to contest on the ground of unreasonable or capricious action or action in excess of the measurable benefits to the property resulting from services afforded by the district. The board of fire commissioners may determine that certain properties or types or classes of properties are not receiving measurable benefits based on criteria they establish by resolution. A benefit charge authorized by this chapter shall not be applicable to the personal property or improvements to real property of any individual, corporation, partnership, firm, organization, or association maintaining a fire department and whose fire protection and training system has been accepted by a fire insurance underwriter maintaining a fire protection engineering and inspection service authorized by the state insurance commissioner to do business in this state, but such property may be protected by the fire protection district under a contractual agreement.

(7) For administrative purposes, the benefit charge imposed on any individual property may be compiled into a single charge, provided that the district, upon request of the property owner, provide an itemized list of charges for each measurable benefit included in the charge.

(8)(a) At the annual review of the fire benefit charge mandated by RCW 52.18.060(2), if a fire service agency has identified:

(i) A tax-exempt property under subsection (2)(b) of this section as having a substantial increase in requested emergency services over the previous year; or

(ii) A new tax-exempt property that is similar in size, population, and geographic location as another such tax-exempt property as having an increase in requested emergency services;

then the tax exempt property and the fire service agency must work together, in good faith, to address the problem by implementing community risk reduction efforts. The community risk reduction plan may include but is not limited to wellness programs and community action plans.

(b) At the subsequent annual review, if the heightened service requirements have not been reasonably addressed by the joint mitigation efforts, and the tax-exempt property owner has not acted in good faith:

(i) The property is subject to assessment of the fire benefit charge in the subsequent year, subject to approval by the board of fire commissioners as outlined in RCW 52.18.060(2); or

(ii) The respective tax exempt property shall pay the fire service agency a fire protection charge payment in lieu of a benefit charge. The fire protection charge shall be an amount equivalent to the benefit rates for similarly situated properties for that year.

(c) All tax exempt properties identified under subsection (2)(b) of this section and all local fire service agencies are encouraged to work collaboratively to develop and implement programs to address proper usage of fire service resources for residents of the housing properties.

Sec. 6. RCW 52.26.180 and 2004 c 129 s 24 are each amended to read as follows:

(1) The governing board of a regional fire protection service authority may by resolution, as authorized in the plan and approved by the voters, for authority

purposes authorized by law, fix and impose a benefit charge on personal property and improvements to real property which are located within the authority on the date specified and which have received or will receive the benefits provided by the authority, to be paid by the owners of the properties.

(2) A benefit charge does not apply to:

(a) Personal property and improvements to real property owned or used by any recognized religious denomination or religious organization as, or including, a sanctuary or for purposes related to the bona fide religious ministries of the denomination or religious organization, including schools and educational facilities used for kindergarten, primary, or secondary educational purposes or for institutions of higher education and all grounds and buildings related thereto. However, a benefit charge does apply to personal property and improvements to real property owned or used by any recognized religious denomination or religious organization for business operations, profit-making enterprises, or activities not including use of a sanctuary or related to kindergarten, primary, or secondary educational purposes or for institutions of higher education.

(b) Property of housing authorities that is exempt from property taxes under RCW 35.82.210;

(c) Property of nonprofit entities providing rental housing for very low-income households or providing space for the placement of a mobile home for a very low-income household that is exempt from property taxes under RCW 84.36.560;

(d) Property of nonprofit homes for the aging that is exempt from property taxes under RCW 84.36.041;

(e) Property of nonprofit organizations, corporations, or associations providing housing for eligible persons with developmental disabilities that is exempt from property taxes under RCW 84.36.042;

(f) Property of nonprofit organizations providing emergency or transitional housing for low-income homeless persons or victims of domestic violence who are homeless for personal safety reasons that is exempt from property taxes under RCW 84.36.043;

(g) Property of the state housing finance commission that is exempt from property taxes under RCW 84.36.135; and

(h) Property of nonprofit corporations operating sheltered workshops for persons with disabilities that is exempt from property taxes under RCW 84.36.350.

(3) A limited benefit charge may apply to property or improvements owned by a Christmas tree grower as defined in RCW 15.13.250(4) so long as the property or improvement is located on land that has been approved as farm and agricultural land with standing crops under chapter 84.34 RCW. For such property or improvement, a benefit charge may not exceed the reduction in property tax that results from the imposition of a benefit charge, as required under RCW 52.26.240.

(4) The aggregate amount of these benefit charges in any one year may not exceed an amount equal to sixty percent of the operating budget for the year in which the benefit charge is to be collected. It is the duty of the county legislative authority or authorities of the county or counties in which the regional fire protection service authority is located to make any necessary adjustments to

assure compliance with this limitation and to immediately notify the governing board of an authority of any changes thereof.

((~~(2)~~)) (5) A benefit charge imposed must be reasonably proportioned to the measurable benefits to property resulting from the services afforded by the authority. It is acceptable to apportion the benefit charge to the values of the properties as found by the county assessor or assessors modified generally in the proportion that fire insurance rates are reduced or entitled to be reduced as the result of providing the services. Any other method that reasonably apportions the benefit charges to the actual benefits resulting from the degree of protection, which may include but is not limited to the distance from regularly maintained fire protection equipment, the level of fire prevention services provided to the properties, or the need of the properties for specialized services, may be specified in the resolution and is subject to contest on the grounds of unreasonable or capricious action or action in excess of the measurable benefits to the property resulting from services afforded by the authority. The governing board of an authority may determine that certain properties or types or classes of properties are not receiving measurable benefits based on criteria they establish by resolution. A benefit charge authorized by this chapter is not applicable to the personal property or improvements to real property of any individual, corporation, partnership, firm, organization, or association maintaining a fire department and whose fire protection and training system has been accepted by a fire insurance underwriter maintaining a fire protection engineering and inspection service authorized by the state insurance commissioner to do business in this state, but the property may be protected by the authority under a contractual agreement.

((~~(3)~~)) (6) For administrative purposes, the benefit charge imposed on any individual property may be compiled into a single charge, provided that the authority, upon request of the property owner, provide an itemized list of charges for each measurable benefit included in the charge.

((~~(4)~~)) (7)(a) At the annual review of the fire benefit charge mandated by RCW 52.26.230(2), if a fire service agency has identified:

(i) A tax-exempt property under subsection (2)(b) of this section as having a substantial increase in requested emergency services over the previous year; or

(ii) A new tax-exempt property that is similar in size, population, and geographic location as another such tax-exempt property as having an increase in requested emergency services;

then the tax exempt property and the fire service agency must work together, in good faith, to address the problem by implementing community risk reduction efforts. The community risk reduction plan may include but is not limited to wellness programs and community action plans.

(b) At the subsequent annual review, if the heightened service requirements have not been reasonably addressed by the joint mitigation efforts, and the tax-exempt property owner has not acted in good faith:

(i) The property is subject to assessment of the fire benefit charge in the subsequent year, subject to approval by the governing board of the authority as outlined in RCW 52.26.230(2); or

(ii) The respective tax exempt property shall pay the fire service agency a fire protection charge payment in lieu of a benefit charge. The fire protection

charge shall be an amount equivalent to the benefit rates for similarly situated properties for that year.

(c) All tax exempt properties identified under subsection (2)(b) of this section and all local fire service agencies are encouraged to work collaboratively to develop and implement programs to address proper usage of fire service resources for residents of the housing properties.

(8) For the purposes of this section and RCW 52.26.190 through 52.26.270, the following definitions apply:

(a)(i) "Personal property" includes every form of tangible personal property including, but not limited to, all goods, chattels, stock in trade, estates, or crops.

(ii) "Personal property" does not include any personal property used for farming, field crops, farm equipment, or livestock.

(b) "Improvements to real property" does not include permanent growing crops, field improvements installed for the purpose of aiding the growth of permanent crops, or other field improvements normally not subject to damage by fire.

Sec. 7. RCW 52.26.020 and 2011 c 141 s 1 are each reenacted and amended to read as follows:

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

(1) "Board" means the governing body of a regional fire protection service authority.

(2) "Elected official" means an elected official of a participating fire protection jurisdiction or a regional fire protection district commissioner created under RCW 52.26.080.

(3) "Fire protection jurisdiction" means a fire district, regional fire protection service authority, city, town, port district, municipal airport, or Indian tribe.

(4) "Participating fire protection jurisdiction" means a fire protection jurisdiction participating in the formation or operation of a regional fire protection service authority.

(5) "Regional fire protection service authority" or "authority" means a municipal corporation, an independent taxing authority within the meaning of Article VII, section 1 of the state Constitution, and a taxing district within the meaning of Article VII, section 2 of the state Constitution, whose boundaries are coextensive with two or more adjacent fire protection jurisdictions and that has been created by a vote of the people under this chapter to implement a regional fire protection service authority plan.

(6) "Regional fire protection service authority plan" or "plan" means a plan to develop and finance a regional fire protection service authority project or projects((,)) including, but not limited to, specific capital projects, fire operations and emergency service operations pursuant to RCW 52.26.040(3)(b), and preservation and maintenance of existing or future facilities.

(7) "Regional fire protection service authority planning committee" or "planning committee" means the advisory committee created under RCW 52.26.030 to create and propose to fire protection jurisdictions a regional fire protection service authority plan to design, finance, and develop fire protection and emergency service projects.

(8) "Regular property taxes" has the same meaning as in RCW 84.04.140.

Sec. 8. RCW 52.26.030 and 2004 c 129 s 3 are each amended to read as follows:

Regional fire protection service authority planning committees are advisory entities that are created, convened, and empowered as follows:

(1) Any two or more adjacent fire protection jurisdictions may create a regional fire protection service authority and convene a regional fire protection service authority planning committee. No fire protection jurisdiction may participate in more than one created authority.

(2) Each governing body of the fire protection jurisdictions participating in planning under this chapter shall appoint three elected officials to the authority planning committee. Members of the planning committee may receive compensation of seventy dollars per day, or portion thereof, not to exceed seven hundred dollars per year, for attendance at planning committee meetings and for performance of other services in behalf of the authority, and may be reimbursed for travel and incidental expenses at the discretion of their respective governing body.

(3) A regional fire protection service authority planning committee may receive state funding, as appropriated by the legislature, or county funding provided by the affected counties for start-up funding to pay for salaries, expenses, overhead, supplies, and similar expenses ordinarily and necessarily incurred. Upon creation of a regional fire protection service authority, the authority shall within one year reimburse the state or county for any sums advanced for these start-up costs from the state or county.

(4) The planning committee shall conduct its affairs and formulate a regional fire protection service authority plan as provided under RCW 52.26.040.

(5) At its first meeting, a regional fire protection service authority planning committee may elect officers and provide for the adoption of rules and other operating procedures.

(6) The planning committee may dissolve itself at any time by a majority vote of the total membership of the planning committee. Any participating fire protection jurisdiction may withdraw upon thirty calendar days' written notice to the other jurisdictions.

Sec. 9. RCW 84.52.010 and 2015 3rd sp.s. c 44 s 324 and 2015 3rd sp.s. c 24 s 404 are each reenacted and amended to read as follows:

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

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

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

assessor must recompute and establish a consolidated levy in the following manner:

(a) The full certified rates of tax levy for state, county, county road district, regional transit authority, and city or town purposes must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy takes precedence over all other levies and may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, 84.52.140, and the protected portion of the levy under RCW 86.15.160 by flood control zone districts in a county with a population of seven hundred seventy-five thousand or more that are coextensive with a county, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies must be reduced as follows:

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

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

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

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

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

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

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

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

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

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

(i) First, the certified property tax levy authorized under RCW 84.52.821 must be reduced on a pro rata basis or eliminated;

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

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

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

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

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

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

Sec. 10. RCW 84.52.010 and 2015 3rd sp.s. c 44 s 325 and 2015 3rd sp.s. c 24 s 405 are each reenacted and amended to read as follows:

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

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

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

(a) The full certified rates of tax levy for state, county, county road district, regional transit authority, and city or town purposes must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy takes precedence over all other levies and may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, and 84.52.140, and the portion of the levy by a flood control zone district that was protected under RCW 84.52.816, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies must be reduced as follows:

(i) The portion of the levy by a flood control zone district that was protected under RCW 84.52.816 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

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

(iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any

property, the portion of the levy by a fire protection district or regional fire protection service authority that is protected under RCW 84.52.125 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

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

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

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

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

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

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

(i) First, the certified property tax levy authorized under RCW 84.52.821 must be reduced on a pro rata basis or eliminated;

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

(iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts other than the portion of a levy protected under RCW 84.52.816 must be reduced on a pro rata basis or eliminated;

(iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than

fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, must be reduced on a pro rata basis or eliminated;

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

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

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

Sec. 11. RCW 84.52.043 and 2015 3rd sp.s. c 44 s 322 are each amended to read as follows:

Within and subject to the limitations imposed by RCW 84.52.050 as amended, the regular ad valorem tax levies upon real and personal property by the taxing districts hereafter named are as follows:

(1) Levies of the senior taxing districts are as follows: (a) The levy by the state may not exceed three dollars and sixty cents per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county may not exceed one dollar and eighty cents per thousand dollars of assessed value; (c) the levy by any road district may not exceed two dollars and twenty-five cents per thousand dollars of assessed value; and (d) the levy by any city or town may not exceed three dollars and thirty-seven and one-half cents per thousand dollars of assessed value. However any county is hereby authorized to increase its levy from one dollar and eighty cents to a rate not to exceed two dollars and forty-seven and one-half cents per thousand dollars of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed four dollars and five cents per thousand dollars of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.

(2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, may not exceed five dollars and ninety cents per thousand dollars of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection do not apply to: (a) Levies at the rates provided by existing law by or for any

port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing for very low-income housing imposed under RCW 84.52.105; (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies for criminal justice purposes under RCW 84.52.135; (i) the portions of levies by fire protection districts and regional fire protection service authorities that are protected under RCW 84.52.125; (j) levies by counties for transit-related purposes under RCW 84.52.140; (k) the protected portion of the levies imposed under RCW 86.15.160 by flood control zone districts in a county with a population of seven hundred seventy-five thousand or more that are coextensive with a county; and (l) levies imposed by a regional transit authority under RCW 81.104.175.

Sec. 12. RCW 84.52.043 and 2015 3rd sp.s. c 44 s 323 are each amended to read as follows:

Within and subject to the limitations imposed by RCW 84.52.050 as amended, the regular ad valorem tax levies upon real and personal property by the taxing districts hereafter named are as follows:

(1) Levies of the senior taxing districts are as follows: (a) The levy by the state may not exceed three dollars and sixty cents per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county may not exceed one dollar and eighty cents per thousand dollars of assessed value; (c) the levy by any road district may not exceed two dollars and twenty-five cents per thousand dollars of assessed value; and (d) the levy by any city or town may not exceed three dollars and thirty-seven and one-half cents per thousand dollars of assessed value. However any county is hereby authorized to increase its levy from one dollar and eighty cents to a rate not to exceed two dollars and forty-seven and one-half cents per thousand dollars of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed four dollars and five cents per thousand dollars of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.

(2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, may not exceed five dollars and ninety cents per thousand dollars of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection do not apply to: (a) Levies at the rates provided by existing law by or for any port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing for very low-income housing imposed under RCW 84.52.105; (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120; (g) levies imposed by ferry districts under

RCW 36.54.130; (h) levies for criminal justice purposes under RCW 84.52.135; (i) the portions of levies by fire protection districts and regional fire protection service authorities that are protected under RCW 84.52.125; (j) levies by counties for transit-related purposes under RCW 84.52.140; (k) the portion of the levy by flood control zone districts that are protected under RCW 84.52.816; and (l) levies imposed by a regional transit authority under RCW 81.104.175.

Sec. 13. RCW 84.52.125 and 2005 c 122 s 1 are each amended to read as follows:

A fire protection district or regional fire protection service authority may protect the district's or authority's tax levy from prorationing under RCW 84.52.010(((~~(2)~~))) (3)(b) by imposing up to a total of twenty-five cents per thousand dollars of assessed value of the tax levies authorized under RCW 52.16.140 and 52.16.160, or 52.26.140(1) (b) and (c) outside of the five dollars and ninety cents per thousand dollars of assessed valuation limitation established under RCW 84.52.043(2), if those taxes otherwise would be prorated under RCW 84.52.010(((~~(2)(c)~~))) (3)(b)(vi).

Sec. 14. RCW 52.26.070 and 2006 c 200 s 5 are each amended to read as follows:

If the voters approve the plan, including creation of a regional fire protection service authority and imposition of taxes and benefit charges, if any, the authority is formed on the effective date as set forth in the plan or the next January 1st or July 1st, whichever occurs first. The appropriate county election officials shall, within fifteen days of the final certification of the election results, publish a notice in a newspaper or newspapers of general circulation in the authority declaring the authority formed. A party challenging the procedure or the formation of a voter-approved authority must file the challenge in writing by serving the prosecuting attorney of each county within, or partially within, the regional fire protection service authority and the attorney general within thirty days after the final certification of the election. Failure to challenge within that time forever bars further challenge of the authority's valid formation.

NEW SECTION. **Sec. 15.** Sections 5 and 6 of this act apply to benefit charges approved after the effective date of this section.

NEW SECTION. **Sec. 16.** Section 9 of this act expires January 1, 2018.

NEW SECTION. **Sec. 17.** Section 10 of this act takes effect January 1, 2018.

NEW SECTION. **Sec. 18.** Sections 3 and 9 through 13 of this act apply to property taxes levied for collection in 2018 and thereafter.

NEW SECTION. **Sec. 19.** Section 11 of this act expires January 1, 2018.

NEW SECTION. **Sec. 20.** Section 12 of this act takes effect January 1, 2018.

NEW SECTION. **Sec. 21.** Except for sections 10 and 12 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House April 17, 2017.
Passed by the Senate April 6, 2017.

Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 197

[Engrossed Substitute House Bill 1481]

DRIVER TRAINING EDUCATION--SCHOOL DISTRICTS AND COMMERCIAL--UNIFORMITY

AN ACT Relating to creating uniformity in driver training education provided by school districts and commercial driver training schools; amending RCW 28A.220.020, 28A.220.030, 46.20.055, 46.20.100, 46.82.280, 46.82.320, 46.82.330, 46.82.360, and 46.82.420; adding new sections to chapter 28A.220 RCW; creating new sections; repealing RCW 28A.220.050, 28A.220.060, 28A.220.080, and 28A.220.085; and providing an effective date.

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

NEW SECTION. **Sec. 1.** The legislature finds that there is a need to establish consistency in the quality of driver training education in this state to reduce the number of young driver accidents that are prematurely killing our youth. The traffic safety commission reports that out of two hundred forty-five fatalities in the first half of 2016, thirty-one involved young drivers aged sixteen to twenty-five. The intent of this act is to require driver training education curriculum to be developed and maintained jointly by the office of the superintendent of public instruction and the department of licensing. The legislature also finds that there is a need to audit driver training education courses; therefore, the intent of this act is also to provide the department of licensing with resources and authority to audit all driver training education courses, in consultation with the superintendent of public instruction for driver training education courses offered by school districts.

Sec. 2. RCW 28A.220.020 and 1990 c 33 s 218 are each amended to read as follows:

((~~The following words and phrases whenever used in chapter 28A.220 RCW shall have the following meaning:~~)) The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Superintendent" or "state superintendent" ((~~shall~~)) means the superintendent of public instruction.

(2) "((~~Traffic safety~~)) Driver training education course" ((~~shall~~)) means ((~~an accredited~~)) a course of instruction in traffic safety education ((~~which shall consist of two phases, classroom instruction, and laboratory experience. "Laboratory experience" shall include on-street, driving range, or simulator experience or some combination thereof. Each phase shall meet basic course requirements which shall be established by the superintendent of public instruction and each part of said course shall be~~)) (a) offered as part of a traffic safety education program authorized by the superintendent of public instruction and certified by the department of licensing and (b) taught by a qualified teacher of ((~~traffic safety~~)) driver training education that consists of classroom and behind-the-wheel instruction using curriculum that meets joint superintendent of public instruction and department of licensing standards and the course requirements established by the superintendent of public instruction under RCW 28A.220.030. Behind-the-wheel instruction is characterized by driving experience. ((~~Any portions of the course may be taught after regular school~~

~~hours or on Saturdays as well as on regular school days or as a summer school course, at the option of the local school districts.~~))

(3) "Qualified teacher of ((~~traffic safety~~)) driver training education" ((~~shall~~)) means an instructor ((~~certificated under the provisions of chapter 28A.410 RCW and certificated by the superintendent of public instruction to teach either the classroom phase or the laboratory phase of the traffic safety education course, or both, under regulations promulgated by the superintendent: PROVIDED, That the laboratory experience phase of the traffic safety education course may be taught by instructors certificated under rules promulgated by the superintendent of public instruction, exclusive of any requirement that the instructor be certificated under the provisions of chapter 28A.410 RCW. Professional instructors certificated under the provisions of chapter 46.82 RCW, and participating in this program, shall be subject to reasonable qualification requirements jointly adopted by the superintendent of public instruction and the director of licensing~~)) who:

(a) Is certificated under chapter 28A.410 RCW and has obtained a traffic safety endorsement or a letter of approval to teach traffic safety education from the superintendent of public instruction or is certificated by the superintendent of public instruction to teach a driver training education course; or

(b) Is an instructor provided by a driver training school that has contracted with a school district's or districts' board of directors under RCW 28A.220.030(3) to teach driver education for the school district.

(4) ((~~"Realistic level of effort"~~)) "Appropriate course delivery standards" means the classroom and ((~~laboratory~~)) behind-the-wheel student learning experiences considered acceptable to the superintendent of public instruction under RCW 28A.220.030 that must be satisfactorily accomplished by the student in order to successfully complete the ((~~traffic safety~~)) driver training education course.

(5) "Approved private school" means a private school approved by the board of education under chapter 28A.195 RCW.

(6) "Director" means the director of the department of licensing.

(7) "Traffic safety education program" means the administration and provision of driver training education courses offered by secondary schools of a school district or vocational-technical schools that are conducted by such schools in a like manner to their other regular courses.

Sec. 3. RCW 28A.220.030 and 2011 c 370 s 2 are each amended to read as follows:

(1) The superintendent of public instruction is authorized to establish a section of traffic safety education, and through such section shall: Define ((~~a "realistic level of effort"~~)) appropriate course delivery standards required to provide an effective ((~~traffic safety~~)) driver training education course, establish a level of driving competency required of each student to successfully complete the course, and ensure that an effective statewide program is implemented and sustained((~~,~~)); administer, supervise, and develop the traffic safety education program; and ((~~shall~~)) assist local school districts and approved private schools in the conduct of their traffic safety education programs. The superintendent shall adopt necessary rules ((~~and regulations~~)) governing the operation and scope of the traffic safety education program; and each school district and approved private school shall submit a report to the superintendent on the condition of its

traffic safety education program: PROVIDED, That the superintendent shall monitor the quality of the program and carry out the purposes of this chapter.

(2)(a) The board of directors of any school district maintaining a secondary school which includes any of the grades 10 to 12, inclusive, or any approved private school which includes any of the grades 10 to 12, inclusive, may establish and maintain a traffic safety education ((~~course~~)) program.

(b) Any school district or approved private school that offers a driver training education course must certify to the department of licensing that it is operating a traffic safety education program, that the driver training education course follows the curriculum promulgated by the office of the superintendent of public instruction and the department of licensing, that it meets the course delivery standards promulgated by the office of the superintendent of public instruction, that a record retention policy is in place to meet the requirements of subsection (5) of this section, and that the school district or approved private school has verified that all instructors are authorized by the office of the superintendent of public instruction to teach a driver training education course.

(c) Any portion of a driver training education course offered by a school district may be taught before or after regular school hours or on Saturdays as well as on regular school days or as a summer school course, at the option of the local school district. If a school district elects to offer a ((~~traffic safety~~)) driver training education course and has within its boundaries a private accredited secondary school which includes any of the grades 10 to 12, inclusive, at least one ((~~class in traffic safety education shall~~)) driver training education course must be given at times other than regular school hours if there is sufficient demand ((~~therefor~~)) for it.

(3)(a) A qualified teacher of driver training education must be certificated under chapter 28A.410 RCW and obtain a traffic safety endorsement or a letter of approval to teach traffic safety education from the superintendent of public instruction to teach either the classroom instruction or the behind-the-wheel instruction portion of the driver training education course, or both, under rules adopted by the superintendent. The classroom or behind-the-wheel instruction portion of the driver training education course may also be taught by instructors certificated under rules adopted by the superintendent of public instruction, exclusive of any requirement that the instructor be certificated under chapter 28A.410 RCW.

(b) The superintendent shall establish a required minimum number of hours of continuing traffic safety education for qualified teachers of driver training education.

(4) The board of directors of a school district, or combination of school districts, may contract with any ((~~drivers'~~)) driver training school licensed under ((~~the provisions of~~)) chapter 46.82 RCW to teach the ((~~laboratory phase~~)) behind-the-wheel instruction portion of the ((~~traffic safety~~)) driver training education course. Instructors provided by any such contracting ((~~drivers'~~)) driver training school must be properly qualified teachers of ((~~traffic safety~~)) driver training education under the joint qualification requirements adopted by the superintendent of public instruction and the director of licensing.

(((~~(4) The superintendent shall establish a required minimum number of hours of continuing traffic safety education for traffic safety education~~

~~instructors. The superintendent may phase in the requirement over not more than five years.~~))

(5) Each school district or approved private school offering a traffic safety education program must maintain: (a) Documentation of each instructor's name and address and that establishes the instructor as a qualified teacher of driver training education as defined in RCW 28A.220.020; and (b) student records that include the student's name, address, and telephone number, the date of enrollment and all dates of instruction, the student's driver's instruction permit or driver's license number, the type of training received, the total number of hours of instruction, and the name of the instructor or instructors. These records must be maintained for three years following the completion of the instruction and are subject to inspection upon request of the department of licensing or the office of the superintendent of public instruction. The superintendent may adopt rules regarding the retention of additional documents that are subject to inspection by the department of licensing or the office of the superintendent of public instruction.

(6) A driver training education course may not be offered by a school district or an approved private school to a student who is under the age of fifteen, and behind-the-wheel instruction may not be given by an instructor to a student in a motor vehicle unless the student possesses either a current and valid driver's instruction permit issued under RCW 46.20.055 or a current and valid driver's license.

(7) School districts that offer a ((~~traffic safety~~)) driver training education ((~~program~~)) course under this chapter may administer the portions of the driver licensing examination that test the applicant's knowledge of traffic laws and ability to safely operate a motor vehicle as authorized under RCW 46.20.120(7). The superintendent shall work with the department of licensing, in consultation with school districts that offer a traffic safety education program, to develop standards and requirements for administering each portion of the driver licensing examination that are comparable to the standards and requirements for driver training schools under RCW 46.82.450.

((~~(6)~~)) (8) Before a school district may provide a portion of the driver licensing examination, the school district must, after consultation with the superintendent, enter into an agreement with the department of licensing that sets forth an accountability and audit process that takes into account the unique nature of school district facilities and school hours and, at a minimum, contains provisions that:

(a) Allow the department of licensing to conduct random examinations, inspections, and audits without prior notice;

(b) Allow the department of licensing to conduct on-site inspections at least annually;

(c) Allow the department of licensing to test, at least annually, a random sample of the drivers approved by the school district for licensure and to cancel any driver's license that may have been issued to any driver selected for testing who refuses to be tested; and

(d) Reserve to the department of licensing the right to take prompt and appropriate action against a school district that fails to comply with state or federal standards for a driver licensing examination or to comply with any terms of the agreement.

NEW SECTION. **Sec. 4.** A new section is added to chapter 28A.220 RCW to read as follows:

The office of the superintendent of public instruction and the department of licensing shall jointly develop and maintain a required curriculum for school districts and approved private schools operating a traffic safety education program. The jointly developed curriculum must be prepared by August 1, 2018. The curriculum and instructional materials must comply with the course content requirements of RCW 46.82.420(2) and 46.82.430. In developing the curriculum, the office of the superintendent of public instruction and the department of licensing shall consult with one or more of Central Washington University's traffic safety education instructors or program content developers.

NEW SECTION. **Sec. 5.** A new section is added to chapter 28A.220 RCW to read as follows:

(1) The department of licensing shall develop and administer the certification process required under RCW 28A.220.030 for a school district's or approved private school's traffic safety education program in consultation with the superintendent.

(2) The department of licensing shall conduct audits of traffic safety education programs to ensure that the instructors are qualified teachers of driver training education and teaching the required curriculum material, and that accurate records are maintained and accurate information is provided to the department of licensing regarding student performance. Each school district and approved private school may be audited at least once every five years or more frequently. The audit process must take into account the unique nature of school district facilities, operations, and hours. As part of its audit process, the department of licensing may examine all relevant information, including driver training education course curriculum materials and student records, and visit any course in progress that is part of the traffic safety education program. The director shall consult with the superintendent in developing and carrying out these auditing practices.

(3) The department of licensing may suspend a school's or school district's traffic safety education program certification if: The school or school district does not follow the curriculum promulgated by the office of the superintendent of public instruction and the department of licensing, any program instructors are not qualified teachers of driver training education, accurate records have not been maintained under RCW 28A.220.030(5) or accurate information regarding student performance has not been provided to the department of licensing, or the school or school district refuses to cooperate with the department of licensing audit process authorized under this chapter. The director shall consult with the superintendent in developing and carrying out these program certification suspension practices.

Sec. 6. RCW 46.20.055 and 2012 c 80 s 5 are each amended to read as follows:

(1) **Driver's instruction permit**. The department may issue a driver's instruction permit with or without a photograph to an applicant who has successfully passed all parts of the examination other than the driving test, provided the information required by RCW 46.20.091, paid an application fee of twenty-five dollars, and meets the following requirements:

(a) Is at least fifteen and one-half years of age; or

(b) Is at least fifteen years of age and:

(i) Has submitted a proper application; and

(ii) Is enrolled in a ((~~traffic safety~~)) driver training education ((~~program~~)) course offered((~~, approved, and accredited~~)) as part of a traffic safety education program authorized by the office of the superintendent of public instruction and certified under chapter 28A.220 RCW or offered by a driver training school licensed and inspected by the department of licensing under chapter 46.82 RCW, that includes practice driving.

(2) **Waiver of written examination for instruction permit**. The department may waive the written examination, if, at the time of application, an applicant is enrolled in((~~:~~

~~(a)~~)) a ((~~traffic safety~~)) driver training education course as defined ((~~by RCW 28A.220.020(2); or~~

~~(b) A course of instruction offered by a licensed driver training school as defined by~~)) in RCW 46.82.280 or 28A.220.020.

The department may require proof of registration in such a course as it deems necessary.

(3) **Effect of instruction permit**. A person holding a driver's instruction permit may drive a motor vehicle, other than a motorcycle, upon the public highways if:

(a) The person has immediate possession of the permit;

(b) The person is not using a wireless communications device, unless the person is using the device to report illegal activity, summon medical or other emergency help, or prevent injury to a person or property; and

(c) ((~~An approved~~)) A driver training education course instructor who meets the qualifications of chapter 46.82 or 28A.220 RCW, or a licensed driver with at least five years of driving experience, occupies the seat beside the driver.

(4) **Term of instruction permit**. A driver's instruction permit is valid for one year from the date of issue.

(a) The department may issue one additional one-year permit.

(b) The department may issue a third driver's permit if it finds after an investigation that the permittee is diligently seeking to improve driving proficiency.

(c) A person applying for an additional instruction permit must submit the application to the department in person and pay an application fee of twenty-five dollars for each issuance.

Sec. 7. RCW 46.20.100 and 2010 1st sp.s. c 7 s 18 are each amended to read as follows:

(1) **Application**. The application of a person under the age of eighteen years for a driver's license or a motorcycle endorsement must be signed by a parent or guardian with custody of the minor. If the person under the age of eighteen has no father, mother, or guardian, then the application must be signed by the minor's employer.

(2) **Traffic safety education requirement**. For a person under the age of eighteen years to obtain a driver's license, he or she must meet the traffic safety education requirements of this subsection.

(a) To meet the traffic safety education requirement for a driver's license, the applicant must satisfactorily complete a ((~~traffic safety~~)) driver training

education course as defined in RCW 28A.220.020 for a course offered by a school district or approved private school, or as defined by the department of licensing for a course offered by a driver training school licensed under chapter 46.82 RCW. The course offered by a school district or an approved private school must ((~~meet the standards established~~)) be part of a traffic safety education program authorized by the office of the ((~~state~~)) superintendent of public instruction and certified under chapter 28A.220 RCW. The course offered by a driver training school must meet the standards established by the department of licensing under chapter 46.82 RCW. The ((~~traffic safety~~)) driver training education course may be provided by:

(i) A ((~~recognized~~)) secondary school within a school district or approved private school that establishes and maintains an approved and certified traffic safety education program under chapter 28A.220 RCW; or

(ii) A driver training school licensed under chapter 46.82 RCW that is annually approved by the department of licensing.

(b) To meet the traffic safety education requirement for a motorcycle endorsement, the applicant must successfully complete a motorcycle safety education course that meets the standards established by the department of licensing.

(c) The department may waive the ((~~traffic safety~~)) driver training education course requirement for a driver's license if the applicant demonstrates to the department's satisfaction that:

(i) He or she was unable to take or complete a ((~~traffic safety~~)) driver training education course;

(ii) A need exists for the applicant to operate a motor vehicle; and

(iii) He or she has the ability to operate a motor vehicle in such a manner as not to jeopardize the safety of persons or property.

The department may adopt rules to implement this subsection (2)(c) in concert with the supervisor of the traffic safety education section of the office of the superintendent of public instruction.

(d) The department may waive the ((~~traffic safety~~)) driver training education course requirement if the applicant was licensed to drive a motor vehicle or motorcycle outside this state and provides proof that he or she has had education equivalent to that required under this subsection.

Sec. 8. RCW 46.82.280 and 2010 1st sp.s. c 7 s 19 are each amended to read as follows:

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

(1) "Behind-the-wheel instruction" means instruction in an approved driver training school instruction vehicle according to and inclusive of the ((~~minimum~~)) required curriculum. Behind-the-wheel instruction is characterized by driving experience.

(2) "Classroom" means a space dedicated to and used exclusively by a driver training instructor for the instruction of students. With prior department approval, a branch office classroom may be located within alternative facilities, such as a public or private library, school, community college, college or university, or a business training facility.

(3) "Classroom instruction" means that portion of a traffic safety education course that is characterized by classroom-based student instruction using the

required curriculum conducted by or under the direct supervision of a licensed instructor or licensed instructors.

(4) "Director" means the director of the department of licensing of the state of Washington.

(5) "Driver training education course" means a course of instruction in traffic safety education approved and licensed by the department of licensing that consists of classroom and behind-the-wheel instruction ((~~as documented by the minimum~~)) that follows the approved curriculum.

(6) "Driver training school" means a commercial driver training school engaged in the business of giving instruction, for a fee, in the operation of automobiles.

(7) "Enrollment" means the collecting of a fee or the signing of a contract for a driver training education course. "Enrollment" does not include the collecting of names and contact information for enrolling students once a driver training school is licensed to instruct.

(8) "Fraudulent practices" means any conduct or representation on the part of a driver training school owner or instructor including:

(a) Inducing anyone to believe, or to give the impression, that a license to operate a motor vehicle or any other license granted by the director may be obtained by any means other than those prescribed by law, or furnishing or obtaining the same by illegal or improper means, or requesting, accepting, or collecting money for such purposes;

(b) Operating a driver training school without a license, providing instruction without an instructor's license, verifying enrollment prior to being licensed, misleading or false statements on applications for a commercial driver training school license or instructor's license or on any required records or supporting documentation;

(c) Failing to fully document and maintain all required driver training school records of instruction, school operation, and instructor training;

(d) Issuing a driver training course certificate without requiring completion of the necessary behind-the-wheel and classroom instruction.

(9) "Instructor" means any person employed by or otherwise associated with a driver training school to instruct persons in the operation of an automobile.

(10) "Owner" means an individual, partnership, corporation, association, or other person or group that holds a substantial interest in a driver training school.

(11) "Person" means any individual, firm, corporation, partnership, or association.

(12) "Place of business" means a designated location at which the business of a driver training school is transacted or its records are kept.

(13) "Student" means any person enrolled in an approved driver training course.

(14) "Substantial interest holder" means a person who has actual or potential influence over the management or operation of any driver training school. Evidence of substantial interest includes, but is not limited to, one or more of the following:

(a) Directly or indirectly owning, operating, managing, or controlling a driver training school or any part of a driver training school;

(b) Directly or indirectly profiting from or assuming liability for debts of a driver training school;

(c) Is an officer or director of a driver training school;

(d) Owning ten percent or more of any class of stock in a privately or closely held corporate driver training school, or five percent or more of any class of stock in a publicly traded corporate driver training school;

(e) Furnishing ten percent or more of the capital, whether in cash, goods, or services, for the operation of a driver training school during any calendar year; or

(f) Directly or indirectly receiving a salary, commission, royalties, or other form of compensation from the activity in which a driver training school is or seeks to be engaged.

Sec. 9. RCW 46.82.320 and 2009 c 101 s 4 are each amended to read as follows:

(1) No person affiliated with a driver training school shall give instruction in the operation of an automobile for a fee without a license issued by the director for that purpose. An application for an original or renewal instructor's license shall be filed with the director, containing such information as prescribed by this chapter and by the director, accompanied by an application fee set by rule of the department, which shall in no event be refunded. An application for a renewal instructor's license must be accompanied by proof of the applicant's continuing professional development that meets the standards adopted by the director. If the applicant satisfactorily meets the application requirements ((~~and the examination requirements~~)) as prescribed in RCW 46.82.330, the applicant shall be granted a license valid for a period of two years from the date of issuance. An applicant for a renewal instructor's license is not required to retake the examination specified in RCW 46.82.330 to renew his or her instructor's license if his or her original instructor's license is unexpired or has not been expired for longer than six months before submission of his or her renewal application.

(2) The director shall issue a license certificate to each qualified applicant.

(a) An employing driver training school must conspicuously display an instructor's license at its established place of business and display copies of the instructor's license at any branch office where the instructor provides instruction.

(b) Unless revoked, canceled, or denied by the director, the license shall remain the property of the licensee in the event of termination of employment or employment by another driver training school.

(c) If the director has not received a renewal application on or before the date a license expires, the license ((~~will be voided~~)) is void, requiring a new application as provided for in this chapter, including ((~~examination and~~)) payment of all fees, as well as an examination subject to the exception in subsection (1) of this section.

(d) If revoked, canceled, or denied by the director, the license must be surrendered to the department within ten days following the effective date of such action.

(3) Each licensee shall be provided with a wallet-size identification card by the director at the time the license is issued which shall be in the instructor's immediate possession at all times while engaged in instructing.

(4) The person to whom an instructor's license has been issued shall notify the director in writing within ten days of any change of employment or termination of employment, providing the name and address of the new driver training school by whom the instructor will be employed.

Sec. 10. RCW 46.82.330 and 2010 1st sp.s. c 7 s 21 are each amended to read as follows:

(1) The application for an instructor's license shall document the applicant's fitness, knowledge, skills, and abilities to teach the classroom and behind-the-wheel ((~~phases~~)) instruction portions of a driver training education program in a commercial driver training school.

(2) An applicant shall be eligible to apply for an original instructor's certificate if the applicant possesses and meets the following qualifications and conditions:

(a) Has been licensed to drive for five or more years and possesses a current and valid Washington driver's license or is a resident of a jurisdiction immediately adjacent to Washington state and possesses a current and valid license issued by such jurisdiction, and does not have on his or her driving record any of the violations or penalties set forth in (a)(i), (ii), or (iii) of this subsection. The director shall have the right to examine the driving record of the applicant from the department of licensing and from other jurisdictions and from these records determine if the applicant has had:

(i) Not more than one moving traffic violation within the preceding twelve months or more than two moving traffic violations in the preceding twenty-four months;

(ii) No drug or alcohol-related traffic violation or incident within the preceding three years. If there are two or more drug or alcohol-related traffic violations in the applicant's driving history, the applicant is no longer eligible to be a driving instructor; and

(iii) No driver's license suspension, cancellation, revocation, or denial within the preceding two years, or no more than two of these occurrences in the preceding five years;

(b) Is a high school graduate or the equivalent and at least twenty-one years of age;

(c) Has completed an acceptable application on a form prescribed by the director;

(d) Has satisfactorily completed a course of instruction in the training of drivers acceptable to the director that is no less than sixty hours in length and includes instruction in classroom and behind-the-wheel teaching methods and supervised practice behind-the-wheel teaching of driving techniques; and

(e) Has paid an examination fee as set by rule of the department and has successfully completed an instructor's examination.

Sec. 11. RCW 46.82.360 and 2009 c 101 s 7 are each amended to read as follows:

The license of any driver training school or instructor may be suspended, revoked, denied, or refused renewal, or such other disciplinary action authorized under RCW 18.235.110 may be imposed, for failure to comply with the business practices specified in this section.

(1) No place of business shall be established nor any business of a driver training school conducted or solicited within one thousand feet of an office or building owned or leased by the department of licensing in which examinations for drivers' licenses are conducted. The distance of one thousand feet shall be measured along the public streets by the nearest route from the place of business to such building.

(2) Any automobile used by a driver training school or an instructor for instruction purposes must be equipped with:

(a) Dual controls for foot brake and clutch, or foot brake only in a vehicle equipped with an automatic transmission;

(b) An instructor's rear view mirror; and

(c) A sign in legible, printed English letters displayed on the back or top, or both, of the vehicle that:

(i) Is not less than twenty inches in horizontal width or less than ten inches in vertical height;

(ii) Has the words "student driver," "instruction car," or "driving school" in letters at least two and one-half inches in height near the top;

(iii) Has the name and telephone number of the school in similarly legible letters not less than one inch in height placed somewhere below the aforementioned words;

(iv) Has lettering and background colors that make it clearly readable at one hundred feet in clear daylight;

(v) Is displayed at all times when instruction is being given.

(3) Instruction may not be given by an instructor to a student who is under the age of fifteen, and behind-the-wheel instruction may not be given by an instructor to a student in an automobile unless the student possesses a current and valid instruction permit issued pursuant to RCW 46.20.055 or a current and valid driver's license.

(4) No driver training school or instructor shall advertise or otherwise indicate that the issuance of a driver's license is guaranteed or assured as a result of the course of instruction offered.

(5) No driver training school or instructor shall utilize any types of advertising without using the full, legal name of the school and identifying itself as a driver training school. Instruction vehicles and equipment, classrooms, driving simulators, training materials and services advertised must be available in a manner as might be expected by the average person reading the advertisement.

(6) A driver training school shall have an established place of business owned, rented, or leased by the school and regularly occupied and used exclusively for the business of giving driver instruction. The established place of business of a driver training school shall be located in a district that is zoned for business or commercial purposes or zoned for conditional use permits for schools, trade schools, or colleges. However, the use of public or private schools does not alleviate the driver training school from securing and maintaining an established place of business or from using its own classroom on a regular basis as required under this chapter.

(a) The established place of business, branch office, or classroom or advertised address of any such driver training school shall not consist of or include a house trailer, residence, tent, temporary stand, temporary address, bus, telephone answering service if such service is the sole means of contacting the driver training school, a room or rooms in a hotel or rooming house or apartment house, or premises occupied by a single or multiple-unit dwelling house.

(b) A driver training school may lease classroom space within a public or private school that is recognized and regulated by the office of the superintendent of public instruction to conduct student instruction as approved

by the director. However, such use of public or private classroom space does not alleviate the driver training school from securing and maintaining an established place of business nor from using its own classroom on a regular basis as required by this chapter.

(c) To classify as a branch office or classroom the facility must be within a thirty-five mile radius of the established place of business. The department may waive or extend the thirty-five mile restriction for driver training schools located in counties below the median population density.

(d) Nothing in this subsection may be construed as limiting the authority of local governments to grant conditional use permits or variances from zoning ordinances.

(7) No driver training school or instructor shall conduct any type of instruction or training on a course used by the department of licensing for testing applicants for a Washington driver's license.

(8) Each driver training school shall maintain its student, instructor, vehicle, insurance, and operating records at its established place of business.

(a) Student records must include the student's name, address, and telephone number, date of enrollment and all dates of instruction, the student's instruction permit or driver's license number, the type of training given, the total number of hours of instruction, and the name and signature of the instructor or instructors.

(b) Vehicle records shall include the original insurance policies and copies of the vehicle registration for all instruction vehicles.

(c) Student and instructor records shall be maintained for three years following the completion of the instruction. Vehicle records shall be maintained for five years following their issuance. All records shall be made available for inspection upon the request of the department.

(d) Upon a transfer or sale of school ownership the school records shall be transferred to and become the property and responsibility of the new owner.

(9) Each driver training school shall, at its established place of business, display, in a place where it can be seen by all clients, a copy of the required ((~~minimum~~)) curriculum furnished by the department ((~~and a copy of the school's own curriculum~~)). Copies of the required ((~~minimum~~)) curriculum are to be provided to driver training schools and instructors by the director.

(10) Driver training schools and instructors shall submit to periodic inspections of their business practices, facilities, records, and insurance by authorized representatives of the director of the department of licensing.

Sec. 12. RCW 46.82.420 and 2010 1st sp.s. c 7 s 22 are each amended to read as follows:

(1) The department and the office of the superintendent of public instruction shall jointly develop and maintain a ((~~basic minimum~~)) required curriculum ((~~and~~)) as specified in section 4 of this act. The department shall furnish to each qualifying applicant for an instructor's license or a driver training school license a copy of such curriculum.

(2) In addition to information on the safe, lawful, and responsible operation of motor vehicles on the state's highways, the ((~~basic minimum~~)) required curriculum shall include information on:

(a) Intermediate driver's license issuance, passenger and driving restrictions and sanctions for violating the restrictions, and the effect of traffic violations and collisions on the driving privileges;

(b) The effects of alcohol and drug use on motor vehicle operators, including information on drug and alcohol related traffic injury and mortality rates in the state of Washington and the current penalties for driving under the influence of drugs or alcohol;

(c) Motorcycle awareness, approved by the director, to ensure new operators of motor vehicles have been instructed in the importance of safely sharing the road with motorcyclists;

(d) Bicycle safety, to ensure that operators of motor vehicles have been instructed in the importance of safely sharing the road with bicyclists; and

(e) Pedestrian safety, to ensure that operators of motor vehicles have been instructed in the importance of safely sharing the road with pedestrians.

(3) Should the director be presented with acceptable proof that any licensed instructor or driver training school is not showing proper diligence in teaching ((~~such basic minimum~~)) the required curriculum ((~~as required~~)), the instructor or school shall be required to appear before the director and show cause why the license of the instructor or school should not be revoked for such negligence. If the director does not accept such reasons as may be offered, the director may revoke the license of the instructor or school, or both.

NEW SECTION. **Sec. 13.** The department of licensing and the office of the superintendent of public instruction must work together on the transfer and coordination of responsibilities to comply with this act.

NEW SECTION. **Sec. 14.** The following acts or parts of acts are each repealed:

(1) RCW 28A.220.050 (Information on proper use of left-hand lane) and 1986 c 93 s 4;

(2) RCW 28A.220.060 (Information on effects of alcohol and drug use) and 1991 c 217 s 2;

(3) RCW 28A.220.080 (Information on motorcycle awareness) and 2007 c 97 s 4 & 2004 c 126 s 1; and

(4) RCW 28A.220.085 (Information on driving safely among bicyclists and pedestrians) and 2008 c 125 s 4.

NEW SECTION. **Sec. 15.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 16.** Except for section 13 of this act, this act takes effect August 1, 2018.

Passed by the House April 13, 2017.

Passed by the Senate April 7, 2017.

Approved by the Governor May 5, 2017.

Filed in Office of Secretary of State May 5, 2017.

CHAPTER 198

[Substitute House Bill 1520]

WASHINGTON RURAL HEALTH ACCESS PRESERVATION PILOT--CRITICAL ACCESS HOSPITALS--PAYMENTS

AN ACT Relating to allowing alternative payment methodologies for critical access hospitals participating in the Washington rural health access preservation pilot; amending RCW 74.09.5225; and creating a new section.

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

Sec. 1. RCW 74.09.5225 and 2016 sp.s. c 31 s 2 are each amended to read as follows:

(1) Payments for recipients eligible for medical assistance programs under this chapter for services provided by hospitals, regardless of the beneficiary's managed care enrollment status, shall be made based on allowable costs incurred during the year, when services are provided by a rural hospital certified by the centers for medicare and medicaid services as a critical access hospital, unless the critical access hospital is participating in the Washington rural health access preservation pilot described in subsection (2)(b) of this section. Any additional payments made by the authority for the healthy options program shall be no more than the additional amounts per service paid under this section for other medical assistance programs.

(2)(a) Beginning on July 24, 2005, except as provided in (b) of this subsection, a moratorium shall be placed on additional hospital participation in critical access hospital payments under this section. However, rural hospitals that applied for certification to the centers for medicare and medicaid services prior to January 1, 2005, but have not yet completed the process or have not yet been approved for certification, remain eligible for medical assistance payments under this section.

(b)(i) The purpose of the Washington rural health access preservation pilot is to develop an alternative service and payment system to the critical access hospital authorized under section 1820 of the social security act to sustain essential services in rural communities.

(ii) For the purposes of state law, any rural hospital approved by the department of health for participation in critical access hospital payments under this section that participates in the Washington rural health access preservation pilot identified by the state office of rural health and ceases to participate in critical access hospital payments may renew participation in critical access hospital associated payment methodologies under this section at any time.

((~~(ii)~~)) (iii) The Washington rural health access preservation pilot is subject to the following requirements:

(A) In the pilot formation or development, the department of health, health care authority, and Washington state hospital association will identify goals for the pilot project before any hospital joins the pilot project;

(B) Participation in the pilot is optional and no hospital may be required to join the pilot;

(C) Before a hospital enters the pilot program, the health care authority must provide information to the hospital regarding how the hospital could end its participation in the pilot if the pilot is not working in its community; ((~~and~~))

(D) Payments for services delivered by public health care service districts participating in the Washington rural health access preservation pilot to

recipients eligible for medical assistance programs under this chapter must be based on an alternative, value-based payment methodology established by the authority. Subject to the availability of amounts appropriated for this specific purpose, the payment methodology must provide sufficient funding to sustain essential services in the areas served, including but not limited to emergency and primary care services. The methodology must adjust payment amounts based on measures of quality and value, rather than volume. As part of the pilot, the health care authority shall encourage additional payers to use the adopted payment methodology for services delivered by the pilot participants to individuals insured by those payers;

(E) The department of health, health care authority, and Washington state hospital association will report interim progress to the legislature no later than December 1, 2018, and will report on the results of the pilot no later than six months following the conclusion of the pilot. The reports will describe any policy changes identified during the course of the pilot that would support small critical access hospitals; and

(F) Funds appropriated for the Washington rural health access preservation pilot will be used to help participating hospitals transition to a new payment methodology and will not extend beyond the anticipated three-year pilot period.

(3)(a) Beginning January 1, 2015, payments for recipients eligible for medical assistance programs under this chapter for services provided by a hospital, regardless of the beneficiary's managed care enrollment status, shall be increased to one hundred twenty-five percent of the hospital's fee-for-service rates, when services are provided by a rural hospital that:

(i) Was certified by the centers for medicare and medicaid services as a sole community hospital as of January 1, 2013;

(ii) Had a level III adult trauma service designation from the department of health as of January 1, 2014;

(iii) Had less than one hundred fifty acute care licensed beds in fiscal year 2011; and

(iv) Is owned and operated by the state or a political subdivision.

(b) The enhanced payment rates under this subsection shall be considered the hospital's medicaid payment rate for purposes of any other state or private programs that pay hospitals according to medicaid payment rates.

(c) Hospitals participating in the certified public expenditures program may not receive the increased reimbursement rates provided in this subsection (3) for inpatient services.

NEW SECTION. **Sec. 2.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the House April 13, 2017.

Passed by the Senate April 11, 2017.

Approved by the Governor May 5, 2017.

Filed in Office of Secretary of State May 5, 2017.

CHAPTER 199

[Engrossed Substitute House Bill 1547]

PSYCHIATRIC BEDS--CERTIFICATE OF NEED EXEMPTION

AN ACT Relating to exempting certain hospitals from certificate of need requirements for the addition of psychiatric beds until June 2019; amending RCW 70.38.111 and 70.38.260; providing an expiration date; and declaring an emergency.

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

Sec. 1. RCW 70.38.111 and 2016 sp.s. c 31 s 4 are each amended to read as follows:

(1) The department shall not require a certificate of need for the offering of an inpatient tertiary health service by:

(a) A health maintenance organization or a combination of health maintenance organizations if (i) the organization or combination of organizations has, in the service area of the organization or the service areas of the organizations in the combination, an enrollment of at least fifty thousand individuals, (ii) the facility in which the service will be provided is or will be geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iii) at least seventy-five percent of the patients who can reasonably be expected to receive the tertiary health service will be individuals enrolled with such organization or organizations in the combination;

(b) A health care facility if (i) the facility primarily provides or will provide inpatient health services, (ii) the facility is or will be controlled, directly or indirectly, by a health maintenance organization or a combination of health maintenance organizations which has, in the service area of the organization or service areas of the organizations in the combination, an enrollment of at least fifty thousand individuals, (iii) the facility is or will be geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iv) at least seventy-five percent of the patients who can reasonably be expected to receive the tertiary health service will be individuals enrolled with such organization or organizations in the combination; or

(c) A health care facility (or portion thereof) if (i) the facility is or will be leased by a health maintenance organization or combination of health maintenance organizations which has, in the service area of the organization or the service areas of the organizations in the combination, an enrollment of at least fifty thousand individuals and, on the date the application is submitted under subsection (2) of this section, at least fifteen years remain in the term of the lease, (ii) the facility is or will be geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iii) at least seventy-five percent of the patients who can reasonably be expected to receive the tertiary health service will be individuals enrolled with such organization;

if, with respect to such offering or obligation by a nursing home, the department has, upon application under subsection (2) of this section, granted an exemption from such requirement to the organization, combination of organizations, or facility.

(2) A health maintenance organization, combination of health maintenance organizations, or health care facility shall not be exempt under subsection (1) of this section from obtaining a certificate of need before offering a tertiary health service unless:

(a) It has submitted at least thirty days prior to the offering of services reviewable under RCW 70.38.105(4)(d) an application for such exemption; and

(b) The application contains such information respecting the organization, combination, or facility and the proposed offering or obligation by a nursing home as the department may require to determine if the organization or combination meets the requirements of subsection (1) of this section or the facility meets or will meet such requirements; and

(c) The department approves such application. The department shall approve or disapprove an application for exemption within thirty days of receipt of a completed application. In the case of a proposed health care facility (or portion thereof) which has not begun to provide tertiary health services on the date an application is submitted under this subsection with respect to such facility (or portion), the facility (or portion) shall meet the applicable requirements of subsection (1) of this section when the facility first provides such services. The department shall approve an application submitted under this subsection if it determines that the applicable requirements of subsection (1) of this section are met.

(3) A health care facility (or any part thereof) with respect to which an exemption was granted under subsection (1) of this section may not be sold or leased and a controlling interest in such facility or in a lease of such facility may not be acquired and a health care facility described in (1)(c) which was granted an exemption under subsection (1) of this section may not be used by any person other than the lessee described in (1)(c) unless:

(a) The department issues a certificate of need approving the sale, lease, acquisition, or use; or

(b) The department determines, upon application, that (i) the entity to which the facility is proposed to be sold or leased, which intends to acquire the controlling interest, or which intends to use the facility is a health maintenance organization or a combination of health maintenance organizations which meets the requirements of (1)(a)(i), and (ii) with respect to such facility, meets the requirements of (1)(a)(ii) or (iii) or the requirements of (1)(b)(i) and (ii).

(4) In the case of a health maintenance organization, an ambulatory care facility, or a health care facility, which ambulatory or health care facility is controlled, directly or indirectly, by a health maintenance organization or a combination of health maintenance organizations, the department may under the program apply its certificate of need requirements to the offering of inpatient tertiary health services to the extent that such offering is not exempt under the provisions of this section or RCW 70.38.105(7).

(5)(a) The department shall not require a certificate of need for the construction, development, or other establishment of a nursing home, or the addition of beds to an existing nursing home, that is owned and operated by a continuing care retirement community that:

(i) Offers services only to contractual members;

(ii) Provides its members a contractually guaranteed range of services from independent living through skilled nursing, including some assistance with daily living activities;

(iii) Contractually assumes responsibility for the cost of services exceeding the member's financial responsibility under the contract, so that no third party, with the exception of insurance purchased by the retirement community or its

members, but including the medicaid program, is liable for costs of care even if the member depletes his or her personal resources;

(iv) Has offered continuing care contracts and operated a nursing home continuously since January 1, 1988, or has obtained a certificate of need to establish a nursing home;

(v) Maintains a binding agreement with the state assuring that financial liability for services to members, including nursing home services, will not fall upon the state;

(vi) Does not operate, and has not undertaken a project that would result in a number of nursing home beds in excess of one for every four living units operated by the continuing care retirement community, exclusive of nursing home beds; and

(vii) Has obtained a professional review of pricing and long-term solvency within the prior five years which was fully disclosed to members.

(b) A continuing care retirement community shall not be exempt under this subsection from obtaining a certificate of need unless:

(i) It has submitted an application for exemption at least thirty days prior to commencing construction of, is submitting an application for the licensure of, or is commencing operation of a nursing home, whichever comes first; and

(ii) The application documents to the department that the continuing care retirement community qualifies for exemption.

(c) The sale, lease, acquisition, or use of part or all of a continuing care retirement community nursing home that qualifies for exemption under this subsection shall require prior certificate of need approval to qualify for licensure as a nursing home unless the department determines such sale, lease, acquisition, or use is by a continuing care retirement community that meets the conditions of (a) of this subsection.

(6) A rural hospital, as defined by the department, reducing the number of licensed beds to become a rural primary care hospital under the provisions of Part A Title XVIII of the Social Security Act Section 1820, 42 U.S.C., 1395c et seq. may, within three years of the reduction of beds licensed under chapter 70.41 RCW, increase the number of licensed beds to no more than the previously licensed number without being subject to the provisions of this chapter.

(7) A rural health care facility licensed under RCW 70.175.100 formerly licensed as a hospital under chapter 70.41 RCW may, within three years of the effective date of the rural health care facility license, apply to the department for a hospital license and not be subject to the requirements of RCW 70.38.105(4)(a) as the construction, development, or other establishment of a new hospital, provided there is no increase in the number of beds previously licensed under chapter 70.41 RCW and there is no redistribution in the number of beds used for acute care or long-term care, the rural health care facility has been in continuous operation, and the rural health care facility has not been purchased or leased.

(8) A rural hospital determined to no longer meet critical access hospital status for state law purposes as a result of participation in the Washington rural health access preservation pilot identified by the state office of rural health and formerly licensed as a hospital under chapter 70.41 RCW may apply to the department to renew its hospital license and not be subject to the requirements of RCW 70.38.105(4)(a) as the construction, development, or other establishment

of a new hospital, provided there is no increase in the number of beds previously licensed under chapter 70.41 RCW. If all or part of a formerly licensed rural hospital is sold, purchased, or leased during the period the rural hospital does not meet critical access hospital status as a result of participation in the Washington rural health access preservation pilot and the new owner or lessor applies to renew the rural hospital's license, then the sale, purchase, or lease of part or all of the rural hospital is subject to the provisions of this chapter ((~~70.38 RCW~~)).

(9)(a) A nursing home that voluntarily reduces the number of its licensed beds to provide assisted living, licensed assisted living facility care, adult day care, adult day health, respite care, hospice, outpatient therapy services, congregate meals, home health, or senior wellness clinic, or to reduce to one or two the number of beds per room or to otherwise enhance the quality of life for residents in the nursing home, may convert the original facility or portion of the facility back, and thereby increase the number of nursing home beds to no more than the previously licensed number of nursing home beds without obtaining a certificate of need under this chapter, provided the facility has been in continuous operation and has not been purchased or leased. Any conversion to the original licensed bed capacity, or to any portion thereof, shall comply with the same life and safety code requirements as existed at the time the nursing home voluntarily reduced its licensed beds; unless waivers from such requirements were issued, in which case the converted beds shall reflect the conditions or standards that then existed pursuant to the approved waivers.

(b) To convert beds back to nursing home beds under this subsection, the nursing home must:

(i) Give notice of its intent to preserve conversion options to the department of health no later than thirty days after the effective date of the license reduction; and

(ii) Give notice to the department of health and to the department of social and health services of the intent to convert beds back. If construction is required for the conversion of beds back, the notice of intent to convert beds back must be given, at a minimum, one year prior to the effective date of license modification reflecting the restored beds; otherwise, the notice must be given a minimum of ninety days prior to the effective date of license modification reflecting the restored beds. Prior to any license modification to convert beds back to nursing home beds under this section, the licensee must demonstrate that the nursing home meets the certificate of need exemption requirements of this section.

The term "construction," as used in (b)(ii) of this subsection, is limited to those projects that are expected to equal or exceed the expenditure minimum amount, as determined under this chapter.

(c) Conversion of beds back under this subsection must be completed no later than four years after the effective date of the license reduction. However, for good cause shown, the four-year period for conversion may be extended by the department of health for one additional four-year period.

(d) Nursing home beds that have been voluntarily reduced under this section shall be counted as available nursing home beds for the purpose of evaluating need under RCW 70.38.115(2) (a) and (k) so long as the facility retains the ability to convert them back to nursing home use under the terms of this section.

(e) When a building owner has secured an interest in the nursing home beds, which are intended to be voluntarily reduced by the licensee under (a) of this

subsection, the applicant shall provide the department with a written statement indicating the building owner's approval of the bed reduction.

(10)(a) The department shall not require a certificate of need for a hospice agency if:

(i) The hospice agency is designed to serve the unique religious or cultural needs of a religious group or an ethnic minority and commits to furnishing hospice services in a manner specifically aimed at meeting the unique religious or cultural needs of the religious group or ethnic minority;

(ii) The hospice agency is operated by an organization that:

(A) Operates a facility, or group of facilities, that offers a comprehensive continuum of long-term care services, including, at a minimum, a licensed, medicare-certified nursing home, assisted living, independent living, day health, and various community-based support services, designed to meet the unique social, cultural, and religious needs of a specific cultural and ethnic minority group;

(B) Has operated the facility or group of facilities for at least ten continuous years prior to the establishment of the hospice agency;

(iii) The hospice agency commits to coordinating with existing hospice programs in its community when appropriate;

(iv) The hospice agency has a census of no more than forty patients;

(v) The hospice agency commits to obtaining and maintaining medicare certification;

(vi) The hospice agency only serves patients located in the same county as the majority of the long-term care services offered by the organization that operates the agency; and

(vii) The hospice agency is not sold or transferred to another agency.

(b) The department shall include the patient census for an agency exempted under this subsection (10) in its calculations for future certificate of need applications.

(11) To alleviate the need to board psychiatric patients in emergency departments, ((~~for fiscal year 2015~~)) for the period of time from the effective date of this section through June 30, 2019:

(a) The department shall suspend the certificate of need requirement for a hospital licensed under chapter 70.41 RCW that changes the use of licensed beds to increase the number of beds to provide psychiatric services, including involuntary treatment services. A certificate of need exemption under this ((~~section~~)) subsection (11)(a) shall be valid for two years.

(b) The department may not require a certificate of need for:

(i) The addition of beds as described in RCW 70.38.260 (2) and (3); or

(ii) The construction, development, or establishment of a psychiatric hospital licensed as an establishment under chapter 71.12 RCW that will have no more than sixteen beds and provide treatment to adults on ninety or one hundred eighty-day involuntary commitment orders, as described in RCW 70.38.260(4).

Sec. 2. RCW 70.38.260 and 2015 3rd sp.s. c 22 s 2 are each amended to read as follows:

(1) For a grant awarded during fiscal years 2016 and 2017 by the department of commerce under this section, hospitals licensed under chapter 70.41 RCW and psychiatric hospitals licensed as establishments under chapter 71.12 RCW are not subject to certificate of need requirements for the addition of

the number of new psychiatric beds indicated in the grant. The department of commerce may not make a prior approval of a certificate of need application a condition for a grant application under this section. The period during which an approved hospital or psychiatric hospital project qualifies for a certificate of need exemption under this section is two years from the date of the grant award.

(2)(a) Until June 30, 2019, a hospital licensed under chapter 70.41 RCW is exempt from certificate of need requirements for the addition of new psychiatric beds.

(b) A hospital that adds new psychiatric beds under this subsection (2) must:

(i) Notify the department of the addition of new psychiatric beds. The department shall provide the hospital with a notice of exemption within thirty days; and

(ii) Commence the project within two years of the date of receipt of the notice of exemption.

(c) Beds granted an exemption under RCW 70.38.111(11)(b) must remain psychiatric beds unless a certificate of need is granted to change their use or the hospital voluntarily reduces its licensed capacity.

(3)(a) Until June 30, 2019, a psychiatric hospital licensed as an establishment under chapter 71.12 RCW is exempt from certificate of need requirements for the one-time addition of up to thirty new psychiatric beds, if it demonstrates to the satisfaction of the department:

(i) That its most recent two years of publicly available fiscal year-end report data as required under RCW 70.170.100 and 43.70.050 reported to the department by the psychiatric hospital, show a payer mix of a minimum of fifty percent medicare and medicaid based on a calculation using patient days; and

(ii) A commitment to maintaining the payer mix in (a) of this subsection for a period of five consecutive years after the beds are made available for use by patients.

(b) A psychiatric hospital that adds new psychiatric beds under this subsection (3) must:

(i) Notify the department of the addition of new psychiatric beds. The department shall provide the psychiatric hospital with a notice of exemption within thirty days; and

(ii) Commence the project within two years of the date of receipt of the notice of exemption.

(c) Beds granted an exemption under RCW 70.38.111(11)(b) must remain psychiatric beds unless a certificate of need is granted to change their use or the psychiatric hospital voluntarily reduces its licensed capacity.

(4)(a) Until June 30, 2019, an entity seeking to construct, develop, or establish a psychiatric hospital licensed as an establishment under chapter 71.12 RCW is exempt from certificate of need requirements if the proposed psychiatric hospital will have no more than sixteen beds and dedicate a portion of the beds to providing treatment to adults on ninety or one hundred eighty-day involuntary commitment orders. The psychiatric hospital may also provide treatment to adults on a seventy-two hour detention or fourteen-day involuntary commitment order.

(b) An entity that seeks to construct, develop, or establish a psychiatric hospital under this subsection (4) must:

(i) Notify the department of the addition of construction, development, or establishment. The department shall provide the entity with a notice of exemption within thirty days; and

(ii) Commence the project within two years of the date of receipt of the notice of exemption.

(c) Entities granted an exemption under RCW 70.38.111(11)(b)(ii) may not exceed sixteen beds unless a certificate of need is granted to increase the psychiatric hospital's capacity.

(5) This section expires June 30, ((~~2019~~)) 2022.

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

Passed by the House February 27, 2017.
Passed by the Senate April 19, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 200

[Engrossed Substitute House Bill 1548]

GERIATRIC BEHAVIORAL HEALTH WORKERS--FACILITY-BASED CAREGIVERS--CURRICULUM--REQUIREMENTS

AN ACT Relating to curricula for persons in long-term care facilities with behavioral health needs; amending RCW 74.42.360; reenacting and amending RCW 74.42.010; and adding a new section to chapter 74.39A RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 74.39A RCW to read as follows:

The department shall adopt rules to establish minimum competencies and standards for the approval of curricula for facility-based caregivers serving persons with behavioral health needs and geriatric behavioral health workers. The curricula must include at least thirty hours of training specific to the diagnosis, care, and crisis management of residents with a mental health disorder, traumatic brain injury, or dementia. The curricula must be outcome-based, and the effectiveness measured by demonstrated competency in the core specialty areas through the use of a competency test.

Sec. 2. RCW 74.42.010 and 2016 c 131 s 3 are each reenacted and amended to read as follows:

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

(1) "Department" means the department of social and health services and the department's employees.

(2) "Direct care staff" means the staffing domain identified and defined in the center for medicare and medicaid service's five-star quality rating system and as reported through the center for medicare and medicaid service's payroll-based journal.

(3) "Facility" refers to a nursing home as defined in RCW 18.51.010.

(4) "Geriatric behavioral health worker" means a person ((~~with a bachelor's or master's degree in social work~~)) who has received specialized training devoted to mental illness and treatment of older adults.

(5) "Licensed practical nurse" means a person licensed to practice practical nursing under chapter 18.79 RCW.

(6) ((~~"Licensed practical nurse" means a person licensed to practice practical nursing under chapter 18.79 RCW.~~

~~(7)~~)) "Medicaid" means Title XIX of the Social Security Act enacted by the social security amendments of 1965 (42 U.S.C. Sec. 1396; 79 Stat. 343), as amended.

((~~(8)~~)) (7) "Nurse practitioner" means a person licensed to practice advanced registered nursing under chapter 18.79 RCW.

((~~(9)~~)) (8) "Nursing care" means that care provided by a registered nurse, an advanced registered nurse practitioner, a licensed practical nurse, or a nursing assistant in the regular performance of their duties.

((~~(10)~~)) (9) "Physician" means a person practicing pursuant to chapter 18.57 or 18.71 RCW, including, but not limited to, a physician employed by the facility as provided in chapter 18.51 RCW.

((~~(11)~~)) (10) "Physician assistant" means a person practicing pursuant to chapter 18.57A or 18.71A RCW.

((~~(12)~~)) (11) "Qualified therapist" means:

(a) An activities specialist who has specialized education, training, or experience specified by the department.

(b) An audiologist who is eligible for a certificate of clinical competence in audiology or who has the equivalent education and clinical experience.

(c) A mental health professional as defined in chapter 71.05 RCW.

(d) An intellectual disabilities professional who is a qualified therapist or a therapist approved by the department and has specialized training or one year experience in treating or working with persons with intellectual or developmental disabilities.

(e) An occupational therapist who is a graduate of a program in occupational therapy or who has equivalent education or training.

(f) A physical therapist as defined in chapter 18.74 RCW.

(g) A social worker as defined in RCW 18.320.010(2).

(h) A speech pathologist who is eligible for a certificate of clinical competence in speech pathology or who has equivalent education and clinical experience.

((~~(13)~~)) (12) "Registered nurse" means a person licensed to practice registered nursing under chapter 18.79 RCW.

((~~(14)~~)) (13) "Resident" means an individual residing in a nursing home, as defined in RCW 18.51.010.

Sec. 3. RCW 74.42.360 and 2016 c 131 s 2 are each amended to read as follows:

(1) The facility shall have staff on duty twenty-four hours daily sufficient in number and qualifications to carry out the provisions of RCW 74.42.010 through 74.42.570 and the policies, responsibilities, and programs of the facility.

(2) The department shall institute minimum staffing standards for nursing homes. Beginning July 1, 2016, facilities must provide a minimum of 3.4 hours per resident day of direct care. Direct care staff has the same meaning as defined

in RCW 74.42.010. The minimum staffing standard includes the time when such staff are providing hands-on care related to activities of daily living and nursing-related tasks, as well as care planning. The legislature intends to increase the minimum staffing standard to 4.1 hours per resident day of direct care, but the effective date of a standard higher than 3.4 hours per resident day of direct care will be identified if and only if funding is provided explicitly for an increase of the minimum staffing standard for direct care.

(a) The department shall establish in rule a system of compliance of minimum direct care staffing standards by January 1, 2016. Oversight must be done at least quarterly using the center for medicare and medicaid service's payroll-based journal and nursing home facility census and payroll data.

(b) The department shall establish in rule by January 1, 2016, a system of financial penalties for facilities out of compliance with minimum staffing standards. No monetary penalty may be issued during the implementation period of July 1, 2016, through September 30, 2016. If a facility is found noncompliant during the implementation period, the department shall provide a written notice identifying the staffing deficiency and require the facility to provide a sufficiently detailed correction plan to meet the statutory minimum staffing levels. Monetary penalties begin October 1, 2016. Monetary penalties must be established based on a formula that calculates the cost of wages and benefits for the missing staff hours. If a facility meets the requirements in subsection (3) or (4) of this section, the penalty amount must be based solely on the wages and benefits of certified nurse aides. The first monetary penalty for noncompliance must be at a lower amount than subsequent findings of noncompliance. Monetary penalties established by the department may not exceed two hundred percent of the wage and benefit costs that would have otherwise been expended to achieve the required staffing minimum ((~~HPRD [hours per resident day]~~)) hours per resident day for the quarter. A facility found out of compliance must be assessed a monetary penalty at the lowest penalty level if the facility has met or exceeded the requirements in subsection (2) of this section for three or more consecutive years. Beginning July 1, 2016, pursuant to rules established by the department, funds that are received from financial penalties must be used for technical assistance, specialized training, or an increase to the quality enhancement established in RCW 74.46.561.

(c) The department shall establish in rule an exception allowing geriatric behavioral health workers as defined in RCW 74.42.010 to be recognized in the minimum staffing requirements as part of the direct care service delivery to individuals ((~~suffering from mental illness~~)) who have a behavioral health condition. Hours worked by geriatric behavioral health workers may be recognized as direct care hours for purposes of the minimum staffing requirements only up to a portion of the total hours equal to the proportion of resident days of clients with a behavioral health condition identified at that facility on the most recent semiannual minimum data set. In order to qualify for the exception:

(i) The worker must:

(A) Have at least three years experience providing care for individuals with chronic mental health issues, dementia, or intellectual and developmental disabilities in a long-term care or behavioral health care setting; or

(B) Have successfully completed a facility-based behavioral health curriculum approved by the department under section 1 of this act;

(ii) The worker must have advanced practice knowledge in aging, disability, mental illness, Alzheimer's disease, and developmental disabilities; and

(iii) Any geriatric behavioral health worker holding less than a master's degree in social work must be directly supervised by an employee who has a master's degree in social work or a registered nurse.

(d)(i) The department shall establish a limited exception to the 3.4 ((~~HPRD [hours per resident day]~~)) hours per resident day staffing requirement for facilities demonstrating a good faith effort to hire and retain staff.

(ii) To determine initial facility eligibility for exception consideration, the department shall send surveys to facilities anticipated to be below, at, or slightly above the 3.4 ((~~HPRD [hours per resident day]~~)) hours per resident day requirement. These surveys must measure the ((~~HPRD [hours per resident day]~~)) hours per resident day in a manner as similar as possible to the centers for medicare and medicaid services' payroll-based journal and cover the staffing of a facility from October through December of 2015, January through March of 2016, and April through June of 2016. A facility must be below the 3.4 staffing standard on all three surveys to be eligible for exception consideration. If the staffing ((~~HPRD [hours per resident day]~~)) hours per resident day for a facility declines from any quarter to another during the survey period, the facility must provide sufficient information to the department to allow the department to determine if the staffing decrease was deliberate or a result of neglect, which is the lack of evidence demonstrating the facility's efforts to maintain or improve its staffing ratio. The burden of proof is on the facility and the determination of whether or not the decrease was deliberate or due to neglect is entirely at the discretion of the department. If the department determines a facility's decline was deliberate or due to neglect, that facility is not eligible for an exception consideration.

(iii) To determine eligibility for exception approval, the department shall review the plan of correction submitted by the facility. Before a facility's exception may be renewed, the department must determine that sufficient progress is being made towards reaching the 3.4 ((~~HPRD [hours per resident day]~~)) hours per resident day staffing requirement. When reviewing whether to grant or renew an exception, the department must consider factors including but not limited to: Financial incentives offered by the facilities such as recruitment bonuses and other incentives; the robustness of the recruitment process; county employment data; specific steps the facility has undertaken to improve retention; improvements in the staffing ratio compared to the baseline established in the surveys and whether this trend is continuing; and compliance with the process of submitting staffing data, adherence to the plan of correction, and any progress toward meeting this plan, as determined by the department.

(iv) Only facilities that have their direct care component rate increase capped according to RCW 74.46.561 are eligible for exception consideration. Facilities that will have their direct care component rate increase capped for one or two years are eligible for exception consideration through June 30, 2017. Facilities that will have their direct care component rate increase capped for three years are eligible for exception consideration through June 30, 2018.

(v) The department may not grant or renew a facility's exception if the facility meets the 3.4 ((~~HPRD [hours per resident day]~~)) hours per resident day staffing requirement and subsequently drops below the 3.4 ((~~HPRD [hours per resident day]~~)) hours per resident day staffing requirement.

(vi) The department may grant exceptions for a six-month period per exception. The department's authority to grant exceptions to the 3.4 ((~~HPRD [hours per resident day]~~)) hours per resident day staffing requirement expires June 30, 2018.

(3)(a) Large nonessential community providers must have a registered nurse on duty directly supervising resident care twenty-four hours per day, seven days per week.

(b) The department shall establish a limited exception process to facilities that can demonstrate a good faith effort to hire a registered nurse for the last eight hours of required coverage per day. In granting an exception, the department may consider wages and benefits offered and the availability of registered nurses in the particular geographic area. A one-year exception may be granted and may be renewable for up to three consecutive years; however, the department may limit the admission of new residents, based on medical conditions or complexities, when a registered nurse is not on-site and readily available. If a facility receives an exemption, that information must be included in the department's nursing home locator. After June 30, 2019, the department, along with a stakeholder work group established by the department, shall conduct a review of the exceptions process to determine if it is still necessary.

(4) Essential community providers and small nonessential community providers must have a registered nurse on duty directly supervising resident care a minimum of sixteen hours per day, seven days per week, and a registered nurse or a licensed practical nurse on duty directly supervising resident care the remaining eight hours per day, seven days per week.

(5) For the purposes of this section, "behavioral health condition" means one or more of the behavioral symptoms specified in section E of the minimum data set.

Passed by the House March 1, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 201

[Substitute House Bill 1671]

ASSISTED LIVING FACILITIES--ACTIVITIES OF DAILY LIVING--MEDICATION ASSISTANCE

AN ACT Relating to assistance with activities of daily living; and amending RCW 18.20.310.

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

Sec. 1. RCW 18.20.310 and 2012 c 10 s 20 are each amended to read as follows:

(1) Assisted living facilities are not required to provide assistance with one or more activities of daily living.

(2) If an assisted living facility licensee chooses to provide assistance with activities of daily living, the licensee shall provide at least the minimal level of assistance for all activities of daily living consistent with subsection (3) of this section and consistent with the reasonable accommodation requirements in state or federal laws. "Activities of daily living ((~~are limited to and include~~))" means the following self-care activities related to personal care:

(a) Bathing;

(b) Dressing;

(c) Eating;

(d) Personal hygiene;

(e) Transferring;

(f) Toileting; ((~~and~~))

(g) Ambulation and mobility; and

(h) Medication assistance, as defined in RCW 69.41.010.

(3) The department shall, in rule, define the minimum level of assistance that will be provided for all activities of daily living, however, such rules shall not require more than occasional stand-by assistance or more than occasional physical assistance.

(4) The licensee shall clarify, through the disclosure form, the assistance with activities of daily living that may be provided, and any limitations or conditions that may apply. The licensee shall also clarify through the disclosure form any additional services that may be provided.

(5) In providing assistance with activities of daily living, the assisted living facility shall observe the resident for changes in overall functioning and respond appropriately when there are observable or reported changes in the resident's physical, mental, or emotional functioning.

Passed by the House February 27, 2017.

Passed by the Senate April 10, 2017.

Approved by the Governor May 5, 2017.

Filed in Office of Secretary of State May 5, 2017.

CHAPTER 202

[Engrossed Second Substitute House Bill 1713]

MENTAL HEALTH--CHILDREN--VARIOUS CHANGES

AN ACT Relating to implementing recommendations from the children's mental health work group; amending RCW 74.09.495 and 74.09.520; adding a new section to chapter 74.09 RCW; adding a new section to chapter 43.215 RCW; adding a new section to chapter 28A.630 RCW; adding new sections to chapter 71.24 RCW; adding a new section to chapter 28B.30 RCW; creating a new section; providing contingent effective dates; and providing an expiration date.

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

NEW SECTION. **Sec. 1.** The legislature finds that children and their families face systemic barriers to accessing necessary mental health services. These barriers include a workforce shortage of mental health providers throughout the system of care. Of particular concern are shortages of providers in underserved rural areas of our state and a shortage of providers statewide who can deliver culturally and linguistically appropriate services. The legislature further finds that greater coordination across systems, including early learning,

K-12 education, and health care, is necessary to provide children and their families with coordinated care.

The legislature further finds that until mental health and physical health services are fully integrated in the year 2020, children who are eligible for medicaid services and require mental health treatment should receive coordinated mental health and physical health services to the fullest extent possible.

The legislature further finds that in 2013, the department of social and health services and the health care authority reported that only forty percent of the children on medicaid who had mental health treatment needs were receiving services and that mental health treatment needs increase with the number of adverse childhood experiences that a child has undergone.

The legislature further finds that children with mental health service needs have higher rates of emergency room use, criminal justice system involvement, and an increased risk of homelessness, and that trauma-informed care can mitigate some of these negative outcomes.

Therefore, the legislature intends to implement recommendations from the children's mental health work group, as reported in December 2016, in order to improve mental health care access for children and their families through the early learning, K-12 education, and health care systems. The legislature further intends to encourage providers to use behavioral health therapies and other therapies that are empirically supported or evidence-based and only prescribe medications for children and youth as a last resort.

NEW SECTION. **Sec. 2.** A new section is added to chapter 74.09 RCW to read as follows:

(1) For children who are eligible for medical assistance and who have been identified as requiring mental health treatment, the authority must oversee the coordination of resources and services through (a) the managed health care system as defined in RCW 74.09.325 and (b) tribal organizations providing health care services. The authority must ensure the child receives treatment and appropriate care based on their assessed needs, regardless of whether the referral occurred through primary care, school-based services, or another practitioner.

(2) The authority must require each managed health care system as defined in RCW 74.09.325 and each behavioral health organization to develop and maintain adequate capacity to facilitate child mental health treatment services in the community or transfers to a behavioral health organization, depending on the level of required care. Managed health care systems and behavioral health organizations must:

(a) Follow up with individuals to ensure an appointment has been secured;

(b) Coordinate with and report back to primary care provider offices on individual treatment plans and medication management, in accordance with patient confidentiality laws;

(c) Provide information to health plan members and primary care providers about the behavioral health resource line available twenty-four hours a day, seven days a week; and

(d) Maintain an accurate list of providers contracted to provide mental health services to children and youth. The list must contain current information regarding the providers' availability to provide services. The current list must be made available to health plan members and primary care providers.

(3) This section expires June 30, 2020.

Sec. 3. RCW 74.09.495 and 2016 c 96 s 3 are each amended to read as follows:

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

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

((~~(1)~~)) (a) The percentage of discharges for patients ages six through seventeen who had a visit to the emergency room with a primary diagnosis of mental health or alcohol or other drug dependence during the measuring year and who had a follow-up visit with any provider with a corresponding primary diagnosis of mental health or alcohol or other drug dependence within thirty days of discharge;

((~~(2)~~)) (b) The percentage of health plan members with an identified mental health need who received mental health services during the reporting period; and

((~~(3)~~)) (c) The percentage of children served by behavioral health organizations, including the types of services provided.

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

Sec. 4. RCW 74.09.520 and 2015 1st sp.s. c 8 s 2 are each amended to read as follows:

(1) The term "medical assistance" may include the following care and services subject to rules adopted by the authority or department: (a) Inpatient hospital services; (b) outpatient hospital services; (c) other laboratory and X-ray services; (d) nursing facility services; (e) physicians' services, which shall include prescribed medication and instruction on birth control devices; (f) medical care, or any other type of remedial care as may be established by the secretary or director; (g) home health care services; (h) private duty nursing services; (i) dental services; (j) physical and occupational therapy and related services; (k) prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist, whichever the individual may select; (l) personal care services, as provided in this section; (m) hospice services; (n) other diagnostic, screening, preventive, and rehabilitative services; and (o) like services when furnished to a child by a school district in a manner consistent with the requirements of this chapter. For the purposes of this section, neither the authority nor the department may cut off any prescription medications, oxygen supplies, respiratory services, or other life-sustaining medical services or supplies.

"Medical assistance," notwithstanding any other provision of law, shall not include routine foot care, or dental services delivered by any health care provider, that are not mandated by Title XIX of the social security act unless there is a specific appropriation for these services.

(2) The department shall adopt, amend, or rescind such administrative rules as are necessary to ensure that Title XIX personal care services are provided to eligible persons in conformance with federal regulations.

(a) These administrative rules shall include financial eligibility indexed according to the requirements of the social security act providing for medicaid eligibility.

(b) The rules shall require clients be assessed as having a medical condition requiring assistance with personal care tasks. Plans of care for clients requiring health-related consultation for assessment and service planning may be reviewed by a nurse.

(c) The department shall determine by rule which clients have a health-related assessment or service planning need requiring registered nurse consultation or review. This definition may include clients that meet indicators or protocols for review, consultation, or visit.

(3) The department shall design and implement a means to assess the level of functional disability of persons eligible for personal care services under this section. The personal care services benefit shall be provided to the extent funding is available according to the assessed level of functional disability. Any reductions in services made necessary for funding reasons should be accomplished in a manner that assures that priority for maintaining services is given to persons with the greatest need as determined by the assessment of functional disability.

(4) Effective July 1, 1989, the authority shall offer hospice services in accordance with available funds.

(5) For Title XIX personal care services administered by aging and disability services administration of the department, the department shall contract with area agencies on aging:

(a) To provide case management services to individuals receiving Title XIX personal care services in their own home; and

(b) To reassess and reauthorize Title XIX personal care services or other home and community services as defined in RCW 74.39A.009 in home or in other settings for individuals consistent with the intent of this section:

(i) Who have been initially authorized by the department to receive Title XIX personal care services or other home and community services as defined in RCW 74.39A.009; and

(ii) Who, at the time of reassessment and reauthorization, are receiving such services in their own home.

(6) In the event that an area agency on aging is unwilling to enter into or satisfactorily fulfill a contract or an individual consumer's need for case management services will be met through an alternative delivery system, the department is authorized to:

(a) Obtain the services through competitive bid; and

(b) Provide the services directly until a qualified contractor can be found.

(7) Subject to the availability of amounts appropriated for this specific purpose, the authority may offer medicare part D prescription drug copayment coverage to full benefit dual eligible beneficiaries.

(8) Effective January 1, 2016, the authority shall require universal screening and provider payment for autism and developmental delays as recommended by the bright futures guidelines of the American academy of pediatrics, as they

existed on August 27, 2015. This requirement is subject to the availability of funds.

(9) Subject to the availability of amounts appropriated for this specific purpose, effective January 1, 2018, the authority shall require provider payment for annual depression screening for youth ages twelve through eighteen as recommended by the bright futures guidelines of the American academy of pediatrics, as they existed on January 1, 2017. Providers may include, but are not limited to, primary care providers, public health nurses, and other providers in a clinical setting. This requirement is subject to the availability of funds appropriated for this specific purpose.

(10) Subject to the availability of amounts appropriated for this specific purpose, effective January 1, 2018, the authority shall require provider payment for maternal depression screening for mothers of children ages birth to six months. This requirement is subject to the availability of funds appropriated for this specific purpose.

NEW SECTION. **Sec. 5.** A new section is added to chapter 43.215 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the department shall establish a child care consultation program linking child care providers with evidence-based, trauma-informed, and best practice resources regarding caring for infants and young children who present behavioral concerns or symptoms of trauma. The department may contract with an entity with expertise in child development and early learning programs in order to operate the child care consultation program.

(2) In establishing and operating the program, the department or contracted entity shall: (a) Assist child care providers in recognizing the signs and symptoms of trauma in children; (b) provide support and guidance to child care staff; (c) consult and coordinate with parents, other caregivers, and experts or practitioners involved with the care and well-being of the young children; and (d) provide referrals for children who need additional services.

NEW SECTION. **Sec. 6.** A new section is added to chapter 28A.630 RCW to read as follows:

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

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

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

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

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

(c) Sharing service models;

(d) Seeking public and private grant funding;

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

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

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

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

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

(5) This section expires January 1, 2020.

NEW SECTION. **Sec. 7.** A new section is added to chapter 71.24 RCW to read as follows:

(1) Upon initiation or renewal of a contract with the department, a behavioral health organization shall reimburse a provider for a behavioral health service provided to a covered person who is under eighteen years old through telemedicine or store and forward technology if:

(a) The behavioral health organization in which the covered person is enrolled provides coverage of the behavioral health service when provided in person by the provider; and

(b) The behavioral health service is medically necessary.

(2)(a) If the service is provided through store and forward technology there must be an associated visit between the covered person and the referring provider. Nothing in this section prohibits the use of telemedicine for the associated office visit.

(b) For purposes of this section, reimbursement of store and forward technology is available only for those services specified in the negotiated agreement between the behavioral health organization and provider.

(3) An originating site for a telemedicine behavioral health service subject to subsection (1) of this section means an originating site as defined in rule by the department or the health care authority.

(4) Any originating site, other than a home, under subsection (3) of this section may charge a facility fee for infrastructure and preparation of the patient. Reimbursement must be subject to a negotiated agreement between the originating site and the behavioral health organization. A distant site or any other site not identified in subsection (3) of this section may not charge a facility fee.

(5) A behavioral health organization may not distinguish between originating sites that are rural and urban in providing the coverage required in subsection (1) of this section.

(6) A behavioral health organization may subject coverage of a telemedicine or store and forward technology behavioral health service under subsection (1) of this section to all terms and conditions of the behavioral health organization in

which the covered person is enrolled, including, but not limited to, utilization review, prior authorization, deductible, copayment, or coinsurance requirements that are applicable to coverage of a comparable behavioral health care service provided in person.

(7) This section does not require a behavioral health organization to reimburse:

(a) An originating site for professional fees;

(b) A provider for a behavioral health service that is not a covered benefit under the behavioral health organization; or

(c) An originating site or provider when the site or provider is not a contracted provider with the behavioral health organization.

(8) For purposes of this section:

(a) "Distant site" means the site at which a physician or other licensed provider, delivering a professional service, is physically located at the time the service is provided through telemedicine;

(b) "Hospital" means a facility licensed under chapter 70.41, 71.12, or 72.23 RCW;

(c) "Originating site" means the physical location of a patient receiving behavioral health services through telemedicine;

(d) "Provider" has the same meaning as in RCW 48.43.005;

(e) "Store and forward technology" means use of an asynchronous transmission of a covered person's medical or behavioral health information from an originating site to the provider at a distant site which results in medical or behavioral health diagnosis and management of the covered person, and does not include the use of audio-only telephone, facsimile, or email; and

(f) "Telemedicine" means the delivery of health care or behavioral health services through the use of interactive audio and video technology, permitting real-time communication between the patient at the originating site and the provider, for the purpose of diagnosis, consultation, or treatment. For purposes of this section only, "telemedicine" does not include the use of audio-only telephone, facsimile, or email.

(9) The department must, in consultation with the health care authority, adopt rules as necessary to implement the provisions of this section.

NEW SECTION. **Sec. 8.** A new section is added to chapter 71.24 RCW to read as follows:

(1) Upon initiation or renewal of a contract with the authority, a behavioral health organization shall reimburse a provider for a behavioral health service provided to a covered person who is under eighteen years old through telemedicine or store and forward technology if:

(a) The behavioral health organization in which the covered person is enrolled provides coverage of the behavioral health service when provided in person by the provider; and

(b) The behavioral health service is medically necessary.

(2)(a) If the service is provided through store and forward technology there must be an associated visit between the covered person and the referring provider. Nothing in this section prohibits the use of telemedicine for the associated office visit.

(b) For purposes of this section, reimbursement of store and forward technology is available only for those services specified in the negotiated agreement between the behavioral health organization and provider.

(3) An originating site for a telemedicine behavioral health service subject to subsection (1) of this section means an originating site as defined in rule by the department or the authority.

(4) Any originating site, other than a home, under subsection (3) of this section may charge a facility fee for infrastructure and preparation of the patient. Reimbursement must be subject to a negotiated agreement between the originating site and the behavioral health organization. A distant site or any other site not identified in subsection (3) of this section may not charge a facility fee.

(5) A behavioral health organization may not distinguish between originating sites that are rural and urban in providing the coverage required in subsection (1) of this section.

(6) A behavioral health organization may subject coverage of a telemedicine or store and forward technology behavioral health service under subsection (1) of this section to all terms and conditions of the behavioral health organization in which the covered person is enrolled, including, but not limited to, utilization review, prior authorization, deductible, copayment, or coinsurance requirements that are applicable to coverage of a comparable behavioral health care service provided in person.

(7) This section does not require a behavioral health organization to reimburse:

(a) An originating site for professional fees;

(b) A provider for a behavioral health service that is not a covered benefit under the behavioral health organization; or

(c) An originating site or provider when the site or provider is not a contracted provider with the behavioral health organization.

(8) For purposes of this section:

(a) "Distant site" means the site at which a physician or other licensed provider, delivering a professional service, is physically located at the time the service is provided through telemedicine;

(b) "Hospital" means a facility licensed under chapter 70.41, 71.12, or 72.23 RCW;

(c) "Originating site" means the physical location of a patient receiving behavioral health services through telemedicine;

(d) "Provider" has the same meaning as in RCW 48.43.005;

(e) "Store and forward technology" means use of an asynchronous transmission of a covered person's medical or behavioral health information from an originating site to the provider at a distant site which results in medical or behavioral health diagnosis and management of the covered person, and does not include the use of audio-only telephone, facsimile, or email; and

(f) "Telemedicine" means the delivery of health care or behavioral health services through the use of interactive audio and video technology, permitting real-time communication between the patient at the originating site and the provider, for the purpose of diagnosis, consultation, or treatment. For purposes of this section only, "telemedicine" does not include the use of audio-only telephone, facsimile, or email.

(9) The authority must adopt rules as necessary to implement the provisions of this section.

NEW SECTION. **Sec. 9.** A new section is added to chapter 28B.30 RCW to read as follows:

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

NEW SECTION. **Sec. 10.** Section 7 of this act takes effect January 1, 2018, but only if neither Substitute House Bill No. 1388 (including any later amendments or substitutes) nor Substitute Senate Bill No. 5259 (including any later amendments or substitutes) is signed into law by the governor by the effective date of this section.

NEW SECTION. **Sec. 11.** Section 8 of this act takes effect only if Substitute House Bill No. 1388 (including any later amendments or substitutes) or Substitute Senate Bill No. 5259 (including any later amendments or substitutes) is signed into law by the governor by the effective date of this section.

Passed by the House March 1, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 203

[House Bill 1721]

NONTRADITIONAL REGISTERED NURSING EDUCATION--LICENSED PRACTICAL NURSES--PRECEPTORSHIP

AN ACT Relating to obtaining required clinical experience for licensed practical nurses who complete a nontraditional registered nurse program; and repealing RCW 18.79.380.

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

NEW SECTION. **Sec. 1.** RCW 18.79.380 (Licensed practical nurse/nontraditional registered nurse program—Obtaining required clinical experience) and 2004 c 262 s 7 are each repealed.

Passed by the House March 7, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 204

[Substitute House Bill 1738]

VEHICLE BRAKE FRICTION MATERIAL--NATIONWIDE AGREEMENT

AN ACT Relating to continuing to protect water quality by aligning state brake friction material restrictions with the requirements of a similar nationwide agreement; and amending RCW 70.285.030, 70.285.050, and 70.285.100.

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

Sec. 1. RCW 70.285.030 and 2010 c 147 s 3 are each amended to read as follows:

(1) ((~~Beginning January 1, 2014,~~)) No manufacturer, wholesaler, retailer, or distributor may sell or offer for sale brake friction material in Washington state containing any of the following constituents in an amount exceeding the specified concentrations:

(a) Asbestiform fibers, 0.1 percent by weight.

(b) Cadmium and its compounds, 0.01 percent by weight.

(c) Chromium(VI)-salts, 0.1 percent by weight.

(d) Lead and its compounds, 0.1 percent by weight.

(e) Mercury and its compounds, 0.1 percent by weight.

(2) Beginning January 1, 2021, no manufacturer, wholesaler, retailer, or distributor may sell or offer for sale brake friction material in Washington state containing more than five percent copper and its compounds by weight.

(3) Beginning January 1, 2025, no manufacturer, wholesaler, retailer, or distributor may sell or offer for sale brake friction material in Washington state containing more than 0.5 percent copper and its compounds by weight.

(4) Brake friction material manufactured prior to 2015 is exempt from subsection (1) of this section for the purposes of clearing inventory. This exemption expires January 1, 2025.

((~~(4)~~)) (5) Brake friction material manufactured prior to 2021 is exempt from subsection (2) of this section for the purposes of clearing inventory. This exemption expires January 1, 2031.

((~~(5)~~)) (6) Brake friction material manufactured prior to 2025 is exempt from subsection (3) of this section for the purposes of clearing inventory. This exemption expires January 1, 2035.

(7) Brake friction material manufactured as part of an original equipment service contract for vehicles manufactured prior to January 1, 2015, is exempt from subsection (1) of this section.

((~~(6)~~)) (8) Brake friction material manufactured as part of an original equipment service contract for vehicles manufactured prior to January 1, 2021, is exempt from subsection (2) of this section.

(9) Brake friction material manufactured as part of an original equipment service contract for vehicles manufactured prior to January 1, 2025, is exempt from subsection (3) of this section.

Sec. 2. RCW 70.285.050 and 2010 c 147 s 5 are each amended to read as follows:

If, pursuant to RCW 70.285.040, the department finds that alternative brake friction material is available:

(1)(a) By December 31st of the year in which the finding is made, the department shall publish the information required by RCW 70.285.040 in the

Washington State Register and present it in a report to the appropriate committees of the legislature; and

(b) The report must include recommendations for exemptions on original equipment service and brake friction material manufactured prior to dates specified in this section and may include recommendations for other exemptions.

(2) Beginning ((~~eight years after the report in subsection (1) of this section is published in the Washington State Register~~)) January 1, 2025, and consistent with RCW 70.285.030(3), no manufacturer, wholesaler, retailer, or distributor may sell or offer for sale brake friction material in Washington state containing more than 0.5 percent copper and its compounds by weight, as specified in the report in subsection (1) of this section.

((~~(3) The department shall adopt rules to implement this section.~~))

Sec. 3. RCW 70.285.100 and 2010 c 147 s 10 are each amended to read as follows:

The department may adopt rules necessary to implement this chapter. Rules adopted by the department under this section may not exceed the terms explicitly established by this chapter.

Passed by the House February 16, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 205

[Substitute House Bill 1765]

PRESCRIPTION DRUG DONATION PROGRAM--TIME/TEMPERATURE INDICATORS

AN ACT Relating to donations to the prescription drug donation program; amending RCW 69.70.020; and declaring an emergency.

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

Sec. 1. RCW 69.70.020 and 2016 c 43 s 2 are each amended to read as follows:

(1) Any practitioner, pharmacist, medical facility, drug manufacturer, or drug wholesaler may donate prescription drugs and supplies to a pharmacy for redistribution without compensation or the expectation of compensation to individuals who meet the prioritization criteria established in RCW 69.70.040. Donations of prescription drugs and supplies may be made on the premises of a pharmacy that elects to participate in the provisions of this chapter. A pharmacy that receives prescription drugs or supplies may distribute the prescription drugs or supplies to another pharmacy, pharmacist, or prescribing practitioner for use pursuant to the program.

(2) The person to whom a prescription drug was prescribed, or the person's representative, may donate prescription drugs under subsection (1) of this section if, as determined by the professional judgment of a pharmacist, ((~~the~~)) prescription drugs:

(a) Equipped with a time temperature indicator at the point of manufacture were stored under required temperature conditions using the prescription drugs' time temperature indicator information and the person, or the person's

representative, has completed and signed a donor form, adopted by the department, to release the prescription drug for distribution under this chapter and certifying that the donated prescription drug has never been opened, used, adulterated, or misbranded; or

(b) Not equipped with a time temperature indicator at the point of manufacture, were properly stored and the person, or the person's representative, has completed and signed a donor form, adopted by the department, to release the prescription drugs for distribution under this chapter and certified that the donated prescription drugs have never been opened, used, adulterated, or misbranded. The donor form must require that the person, or the person's representative, attest that the donated prescription drugs have been stored in a manner and location that adheres to the conditions established by the manufacturer.

NEW SECTION. **Sec. 2.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House March 7, 2017.
Passed by the Senate March 30, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 206

[Engrossed Substitute House Bill 1808]

FOSTER YOUTH--DRIVING--SUPPORT

AN ACT Relating to providing support for foster youth in obtaining drivers' licenses and automobile liability insurance; adding a new section to chapter 74.13 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 74.13 RCW to read as follows:

(1) Subject to the availability of funds appropriated for this specific purpose, the department shall contract with a private nonprofit organization that agrees to work collaboratively with independent living providers and the department and is selected after a competitive application process to provide driver's license support for foster youth, including youth receiving extended foster care services.

(2) The nonprofit organization selected pursuant to subsection (1) of this section shall provide support for foster youth ages fifteen through twenty-one, including youth receiving extended foster care services, in navigating the driver's licensing process. This support must include:

(a) Reimbursement of fees necessary for a foster youth to obtain a driver's instruction permit, an intermediate license, and a standard or enhanced driver's license, including any required examination fees, as described in chapter 46.20 RCW;

(b) Reimbursement of fees required for a foster youth to complete a driver training education course, if the foster youth is under the age of eighteen, as outlined in chapter 46.82 or 28A.220 RCW;

(c) Reimbursement of the increase in motor vehicle liability insurance costs incurred by foster parents, relative placements, or other foster placements adding a foster youth to his or her motor vehicle liability insurance policy, with a preference on reimbursements for those foster youth who practice safe driving and avoid moving violations and at-fault collisions.

(3) By December 1, 2019, the nonprofit organization selected pursuant to subsection (1) of this section shall submit a report to the department and the appropriate committees of the legislature, including the transportation committees of the legislature, documenting the number of foster youth served by the program; the average cost per youth served; the extent to which foster youth report any negative outcomes of the program, including a foster parent's inappropriate use of a foster youth's driving authorization; and recommendations for future policy or statutory or funding changes necessary to more effectively allow foster youth to obtain drivers' licenses and motor vehicle liability insurance.

NEW SECTION. **Sec. 2.** If specific funding for the purposes of this act is not provided by June 30, 2017, in the omnibus transportation appropriations act, this act is null and void.

Passed by the House March 2, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 207

[Engrossed Second Substitute House Bill 1819]

BEHAVIORAL HEALTH SERVICES--PAPERWORK--REVIEW

AN ACT Relating to paperwork reduction in order to improve the availability of mental health services to protect children and families; adding new sections to chapter 71.24 RCW; creating new sections; providing contingent effective dates; and providing an expiration date.

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

NEW SECTION. **Sec. 1.** The legislature finds that a prioritized recommendation of the children's mental health work group, as reported in December 2016, is to reduce burdensome and duplicative paperwork requirements for providers of children's mental health services. This recommendation is consistent with the recommendations of the behavioral health workforce assessment of the workforce training and education coordinating board to reduce time-consuming documentation requirements and the behavioral and primary health regulatory alignment task force to streamline regulations and reduce the time spent responding to inefficient and excessive audits.

The legislature further finds that duplicative and overly prescriptive documentation and audit requirements negatively impact the adequacy of the provider network by reducing workforce morale and limiting the time available for patient care. Such requirements create costly barriers to the efficient provision of services for children and their families. The legislature also finds that current state regulations are often duplicative or conflicting with research-based models and other state-mandated treatment models intended to improve

the quality of services and ensure positive outcomes. These barriers can be reduced while creating a greater emphasis on quality, outcomes, and safety.

The legislature further finds that social workers serving children are encumbered by burdensome paperwork requirements which can interfere with the effective delivery of services.

Therefore, the legislature intends to require the department of social and health services to take steps to reduce paperwork, documentation, and audit requirements that are inefficient or duplicative for social workers who serve children and for providers of mental health services to children and families, and to encourage the use of effective treatment models to improve the quality of services.

NEW SECTION. **Sec. 2.** A new section is added to chapter 71.24 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the department must immediately perform a review of its rules, policies, and procedures related to the documentation requirements for behavioral health services. Rules adopted by the department relating to the provision of behavioral health services must:

(a) Identify areas in which duplicative or inefficient documentation requirements can be eliminated or streamlined for providers;

(b) Limit prescriptive requirements for individual initial assessments to allow clinicians to exercise professional judgment to conduct age-appropriate, strength-based psychosocial assessments, including current needs and relevant history according to current best practices;

(c) By April 1, 2018, provide a single set of regulations for agencies to follow that provide mental health, substance use disorder, and co-occurring treatment services;

(d) Exempt providers from duplicative state documentation requirements when the provider is following documentation requirements of an evidence-based, research-based, or state-mandated program that provides adequate protection for patient safety; and

(e) Be clear and not unduly burdensome in order to maximize the time available for the provision of care.

(2) Subject to the availability of amounts appropriated for this specific purpose, audits conducted by the department relating to provision of behavioral health services must:

(a) Rely on a sampling methodology to conduct reviews of personnel files and clinical records based on written guidelines established by the department that are consistent with the standards of other licensing and accrediting bodies;

(b) Treat organizations with multiple locations as a single entity. The department must not require annual visits at all locations operated by a single entity when a sample of records may be reviewed from a centralized location;

(c) Share audit results with behavioral health organizations to assist with their review process and, when appropriate, take steps to coordinate and combine audit activities;

(d) Coordinate audit functions between the department and the department of health to combine audit activities into a single site visit and eliminate redundancies;

(e) Not require information to be provided in particular documents or locations when the same information is included or demonstrated elsewhere in the clinical file, except where required by federal law; and

(f) Ensure that audits involving manualized programs such as wraparound with intensive services or other evidence or research-based programs are conducted to the extent practicable by personnel familiar with the program model and in a manner consistent with the documentation requirements of the program.

NEW SECTION. **Sec. 3.** A new section is added to chapter 71.24 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the health care authority must immediately perform a review of its rules, policies, and procedures related to the documentation requirements for behavioral health services. Rules adopted by the health care authority relating to the provision of behavioral health services must:

(a) Identify areas in which duplicative or inefficient documentation requirements can be eliminated or streamlined for providers;

(b) Limit prescriptive requirements for individual initial assessments to allow clinicians to exercise professional judgment to conduct age-appropriate, strength-based psychosocial assessments, including current needs and relevant history according to current best practices;

(c) By April 1, 2018, provide a single set of regulations for agencies to follow that provide mental health, substance use disorder, and co-occurring treatment services;

(d) Exempt providers from duplicative state documentation requirements when the provider is following documentation requirements of an evidence-based, research-based, or state-mandated program that provides adequate protection for patient safety; and

(e) Be clear and not unduly burdensome in order to maximize the time available for the provision of care.

(2) Subject to the availability of amounts appropriated for this specific purpose, audits conducted by the health care authority relating to provision of behavioral health services must:

(a) Rely on a sampling methodology to conduct reviews of personnel files and clinical records based on written guidelines established by the health care authority that are consistent with the standards of other licensing and accrediting bodies;

(b) Treat organizations with multiple locations as a single entity. The health care authority must not require annual visits at all locations operated by a single entity when a sample of records may be reviewed from a centralized location;

(c) Share audit results with behavioral health organizations to assist with their review process and, when appropriate, take steps to coordinate and combine audit activities;

(d) Coordinate audit functions between the health care authority and the department of health to combine audit activities into a single site visit and eliminate redundancies;

(e) Not require information to be provided in particular documents or locations when the same information is included or demonstrated elsewhere in the clinical file, except where required by federal law; and

(f) Ensure that audits involving manualized programs such as wraparound with intensive services or other evidence or research-based programs are conducted to the extent practicable by personnel familiar with the program model and in a manner consistent with the documentation requirements of the program.

NEW SECTION. **Sec. 4.** (1) Subject to the availability of amounts appropriated for this specific purpose, the department of social and health services must immediately perform a review of casework documentation and paperwork requirements for social service specialists and other direct service staff with the children's administration who provide services to children. The review must identify areas in which duplicative or inefficient documentation and paperwork requirements can be eliminated or streamlined in order to allow social workers to spend greater amounts of time and attention on direct services to children and their families. The department must complete the review by November 1, 2017. Upon completion of the review, the department must take immediate steps to amend department rules and procedures accordingly.

(2) This section expires December 31, 2018.

NEW SECTION. **Sec. 5.** Section 2 of this act takes effect only if neither Substitute House Bill No. 1388 (including any later amendments or substitutes) nor Substitute Senate Bill No. 5259 (including any later amendments or substitutes) is signed into law by the governor by the effective date of this section.

NEW SECTION. **Sec. 6.** Section 3 of this act takes effect only if Substitute House Bill No. 1388 (including any later amendments or substitutes) or Substitute Senate Bill No. 5259 (including any later amendments or substitutes) is signed into law by the governor by the effective date of this section.

Passed by the House April 18, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 208

[House Bill 1907]

ABANDONED CEMETERIES--VARIOUS CHANGES

AN ACT Relating to abandoned cemeteries; amending RCW 68.60.010; and adding a new section to chapter 68.60 RCW.

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

Sec. 1. RCW 68.60.010 and 1990 c 92 s 1 are each amended to read as follows:

((~~Unless the context clearly requires otherwise,~~)) The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Abandoned cemetery" means a burial ground of the human dead ((~~in [for]~~)):

(a) For which the county assessor can find no record of an owner; ((~~or~~))

(b) Where the last known owner is deceased and lawful conveyance of the title has not been made; or

(c) In which ((~~a~~)) the cemetery company, cemetery association, corporation, or other organization that formed for the purposes of burying the human dead:

(i) Has ((~~either~~)) disbanded, has been administratively dissolved by the secretary of state, or has otherwise ceased to exist, and for which title has not been conveyed; or

(ii) No longer has a valid certificate of authority as determined by the funeral and cemetery board.

(2) "Cemetery" has the same meaning as provided in RCW 68.04.040.

(3) "Historical cemetery" means any burial site or grounds which contain within them human remains buried prior to November 11, 1889; except that (a) cemeteries holding a valid certificate of authority to operate granted under RCW 68.05.115 and 68.05.215, (b) cemeteries owned or operated by any recognized religious denomination that qualifies for an exemption from real estate taxation under RCW 84.36.020 on any of its churches or the ground upon which any of its churches are or will be built, and (c) cemeteries controlled or operated by a coroner, county, city, town, or cemetery district shall not be considered historical cemeteries.

((~~(3)~~)) (4) "Historic grave" means a grave or graves that were placed outside a cemetery dedicated pursuant to this chapter and to chapter 68.24 RCW, prior to June 7, 1990, except Indian graves and burial cairns protected under chapter 27.44 RCW.

((~~(4) "Cemetery" has the meaning provided in RCW 68.04.040(2).~~))

NEW SECTION. **Sec. 2.** A new section is added to chapter 68.60 RCW to read as follows:

(1)(a) The funeral and cemetery board must consult with the department of archaeology and historic preservation to promulgate rules in order to allow for burials in abandoned cemeteries.

(b) The landowner of an abandoned cemetery must allow for burials in accordance with rules promulgated by the funeral and cemetery board.

(2) Any records, maps, or other documents associated with an abandoned cemetery must be transferred to the state archives at the time the cemetery becomes an abandoned cemetery.

(3) Any endowment care funds held by the cemetery authority at the time such cemetery becomes an abandoned cemetery must be transferred to the department of archaeology and historic preservation.

Passed by the House March 7, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 209

[Engrossed House Bill 2005]

MUNICIPAL BUSINESS LICENSING--STATE PARTNERSHIP--TAX APPORTIONMENT

AN ACT Relating to improving the business climate in this state by simplifying the administration of municipal general business licenses; adding a new chapter to Title 35 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Business licensing service," "business licensing system," and "business license" have the same meaning as in RCW 19.02.020.

(2) "City" means a city, town, or code city.

(3) "Department" means the department of revenue.

(4) "General business license" means a license, not including a regulatory license or a temporary license, that a city requires all or most businesses to obtain to conduct business within that city.

(5) "Partner" means the relationship between a city and the department under which general business licenses are issued and renewed through the business licensing service in accordance with chapter 19.02 RCW.

(6) "Regulatory business license" means a license, other than a general business license, required for certain types of businesses that a city has determined warrants additional regulation, such as taxicab or other for-hire vehicle operators, adult entertainment businesses, amusement device operators, massage parlors, debt collectors, door-to-door sales persons, trade-show operators, and home-based businesses.

NEW SECTION. **Sec. 2.** (1) Except as otherwise provided in subsection (7) of this section, a city that requires a general business license of any person that engages in business activities within that city must partner with the department to have such license issued, and renewed if the city requires renewal, through the business licensing service in accordance with chapter 19.02 RCW.

(a) Except as otherwise provided in subsection (3) of this section, the department must phase in the issuance and renewal of general business licenses of cities that required a general business license as of July 1, 2017, and are not already partnering with the department, as follows:

(i) Between January 1, 2018, and December 31, 2021, the department must partner with at least six cities per year;

(ii) Between January 1, 2022, and December 31, 2027, the department must partner with the remaining cities; or

(iii) Between July 1, 2017 and December 31, 2022, the department must partner with all cities requiring a general business license if specific funding for the purposes of this subsection (iii) is appropriated in the omnibus appropriations act.

(b) A city that imposes a general business license requirement and does not partner with the department as of January 1, 2018, may continue to issue and renew its general business licenses until the city partners with the department as provided in subsection (4) of this section.

(2)(a) A city that did not require a general business license as of July 1, 2017, but imposes a new general business license requirement after that date must advise the department in writing of its intent to do so at least ninety days before the requirement takes effect.

(b) If a city subject to (a) of this subsection (2) imposes a new general business license requirement after July 1, 2017, the department, in its sole discretion, may adjust resources to partner with the imposing city as of the date that the new general business licensing requirement takes effect. If the

department cannot reallocate resources, the city may issue and renew its general business license until the department is able to partner with the city.

(3) The department may delay assuming the duties of issuing and renewing general business licenses beyond the dates provided in subsection (1)(a) of this section if:

(a) Insufficient funds are appropriated for this specific purpose;

(b) The department cannot ensure the business licensing system is adequately prepared to handle all general business licenses due to unforeseen circumstances;

(c) The department determines that a delay is necessary to ensure that the transition to mandatory department issuance and renewal of general business licenses is as seamless as possible; or

(d) The department receives a written notice from a city within sixty days of the date that the city appears on the department's biennial partnership plan, which includes an explanation of the fiscal or technical challenges causing the city to delay joining the system. A delay under this subsection (3)(d) may be for no more than three years.

(4)(a) In consultation with affected cities and in accordance with the priorities established in subsection (5) of this section, the department must establish a biennial plan for partnering with cities to assume the issuance and renewal of general business licenses as required by this section. The plan must identify the cities that the department will partner with and the dates targeted for the department to assume the duties of issuing and renewing general business licenses.

(b) By January 1, 2018, and January 1st of each even-numbered year thereafter, the department must submit the partnering plan required in (a) of this subsection (4) to the governor; legislative fiscal committees; house local government committee; senate agriculture, water, trade and economic development committee; senate local government committee; affected cities; association of Washington cities; association of Washington business; national federation of independent business; and Washington retail association.

(c) The department may, in its sole discretion, alter the plan required in (a) of this subsection (4) with a minimum notice of thirty days to affected cities.

(5) When determining the plan to partner with cities for the issuance and renewal of general business licenses as required in subsection (4) of this section, cities that notified the department of their wish to partner with the department before January 1, 2017, must be allowed to partner before other cities.

(6) A city that partners with the department for the issuance and renewal of general business licenses through the business licensing service in accordance with chapter 19.02 RCW may not issue and renew those licenses.

(7) A city may decline to partner with the department for the issuance and renewal of a general business license as provided in subsection (1) of this section if the city participates in the online local business license and tax filing portal known as "FileLocal" as of July 1, 2020. For the purposes of this subsection (7), a city is considered to be a FileLocal participant as of the date that a business may access FileLocal for purposes of applying for or renewing that city's general business license and reporting and paying that city's local business and occupation taxes. A city that ceases participation in FileLocal after July 1, 2020,

must partner with the department for the issuance and renewal of its general business license as provided in subsection (1) of this section.

(8) By January 1, 2019, and each January 1st thereafter through January 1, 2028, the department must submit a progress report to the legislature. The report required by this subsection must provide information about the progress of the department's efforts to partner with all cities that impose a general business license requirement and include:

(a) A list of cities that have partnered with the department as required in subsection (1) of this section;

(b) A list of cities that have not partnered with the department;

(c) A list of cities that are scheduled to partner with the department during the upcoming calendar year;

(d) A list of cities that have declined to partner with the department as provided in subsection (7) of this section;

(e) An explanation of lessons learned and any process efficiencies incorporated by the department;

(f) Any recommendations to further simplify the issuance and renewal of general business licenses by the department; and

(g) Any other information the department considers relevant.

NEW SECTION. **Sec. 3.** (1) A general business license that must be issued and renewed through the business licensing service in accordance with chapter 19.02 RCW is subject to the provisions of this section.

(2)(a) A city has broad authority to impose a fee structure as provided by RCW 35.22.280, 35.23.440, and 35A.82.020. However, any fee structure selected by a city must be within the department's technical ability to administer. The department has the sole discretion to determine if it can administer a city's fee structure.

(b) If the department is unable to administer a city's fee structure, the city must work with the department to adopt a fee structure that is administrable by the department. If a city fails to comply with this subsection (2)(b), it may not enforce its general business licensing requirements on any person until the effective date of a fee structure that is administrable by the department.

(3) A general business license may not be renewed more frequently than once per year except that the department may require a more frequent renewal date as may be necessary to synchronize the renewal date for the general business license with the business's business license expiration date.

(4) The business licensing system need not accommodate any monetary penalty imposed by a city for failing to obtain or renew a general business license. The penalty imposed in RCW 19.02.085 applies to general business licenses that are not renewed by their expiration date.

(5) The department may refuse to administer any provision of a city business license ordinance that is inconsistent with this chapter.

NEW SECTION. **Sec. 4.** The department is not authorized to enforce a city's licensing laws except to the extent of issuing or renewing a license in accordance with this chapter and chapter 19.02 RCW or refusing to issue a license due to an incomplete application, nonpayment of the appropriate fees as indicated by the license application or renewal application, or the nonpayment of any applicable penalty for late renewal.

NEW SECTION. **Sec. 5.** Cities whose general business licenses are issued through the business licensing system retain the authority to set license fees, provide exemptions and thresholds for these licenses, approve or deny license applicants, and take appropriate administrative actions against licensees.

NEW SECTION. **Sec. 6.** Cities may not require a person to obtain or renew a general business license unless the person engages in business within its respective city. For the purposes of this section, a person may not be considered to be engaging in business within a city unless the person is subject to the taxing jurisdiction of a city under the standards established for interstate commerce under the commerce clause of the United States Constitution.

NEW SECTION. **Sec. 7.** A general business license change enacted by a city whose general business license is issued through the business licensing system takes effect no sooner than seventy-five days after the department receives notice of the change if the change affects in any way who must obtain a license, who is exempt from obtaining a license, or the amount or method of determining any fee for the issuance or renewal of a license.

NEW SECTION. **Sec. 8.** (1)(a) The cities, working through the association of Washington cities, must form a model ordinance development committee made up of a representative sampling of cities that impose a general business license requirement. This committee must work through the association of Washington cities to adopt a model ordinance on general business license requirements by July 1, 2018. The model ordinance and subsequent amendments developed by the committee must be adopted using a process that includes opportunity for substantial input from business stakeholders and other members of the public. Input must be solicited from statewide business associations and from local chambers of commerce and downtown business associations in cities that require a person that conducts business in the city to obtain a general business license.

(b) The department, association of Washington cities, and municipal research and services center must post copies of, or links to, the model ordinance on their internet web sites. Additionally, a city that imposes a general business license requirement must make copies of its general business license ordinance or ordinances available for inspection and copying as provided in chapter 42.56 RCW.

(c) The definitions in the model ordinance may not be amended more frequently than once every four years, except that the model ordinance may be amended at any time to comply with changes in state law or court decisions. Any amendment to a mandatory provision of the model ordinance must be adopted with the same effective date by all cities.

(2) A city that imposes a general business license requirement must adopt the mandatory provisions of the model ordinance by January 1, 2019. The following provisions are mandatory:

(a) A definition of "engaging in business within the city" for purposes of delineating the circumstances under which a general business license is required;

(b) A uniform minimum licensing threshold under which a person would be relieved of the requirement to obtain a city's general business license. A city retains the authority to create a higher threshold for the requirement to obtain a

general business license but must not deviate lower than the level required by the model ordinance.

(3)(a) A city may require a person that is under the uniform minimum licensing threshold as provided in subsection (2) of this section to obtain a city registration with no fee due to the city.

(b) A city that requires a city registration as provided in (a) of this subsection must partner with the department to have such registration issued through the business licensing service in accordance with chapter 19.02 RCW. This subsection (3)(b) does not apply to a city that is excluded from the requirement to partner with the department for the issuance and renewal of general business licenses as provided in section 2 of this act.

NEW SECTION. **Sec. 9.** Cities that impose a general business license must adopt the mandatory provisions of the model ordinance as provided in section 8 of this act by January 1, 2019. A city that has not complied with the requirements of this section by January 1, 2019, may not enforce its general business licensing requirements on any person until the date that the mandatory provisions of the model ordinance take effect within the city.

NEW SECTION. **Sec. 10.** Cities must coordinate with the association of Washington cities to submit a report to the governor; legislative fiscal committees; house local government committee; and the senate agriculture, water, trade and economic development committee by January 1, 2019. The report must:

(1) Provide information about the model ordinance adopted by the cities as required in section 8 of this act;

(2) Identify cities that have and have not adopted the mandatory provisions of the model ordinance; and

(3) Incorporate comments from statewide business organizations concerning the process and substance of the model ordinance. Statewide business organizations must be allowed thirty days to submit comments for inclusion in the report.

NEW SECTION. **Sec. 11.** (1) The legislature directs cities, towns, and identified business organizations to partner in recommending changes to simplify the two factor apportionment formula provided in RCW 35.102.130.

(2)(a) The local business and occupation tax apportionment task force is established. The task force must consist of the following seven representatives:

(i) Three voting representatives selected by the association of Washington cities that are tax managers representing municipalities that impose a local business and occupation tax, including at least one jurisdiction that has performed an audit where apportionment errors were discovered.

(ii) Three voting representatives selected by the association of Washington business, including at least one tax practitioner or legal counsel with experience representing business clients during municipal audits that involved apportionment errors or disputes.

(iii) One nonvoting representative from the department.

(b) The task force may seek input or collaborate with other parties, as it deems necessary. The department must serve as the task force chair and must staff the task force.

(c) Beginning in the first month following the effective date of this section, the task force must meet no less frequently than once per month until it reports to the legislature as provided under subsection (3) of this section.

(3) By October 31, 2018, the task force established in subsection (2) of this section must prepare a report to the legislature to recommend changes to RCW 35.102.130 and related sections, as needed, to develop a method for assigning gross receipts to a local jurisdiction using a market-based model. The task force must focus on methods that rely on information typically available in commercial transaction receipts and captured by common business recordkeeping systems.

(4) The task force terminates January 1, 2019, unless legislation is enacted to extend such termination date.

NEW SECTION. **Sec. 12.** Sections 1 through 10 of this act constitute a new chapter in Title 35 RCW.

Passed by the House April 17, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 210

[House Bill 2038]

TOBACCO PRODUCTS--SALE FROM UNSECURED DISPLAYS

AN ACT Relating to clarifying the applicability of RCW 70.345.080 to only vapor products; and amending RCW 70.345.080.

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

Sec. 1. RCW 70.345.080 and 2016 sp.s. c 38 s 16 are each amended to read as follows:

(1) No person may offer ((~~a tobacco product or~~)) a vapor product for sale in an open, unsecured display that is accessible to the public without the intervention of a store employee.

(2) It is unlawful to sell or distribute vapor products from self-service displays.

(3) Retail establishments are exempt from subsections (1) and (2) of this section if minors are not allowed in the store and such prohibition is posted clearly on all entrances.

Passed by the House February 28, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 211

[House Bill 2052]

ALTERNATIVE CONTRACTING METHODS-- RECERTIFICATION--LATE APPLICATIONS

AN ACT Relating to recertification of public bodies using alternative contracting methods; amending RCW 39.10.270; and reenacting and amending RCW 43.131.408.

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

Sec. 1. RCW 39.10.270 and 2013 c 222 s 7 are each amended to read as follows:

(1) A public body may apply for certification to use the design-build or general contractor/construction manager contracting procedure, or both. Once certified, a public body may use the contracting procedure for which it is certified on individual projects without seeking committee approval for a period of three years. Public bodies certified to use the design-build procedure are limited to no more than five projects with a total project cost between two and ten million dollars during the certification period. A public body seeking certification must submit to the committee an application in a format and manner as prescribed by the committee. The application must include a description of the public body's qualifications, its capital plan during the certification period, and its intended use of alternative contracting procedures.

(2) A public body seeking certification for the design-build procedure must demonstrate successful management of at least one design-build project within the previous five years. A public body seeking certification for the general contractor/construction manager procedure must demonstrate successful management of at least one general contractor/construction manager project within the previous five years.

(3) To certify a public body, the committee shall determine that the public body:

(a) Has the necessary experience and qualifications to determine which projects are appropriate for using alternative contracting procedures;

(b) Has the necessary experience and qualifications to carry out the alternative contracting procedure including, but not limited to: (i) Project delivery knowledge and experience; (ii) personnel with appropriate construction experience; (iii) a management plan and rationale for its alternative public works projects; (iv) demonstrated success in managing public works projects; (v) the ability to properly manage its capital facilities plan including, but not limited to, appropriate project planning and budgeting experience; and (vi) the ability to meet requirements of this chapter; and

(c) Has resolved any audit findings on previous public works projects in a manner satisfactory to the committee.

(4) The committee shall, if practicable, make its determination at the public meeting during which an application for certification is reviewed. Public comments must be considered before a determination is made. Within ten business days of the public meeting, the committee shall provide a written determination to the public body, and make its determination available to the public on the committee's web site.

(5) The committee may revoke any public body's certification upon a finding, after a public hearing, that its use of design-build or general contractor/construction manager contracting procedures no longer serves the public interest.

(6) The committee may renew the certification of a public body for additional three-year periods. The public body must submit an application for recertification at least three months before the initial certification expires. <u>The committee may accept late applications, if administratively feasible, to avoid expiration of certification on a case-by-case basis.</u> The application shall include

updated information on the public body's experience and current staffing with the procedure it is applying to renew, and any other information requested in advance by the committee. The committee must review the application for recertification at a meeting held before expiration of the applicant's initial certification period. A public body must reapply for certification under the process described in subsection (1) of this section once the period of recertification expires.

(7) Certified public bodies must submit project data information as required in RCW 39.10.320 and 39.10.350.

Sec. 2. RCW 43.131.408 and 2014 c 42 s 8 and 2014 c 19 s 3 are each reenacted and amended to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 2022:

(1) RCW 39.10.200 and 2010 1st sp.s. c 21 s 2, 2007 c 494 s 1, & 1994 c 132 s 1;

(2) RCW 39.10.210 and 2014 c 42 s 1, 2013 c 222 s 1, 2010 1st sp.s. c 36 s 6014, 2007 c 494 s 101, & 2005 c 469 s 3;

(3) RCW 39.10.220 and 2013 c 222 s 2, 2007 c 494 s 102, & 2005 c 377 s 1;

(4) RCW 39.10.230 and 2013 c 222 s 3, 2010 1st sp.s. c 21 s 3, 2009 c 75 s 1, 2007 c 494 s 103, & 2005 c 377 s 2;

(5) RCW 39.10.240 and 2013 c 222 s 4 & 2007 c 494 s 104;

(6) RCW 39.10.250 and 2013 c 222 s 5, 2009 c 75 s 2, & 2007 c 494 s 105;

(7) RCW 39.10.260 and 2013 c 222 s 6 & 2007 c 494 s 106;

(8) RCW 39.10.270 and 2017 c . . . s 1 (section 1 of this act), 2013 c 222 s 7, 2009 c 75 s 3, & 2007 c 494 s 107;

(9) RCW 39.10.280 and 2014 c 42 s 2, 2013 c 222 s 8, & 2007 c 494 s 108;

(10) RCW 39.10.290 and 2007 c 494 s 109;

(11) RCW 39.10.300 and 2013 c 222 s 9, 2009 c 75 s 4, & 2007 c 494 s 201;

(12) RCW 39.10.320 and 2013 c 222 s 10, 2007 c 494 s 203, & 1994 c 132 s 7;

(13) RCW 39.10.330 and 2014 c 19 s 1, 2013 c 222 s 11, 2009 c 75 s 5, & 2007 c 494 s 204;

(14) RCW 39.10.340 and 2014 c 42 s 3, 2013 c 222 s 12, & 2007 c 494 s 301;

(15) RCW 39.10.350 and 2014 c 42 s 4 & 2007 c 494 s 302;

(16) RCW 39.10.360 and 2014 c 42 s 5, 2013 c 222 s 13, 2009 c 75 s 6, & 2007 c 494 s 303;

(17) RCW 39.10.370 and 2014 c 42 s 6 & 2007 c 494 s 304;

(18) RCW 39.10.380 and 2013 c 222 s 14 & 2007 c 494 s 305;

(19) RCW 39.10.385 and 2013 c 222 s 15 & 2010 c 163 s 1;

(20) RCW 39.10.390 and 2014 c 42 s 7, 2013 c 222 s 16, & 2007 c 494 s 306;

(21) RCW 39.10.400 and 2013 c 222 s 17 & 2007 c 494 s 307;

(22) RCW 39.10.410 and 2007 c 494 s 308;

(23) RCW 39.10.420 and 2013 c 222 s 18, 2013 c 186 s 1, 2012 c 102 s 1, 2009 c 75 s 7, 2007 c 494 s 401, & 2003 c 301 s 1;

(24) RCW 39.10.430 and 2007 c 494 s 402;

(25) RCW 39.10.440 and 2013 c 222 s 19 & 2007 c 494 s 403;

(26) RCW 39.10.450 and 2012 c 102 s 2 & 2007 c 494 s 404;

(27) RCW 39.10.460 and 2012 c 102 s 3 & 2007 c 494 s 405;
(28) RCW 39.10.470 and 2014 c 19 s 2, 2005 c 274 s 275, & 1994 c 132 s 10;
(29) RCW 39.10.480 and 1994 c 132 s 9;
(30) RCW 39.10.490 and 2013 c 222 s 20, 2007 c 494 s 501, & 2001 c 328 s 5;
(31) RCW 39.10.900 and 1994 c 132 s 13;
(32) RCW 39.10.901 and 1994 c 132 s 14;
(33) RCW 39.10.903 and 2007 c 494 s 510;
(34) RCW 39.10.904 and 2007 c 494 s 512; and
(35) RCW 39.10.905 and 2007 c 494 s 513.

Passed by the House March 6, 2017.
Passed by the Senate April 7, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 212

[Substitute Senate Bill 5035]

INVESTIGATIONAL MEDICAL PRODUCTS--SERIOUS OR LIFE-THREATENING DISEASES OR CONDITIONS--PATIENT ACCESS

AN ACT Relating to patients' access to investigational medical products; amending RCW 69.04.570; reenacting and amending RCW 69.50.101; and adding a new chapter to Title 69 RCW.

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

NEW SECTION. **Sec. 1.** The legislature finds that the process for approval of investigational drugs, biological products, and devices in the United States protects future patients from premature, ineffective, and unsafe medications and treatments over time, but the process often takes many years. Patients who have a terminal illness do not have the luxury of waiting until an investigational drug, biological product, or device receives final approval from the United States food and drug administration. The legislature further finds that patients who have a terminal illness should be permitted to pursue the preservation of their own lives by accessing available investigational drugs, biological products, and devices. The use of available investigational drugs, biological products, and devices is a decision that should be made by the patient with a terminal illness in consultation with the patient's health care provider so that the decision to use an investigational drug, biological product, or device is made with full awareness of the potential risks, benefits, and consequences to the patient and the patient's family.

The legislature, therefore, intends to allow terminally ill patients to use potentially lifesaving investigational drugs, biological products, and devices.

NEW SECTION. **Sec. 2.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Eligible patient" means an individual who meets the requirements of section 4 of this act.

(2) "Health care facility" means a clinic, nursing home, laboratory, office, or similar place where a health care provider provides health care to patients.

(3) "Hospital" means a health care institution licensed under chapter 70.41, 71.12, or 72.23 RCW.

(4) "Investigational product" means a drug, biological product, or device that has successfully completed phase one and is currently in a subsequent phase of a clinical trial approved by the United States food and drug administration assessing the safety of the drug, biological product, or device under section 505 of the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 355.

(5) "Issuer" means any state purchased health care programs under chapter 41.05 or 74.09 RCW, a disability insurer regulated under chapter 48.20 or 48.21 RCW, a health care service contractor as defined in RCW 48.44.010, or a health maintenance organization as defined in RCW 48.46.020.

(6) "Manufacturer" means a person or other entity engaged in the manufacture or distribution of drugs, biological products, or devices.

(7) "Physician" means a physician licensed under chapter 18.71 RCW or an osteopathic physician and surgeon licensed under chapter 18.57 RCW.

(8) "Serious or immediately life-threatening disease or condition" means a stage of disease in which there is reasonable likelihood that death will occur within six months or in which premature death is likely without early treatment.

NEW SECTION. **Sec. 3.** (1) An eligible patient and his or her treating physician may request that a manufacturer make an investigational product available for treatment of the patient. The request must include a copy of the written informed consent form described in section 5 of this act and an explanation of why the treating physician believes the investigational product may help the patient.

(2) Upon receipt of the request and the written informed consent form, the manufacturer may, but is not required to, make the investigational product available for treatment of the eligible patient. Prior to making the investigational product available, the manufacturer shall enter into an agreement with the treating physician and the eligible patient providing that the manufacturer will transfer the investigational product to the physician and the physician will use the investigational product to treat the eligible patient.

NEW SECTION. **Sec. 4.** A patient is eligible to request access to and be treated with an investigational product if:

(1) The patient is eighteen years of age or older;

(2) The patient is a resident of this state;

(3) The patient's treating physician attests to the fact that the patient has a serious or immediately life-threatening disease or condition;

(4) The patient acknowledges having been informed by the treating physician of all other treatment options currently approved by the United States food and drug administration;

(5) The patient's treating physician recommends that the patient be treated with an investigational product;

(6) The patient is unable to participate in a clinical trial for the investigational product because the patient's physician has contacted one or more clinical trials or researchers in the physician's practice area and has determined, using the physician's professional judgment, that there are no clinical trials reasonably available for the patient to participate in, that the patient

would not qualify for a clinical trial, or that delay in waiting to join a clinical trial would risk further harm to the patient; and

(7) In accordance with section 5 of this act, the patient has provided written informed consent for the use of the investigational product, or, if the patient lacks the capacity to consent, the patient's legally authorized representative has provided written informed consent on behalf of the patient.

NEW SECTION. **Sec. 5.** (1) Prior to treatment of the eligible patient with an investigational product, the treating physician shall obtain written informed consent, consistent with the requirements of RCW 7.70.060(1), and signed by the eligible patient or, if the patient lacks the capacity to consent, his or her legally authorized representative.

(2) Information provided in order to obtain the informed consent must, to the extent possible, include the following:

(a) That the patient has been diagnosed with a serious or immediately life-threatening disease or condition and explains the currently approved products and treatments for the disease or condition from which the eligible patient suffers;

(b) That all currently approved and conventionally recognized treatments are unlikely to prolong the eligible patient's life;

(c) Clear identification of the investigational product that the eligible patient seeks to use;

(d) The potentially best and worst outcomes of using the investigational product and a realistic description of the most likely outcome. This description must include the possibility that new, unanticipated, different, or worse symptoms may result and that death could be hastened by the proposed treatment. The description must be based on the physician's knowledge of the proposed treatment in conjunction with an awareness of the eligible patient's condition;

(e) That the eligible patient's health benefit plan is not obligated to pay for the investigational product or any harm caused to the eligible patient by the investigational product, unless otherwise specifically required to do so by law or contract, and that in order to receive the investigational product the patient may be required to pay the costs of administering the investigational product; and

(f) That the eligible patient is liable for all expenses consequent to the use of the investigational product, except as otherwise provided in the eligible patient's health benefit plan or a contract between the eligible patient and the manufacturer of the investigational product.

(3) The document must be signed and dated by the eligible patient's treating physician and witnessed in writing by at least one adult.

NEW SECTION. **Sec. 6.** (1) An issuer may, but is not required to, provide coverage for the cost or the administration of an investigational product provided to an eligible patient pursuant to this chapter.

(2)(a) An issuer may deny coverage to an eligible patient who is treated with an investigational product for harm to the eligible patient caused by the investigational product and is not required to cover the costs associated with receiving the investigational product or the costs demonstrated to be associated with an adverse effect that is a result of receiving the investigational product.

(b) Except as stated in (a) of this subsection, an issuer may not deny coverage to an eligible patient for: (i) The eligible patient's serious or immediately life-threatening disease or condition; (ii) benefits that accrued before the day on which the eligible patient was treated with an investigational product; or (iii) palliative or hospice care for an eligible patient who was previously treated with an investigational product but who is no longer being treated with an investigational product.

NEW SECTION. **Sec. 7.** A hospital or health care facility:

(1) May, but is not required to, allow a health care practitioner who is privileged to practice or who is employed at the hospital or health care facility to treat, administer, or provide an investigational product to an eligible patient under this chapter;

(2) May establish a policy regarding treating, administering, or providing investigational products under this chapter; and

(3) Is not obligated to pay for the investigational product or any harm caused to the eligible patient by the product, or any care that is necessary as a result of the use of the investigational product, including under chapter 70.170 RCW.

NEW SECTION. **Sec. 8.** (1) This act does not create a private right of action.

(2) A health care practitioner does not commit unprofessional conduct under RCW 18.130.180 and does not violate the applicable standard of care by:

(a) Obtaining an investigational product pursuant to this chapter;

(b) Refusing to recommend, request, prescribe, or otherwise provide an investigational product pursuant to this chapter;

(c) Administering an investigational product to an eligible patient pursuant to this chapter; or

(d) Treating an eligible patient with an investigational product pursuant to this chapter.

(3) The following persons and entities are immune from civil or criminal liability and administrative actions arising out of treatment of an eligible patient with an investigational product, other than acts or omissions constituting gross negligence or willful or wanton misconduct:

(a) A health care practitioner who recommends or requests an investigational product for an eligible patient in compliance with this chapter;

(b) A health care practitioner who refuses to recommend or request an investigational product for a patient seeking access to an investigational product;

(c) A manufacturer that provides an investigational product to a health care practitioner in compliance with this chapter;

(d) A hospital or health care facility where an investigational product is either administered or provided to an eligible patient in compliance with this chapter; and

(e) A hospital or health care facility that does not allow a health care practitioner to provide treatment with an investigational product or enforces a policy it has adopted regarding treating, administering, or providing care with an investigational product.

NEW SECTION. **Sec. 9.** The pharmacy quality assurance commission may adopt rules necessary to implement this chapter.

Sec. 10. RCW 69.04.570 and 2012 c 117 s 338 are each amended to read as follows:

Except as permitted by chapter 69.--- RCW (the new chapter created in section 12 of this act), no person shall introduce or deliver for introduction into intrastate commerce any new drug which is subject to section 505 of the federal act unless an application with respect to such drug has become effective thereunder. No person shall introduce or deliver for introduction into intrastate commerce any new drug which is not subject to section 505 of the federal act, unless (1) it has been found, by appropriate tests, that such drug is not unsafe for use under the conditions prescribed, recommended, or suggested in the labeling thereof; and (2) an application has been filed under this section of this chapter with respect to such drug: PROVIDED, That the requirement of subsection (2) of this section shall not apply to any drug introduced into intrastate commerce at any time prior to the enactment of this chapter or introduced into interstate commerce at any time prior to the enactment of the federal act: PROVIDED FURTHER, That if the director finds that the requirement of subsection (2) of this section as applied to any drug or class of drugs, is not necessary for the protection of the public health, he or she shall promulgate regulations of exemption accordingly.

Sec. 11. RCW 69.50.101 and 2015 2nd sp.s. c 4 s 901 are each reenacted and amended to read as follows:

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

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

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

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

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

(c) "CBD concentration" has the meaning provided in RCW 69.51A.010.

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

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

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

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

(ii) with respect to a particular individual, that the individual represents or intends to have a stimulant, depressant, or hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant, or

hallucinogenic effect on the central nervous system of a controlled substance included in Schedule I or II.

(2) The term does not include:

(i) a controlled substance;

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

(iii) a substance with respect to which an exemption is in effect for investigational use by a particular person under section 505 of the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 355, or chapter 69.--- RCW (the new chapter created in section 12 of this act) to the extent conduct with respect to the substance is pursuant to the exemption; or

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

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

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

(i) "Designated provider" has the meaning provided in RCW 69.51A.010.

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

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

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

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

(n) "Drug" means (1) a controlled substance recognized as a drug in the official United States pharmacopoeia/national formulary or the official homeopathic pharmacopoeia of the United States, or any supplement to them; (2) controlled substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in individuals or animals; (3) controlled substances (other than food) intended to affect the structure or any function of the body of individuals or animals; and (4) controlled substances intended for use as a component of any article specified in (1), (2), or (3) of this subsection. The term does not include devices or their components, parts, or accessories.

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

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

(q) "Immediate precursor" means a substance:

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

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

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

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

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

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

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

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

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

(v) "Marijuana" or "marihuana" means all parts of the plant *Cannabis*, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

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

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

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

(z) "Marijuana products" means useable marijuana, marijuana concentrates, and marijuana-infused products as defined in this section.

(aa) "Marijuana researcher" means a person licensed by the state liquor and cannabis board to produce, process, and possess marijuana for the purposes of conducting research on marijuana and marijuana-derived drug products.

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

(cc) "Marijuana-infused products" means products that contain marijuana or marijuana extracts, are intended for human use, are derived from marijuana as defined in subsection (v) of this section, and have a THC concentration no greater than ten percent. The term "marijuana-infused products" does not include either useable marijuana or marijuana concentrates.

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

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

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

(3) Poppy straw and concentrate of poppy straw.

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

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

(6) Cocaine base.

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

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

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

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

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

(hh) "Plant" has the meaning provided in RCW 69.51A.010.

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

(jj) "Practitioner" means:

(1) A physician under chapter 18.71 RCW; a physician assistant under chapter 18.71A RCW; an osteopathic physician and surgeon under chapter 18.57 RCW; an osteopathic physician assistant under chapter 18.57A RCW who is licensed under RCW 18.57A.020 subject to any limitations in RCW 18.57A.040; an optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010 subject to any limitations in RCW 18.53.010; a dentist under chapter 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW; a veterinarian under chapter 18.92 RCW; a registered nurse, advanced registered nurse practitioner, or licensed practical nurse under chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW who is licensed under RCW 18.36A.030 subject to any limitations in RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific investigator under this chapter, licensed, registered or otherwise permitted insofar as is consistent with those licensing laws to distribute, dispense, conduct research with respect to or administer a controlled substance in the course of their professional practice or research in this state.

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

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

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

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

(mm) "Qualifying patient" has the meaning provided in RCW 69.51A.010.

(nn) "Recognition card" has the meaning provided in RCW 69.51A.010.

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

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

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

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

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

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

NEW SECTION. **Sec. 12.** Sections 1 through 9 of this act constitute a new chapter in Title 69 RCW.

NEW SECTION. **Sec. 13.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the Senate April 17, 2017.
Passed by the House April 6, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 213

[Senate Bill 5049]

EMINENT DOMAIN--RELOCATION ASSISTANCE--REQUIREMENT

AN ACT Relating to relocation assistance following real property acquisition; and amending RCW 8.26.010.

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

Sec. 1. RCW 8.26.010 and 1988 c 90 s 1 are each amended to read as follows:

(1) The purposes of this chapter are:

(a) To establish a uniform policy for the fair and equitable treatment of persons displaced as a direct result of public works programs of the state and local governments in order that such persons shall not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole and to minimize the hardship of displacement on such persons;

(b) To encourage and expedite the acquisition of real property for public works programs by agreements with owners, to reduce litigation and relieve congestion in the courts, to assure consistent treatment for owners affected by state and local programs, and to promote public confidence in state and local land acquisition practices;

(c) To require the state, local public agencies, and other persons who have the authority to acquire property by eminent domain under state law to comply

with the provisions of this act in order to assure the fair and equitable treatment of all persons and property owners impacted by public projects.

(2) ((~~Notwithstanding the provisions and limitations of this chapter requiring a local public agency to comply with the provisions of this chapter, the governing body of any local public agency may elect not to comply with the provisions of RCW 8.26.035 through 8.26.115 in connection with a program or project not receiving federal financial assistance. Any person who has the authority to acquire property by eminent domain under state law may elect not to comply with RCW 8.26.180 through 8.26.200 in connection with a program or project not receiving federal financial assistance.~~

~~(3)~~)) Any determination by the head of a state agency or local public agency administering a program or project as to payments under this chapter is subject to review pursuant to chapter 34.05 RCW; otherwise, no provision of this chapter may be construed to give any person a cause of action in any court.

(((~~(4)~~))) (3) Unless otherwise prohibited by law, any state or local public agency providing a grant, loan, or matching funds for any program or project that displaces persons who are eligible for relocation assistance under this chapter may not limit, restrict, or otherwise prohibit grant, loan, or matching fund money from being used for any required relocation assistance payments.

(4) The governing body of any local public agency may elect not to comply with the provisions of RCW 8.26.035 through 8.26.115 in connection with a program or project not receiving federal financial assistance initiated on or before December 31, 2017.

(5) Nothing in this chapter may be construed as creating in any condemnation proceedings brought under the power of eminent domain, any element of value or of damage not in existence immediately before March 16, 1988.

Passed by the Senate April 17, 2017.
Passed by the House April 5, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 214

[Substitute Senate Bill 5077]

DEPARTMENT OF CORRECTIONS--WOMEN--RENTAL VOUCHERS

AN ACT Relating to allowing the department of corrections to provide temporary housing assistance to individuals being released from certain corrections centers for women; amending RCW 72.02.100; creating a new section; and providing an expiration date.

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

Sec. 1. RCW 72.02.100 and 2012 c 117 s 455 are each amended to read as follows:

(1) Any person serving a sentence for a term of confinement in a state correctional facility for convicted felons, pursuant to court commitment, who is thereafter released upon an order of parole of the indeterminate sentence review board, or who is discharged from custody upon expiration of sentence, or who is ordered discharged from custody by a court of appropriate jurisdiction, shall be entitled to retain his or her earnings from labor or employment while in

confinement and shall be supplied by the superintendent of the state correctional facility with suitable and presentable clothing, the sum of forty dollars for subsistence, and transportation by the least expensive method of public transportation not to exceed the cost of one hundred dollars to his or her place of residence or the place designated in his or her parole plan, or to the place from which committed if such person is being discharged on expiration of sentence, or discharged from custody by a court of appropriate jurisdiction: PROVIDED, That up to sixty additional dollars may be made available to the parolee for necessary personal and living expenses upon application to and approval by such person's community corrections officer. If in the opinion of the superintendent suitable arrangements have been made to provide the person to be released with suitable clothing and/or the expenses of transportation, the superintendent may consent to such arrangement. If the superintendent has reasonable cause to believe that the person to be released has ample funds, with the exception of earnings from labor or employment while in confinement, to assume the expenses of clothing, transportation, or the expenses for which payments made pursuant to ((~~RCW 72.02.100~~)) this section or RCW 72.02.110 or any one or more of such expenses, the person released shall be required to assume such expenses.

(2) Within existing resources, the department of corrections may provide temporary housing assistance for a person being released from the Washington corrections center for women or mission creek corrections center for women through the use of rental vouchers, for a period not to exceed three months, if such assistance will support the person's release into the community. The department's authority to provide vouchers under this section is independent of its authority under RCW 9.94A.729.

NEW SECTION. **Sec. 2.** (1) By November 1, 2020, and in compliance with RCW 43.01.036, the department of corrections must submit a report to the legislature detailing, to the extent possible:

(a) The number of individuals provided with housing assistance pursuant to RCW 72.02.100(2);

(b) The ability of the individual to maintain housing at the conclusion of the rental voucher period; and

(c) The recidivism rate of those provided with housing assistance.

(2) This section expires December 31, 2020.

Passed by the Senate February 27, 2017.
Passed by the House April 10, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 215

[Substitute Senate Bill 5138]

METROPOLITAN PARK DISTRICTS--VARIOUS CHANGES

AN ACT Relating to metropolitan park districts; and amending RCW 35.61.020, 35.61.100, 35.61.120, 35.61.210, 35.61.290, 35.61.040, and 35.61.180.

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

Sec. 1. RCW 35.61.020 and 2002 c 88 s 2 are each amended to read as follows:

(1) When proposed by citizen petition or by local government resolution as provided in this section, a ballot proposition authorizing the creation of a metropolitan park district ((~~shall~~)) must be submitted by resolution to the voters of the area proposed to be included in the district at any general election, or at any special election which may be called for that purpose.

(2) The ballot proposition ((~~shall~~)) must be submitted if the governing body of each city in which all or a portion of the proposed district is located, and the legislative authority of each county in which all or a portion of the proposed district is located within the unincorporated portion of the county, each adopts a resolution submitting the proposition to create a metropolitan park district.

(3) As an alternative to the method provided under subsection (2) of this section, the ballot proposition ((~~shall~~)) must be submitted if a petition proposing creation of a metropolitan park district is submitted to the county auditor of each county in which all or a portion of the proposed district is located that is signed by at least fifteen percent of the registered voters residing in the area to be included within the proposed district. Where the petition is for creation of a district in more than one county, the petition ((~~shall~~)) must be filed with the county auditor of the county having the greater area of the proposed district, and a copy filed with each other county auditor of the other counties covering the proposed district.

(4) Territory by virtue of its annexation to any city whose territory lies entirely within a park district ((~~shall be~~)) are deemed to be within the limits of the metropolitan park district. Such an extension of a park district's boundaries ((~~shall not be~~)) is not subject to review by a boundary review board independent of the board's review of the city annexation of territory.

(5) A city, county, or contiguous group of cities or counties proposing or approving a petition regarding formation of a metropolitan park district may limit the purpose and may limit the taxing powers of such proposed metropolitan park district in its resolution in cases where the metropolitan park district is being formed for specifically identified facilities referenced in (a) of this subsection. The ballot proposition must reflect such limitations as follows:

(a) A city, county, or contiguous group of cities or counties may limit the proposed district's purposes to providing the funds necessary to acquire, construct, renovate, expand, operate, maintain, and provide programming for specifically identified public parks or recreational facilities that are otherwise authorized by law for metropolitan park districts. The ballot proposition must specifically identify those public parks or recreational facilities to be funded, which identification may be made by referencing a metropolitan park district plan that has been approved by the legislative authority of the city, county, or contiguous group of cities or counties proposing the formation of the district;

(b) A city, county, or contiguous group of cities or counties may limit the maximum levy rate that is available to such metropolitan park district to any levy rate that does not exceed the aggregate rate set forth under RCW 35.61.210(1). The ballot proposition must state the maximum regular levy rate.

(6) Nothing herein prevents a city, county, or contiguous group of cities or counties from proposing formation of a metropolitan park district that is not limited under subsection (5) of this section.

Sec. 2. RCW 35.61.100 and 1993 c 247 s 1 are each amended to read as follows:

Every metropolitan park district through its board of commissioners may contract indebtedness and evidence such indebtedness by the issuance and sale of warrants, short-term obligations as provided by chapter 39.50 RCW, or general obligation bonds, for ((~~park, boulevard, aviation landings, playgrounds, and parkway purposes,~~)) any purposes authorized for such metropolitan park district and the extension and maintenance thereof, not exceeding, together with all other outstanding nonvoter approved general indebtedness, one-quarter of one percent of the value of the taxable property in such metropolitan park district, as the term "value of the taxable property" is defined in RCW 39.36.015. General obligation bonds ((~~shall~~)) may not be issued with a maximum term in excess of ((~~twenty years~~)) the maximum term set forth in chapter 39.46 RCW. Such general obligation bonds ((~~shall~~)) must be issued and sold in accordance with chapter 39.46 RCW.

Sec. 3. RCW 35.61.120 and 1965 c 7 s 35.61.120 are each amended to read as follows:

(1) The officers of a metropolitan park district ((~~shall~~)) must be a board of park commissioners consisting of five members. The board ((~~shall~~)) must annually elect one of their number as president and another of their number as clerk of the board.

(2) Notwithstanding the foregoing, when the boundaries of any metropolitan park district are coterminous with the boundaries of a city, and if the governing body of a city is designated to serve in an ex officio capacity as the board, the number of members of the board of park commissioners must be equal to the number of positions on the relevant city governing body as it may be constituted from time to time.

Sec. 4. RCW 35.61.210 and 2007 c 295 s 1 are each amended to read as follows:

(1) The board of park commissioners may levy or cause to be levied a general tax on all the property located in said park district each year not to exceed fifty cents per thousand dollars of assessed value of the property in such park district. In addition, the board of park commissioners may levy or cause to be levied a general tax on all property located in said park district each year not to exceed twenty-five cents per thousand dollars of assessed valuation. Although park districts are authorized to impose two separate regular property tax levies, the levies ((~~shall be~~)) are considered to be a single levy for purposes of the limitation provided for in chapter 84.55 RCW.

(2) The maximum levy rate of a metropolitan park district formed subject to the limitations set forth in RCW 35.61.020(5) must be the levy rate set forth in the ballot proposition. At any time after the initial formation of a district subject to a limitation under RCW 35.61.020(5), the board of metropolitan park commissioners may submit to the voters of the district at a general or special election a proposition to alter such maximum regular levy rate, which proposition becomes effective only upon approval by a majority of the votes cast on the proposition. The limitations provided in chapter 84.55 RCW do not apply in the first year after the approval of any proposition under this subsection.

(3) The board is hereby authorized to levy a general tax in excess of its regular property tax levy or levies when authorized so to do at a special election conducted in accordance with and subject to all the requirements of the Constitution and laws of the state now in force or hereafter enacted governing the limitation of tax levies. The board is hereby authorized to call a special election for the purpose of submitting to the qualified voters of the park district a proposition to levy a tax in excess of the ((~~seventy-five cents per thousand dollars of assessed value herein specifically authorized~~)) regular levy rates authorized for the district under subsection (1) or (2) of this section. The manner of submitting any such proposition, of certifying the same, and of giving or publishing notice thereof, ((~~shall~~)) must be as provided by law for the submission of propositions by cities ((~~or~~)), towns, or counties.

(4) The board ((~~shall~~)) must include in its general tax levy for each year a sufficient sum to pay the interest on all outstanding bonds and may include a sufficient amount to create a sinking fund for the redemption of all outstanding bonds. The levy ((~~shall~~)) must be certified to the proper county officials for collection the same as other general taxes and, for any metropolitan park district for which the county treasurer serves as the ex officio treasurer, when collected, the general tax ((~~shall~~)) must be placed in a separate fund in the office of the county treasurer to be known as the "metropolitan park district fund" and disbursed under RCW 36.29.010(1) and 39.58.750.

Sec. 5. RCW 35.61.290 and 2005 c 226 s 1 are each amended to read as follows:

(1) Any city within or comprising any metropolitan park district may turn over to the park district any lands ((~~which~~)) that it may own, or any street, avenue, or public place within the city for playground, park ((~~or parkway purposes~~)), or other purposes authorized for such district, and thereafter its control and management ((~~shall~~)) must vest in the board of park commissioners((~~: PROVIDED, That~~)). However, the police regulations of such city ((~~shall~~)) apply to all such premises.

(2) At any time that any such metropolitan park district is unable, through lack of sufficient funds, to provide for the continuous operation, maintenance and improvement of the parks and playgrounds and other properties or facilities owned by it or under its control, and the legislative body of any city within or comprising such metropolitan park district ((~~shall~~)) must determine that an emergency exists requiring the financial aid of such city to be extended in order to provide for such continuous operation, maintenance and/or improvement of parks, playgrounds facilities, other properties, and programs of such park district within its limits, such city may grant or loan to such metropolitan park district such of its available funds, or such funds ((~~which~~)) that it may lawfully procure and make available, as it ((~~shall~~)) finds necessary to provide for such continuous operation and maintenance and, pursuant thereto, any such city and the board of park commissioners of such district are authorized and empowered to enter into an agreement embodying such terms and conditions of any such grant or loan as may be mutually agreed upon.

(3) The board of metropolitan park commissioners may accept public streets of the city and grounds for public purposes when donated for park, playground, boulevard, and ((~~park purposes~~)) other park purposes authorized for such district.

(((~~(2)~~))) (4) Counties, cities, and other municipal corporations, including but not limited to park and recreation districts operating under chapter 36.69 RCW, may ((~~transfer to the metropolitan park district~~)) enter into agreements with metropolitan park districts to transfer to one another, with or without consideration therefor, any lands, facilities, equipment, other interests in real or personal property, or interests under contracts, leases, or similar agreements. The board of metropolitan park commissioners may accept and may make, for metropolitan park district purposes, such transfers of lands, facilities, equipment, other interests in real or personal property, and interests under contracts, leases, or similar agreements.

Sec. 6. RCW 35.61.040 and 2002 c 88 s 4 are each amended to read as follows:

If a majority of the voters voting on the ballot proposition authorizing the creation of the metropolitan park district vote in favor of the formation of a metropolitan park district, the metropolitan park district ((~~shall~~)) must be created as a municipal corporation effective immediately upon certification of the election results and its name ((~~shall~~)) must be that designated in the ballot proposition. When an ex officio treasurer of a metropolitan park district is a city or county treasurer, the treasurer may provide a bridge loan or line of credit to the newly formed metropolitan park district until such time as the district has received sufficient levy proceeds to pay for the maintenance and operations of the metropolitan park district.

Sec. 7. RCW 35.61.180 and 1987 c 203 s 1 are each amended to read as follows:

(1) The county treasurer of the county within which all, or the major portion, of the district lies ((~~shall~~)) must be the ex officio treasurer of a metropolitan park district, but ((~~shall~~)) may receive no compensation other than his or her regular salary for receiving and disbursing the funds of a metropolitan park district.

(2) A metropolitan park district may designate someone other than the county treasurer who has experience in financial or fiscal affairs to act as the district treasurer if the board has received the approval of the county treasurer to designate this person; or if the district boundaries are coterminous with the boundaries of a city, the city may act as the district treasurer. If the board designates someone other than ((~~the~~)) a county or city treasurer to act as the district treasurer, the board ((~~shall~~)) must purchase a bond from a surety company operating in the state that is sufficient to protect the district from loss.

Passed by the Senate April 13, 2017.
Passed by the House April 5, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 216

[Senate Bill 5177]

LONG-TERM CARE WORKERS--HEARING LOSS IDENTIFICATION TRAINING

AN ACT Relating to requiring long-term care workers to be trained to recognize hearing loss; and amending RCW 74.39A.074.

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

Sec. 1. RCW 74.39A.074 and 2012 c 164 s 401 are each amended to read as follows:

(1)(a) ((~~Beginning January 7, 2012,~~)) Except for long-term care workers exempt from certification under RCW 18.88B.041(1)(a) ((~~and, until January 1, 2016, those exempt under RCW 18.88B.041(1)(b)~~)), all persons hired as long-term care workers must meet the minimum training requirements in this section within one hundred twenty calendar days after the date of being hired ((~~or within one hundred twenty calendar days after March 29, 2012, whichever is later. In computing the time periods in this subsection, the first day is the date of hire or March 29, 2012, whichever is applicable~~)).

(b) Except as provided in RCW 74.39A.076, the minimum training requirement is seventy-five hours of entry-level training approved by the department. A long-term care worker must successfully complete five of these seventy-five hours before being eligible to provide care.

(c) Training required by (d) of this subsection applies toward the training required under RCW 18.20.270 or 70.128.230 or any statutory or regulatory training requirements for long-term care workers employed by community residential service businesses.

(d) The seventy-five hours of entry-level training required shall be as follows:

(i) Before a long-term care worker is eligible to provide care, he or she must complete:

(A) Two hours of orientation training regarding his or her role as caregiver and the applicable terms of employment; and

(B) Three hours of safety training, including basic safety precautions, emergency procedures, and infection control; and

(ii) Seventy hours of long-term care basic training, including training related to:

(A) Core competencies; and

(B) Population specific competencies, including identification of individuals with potential hearing loss and how to seek assistance if hearing loss is suspected.

(2) Only training curriculum approved by the department may be used to fulfill the training requirements specified in this section. The department shall only approve training curriculum that:

(a) Has been developed with input from consumer and worker representatives; and

(b) Requires comprehensive instruction by qualified instructors on the competencies and training topics in this section.

(3) Individual providers under RCW 74.39A.270 shall be compensated for training time required by this section.

(4) The department shall adopt rules to implement this section.

Passed by the Senate April 13, 2017.
Passed by the House April 10, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 217

[Substitute Senate Bill 5196]

ODOR AND FUGITIVE DUST--CATTLE FEEDLOTS--EXEMPTION

AN ACT Relating to including certain cattle feedlots within the statutory exemption for odor or fugitive dust caused by agricultural activity; and amending RCW 70.94.640.

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

Sec. 1. RCW 70.94.640 and 2005 c 511 s 4 are each amended to read as follows:

(1) Odors or fugitive dust caused by agricultural activity consistent with good agricultural practices on agricultural land are exempt from the requirements of this chapter unless they have a substantial adverse effect on public health. In determining whether agricultural activity is consistent with good agricultural practices, the department of ecology or board of any authority shall consult with a recognized third-party expert in the activity prior to issuing any notice of violation.

(2) Any notice of violation issued under this chapter pertaining to odors or fugitive dust caused by agricultural activity shall include a detailed statement with evidence as to why the activity is inconsistent with good agricultural practices, or a detailed statement with evidence that the odors or fugitive dust have substantial adverse effect on public health.

(3) In any appeal to the pollution control hearings board or any judicial appeal, the agency issuing a final order pertaining to odors or fugitive dust caused by agricultural activity shall prove the activity is inconsistent with good agricultural practices or that the odors or fugitive dust have a substantial adverse impact on public health.

(4) If a person engaged in agricultural activity on a contiguous piece of agricultural land sells or has sold a portion of that land for residential purposes, the exemption of this section shall not apply.

(5) As used in this section:

(a) "Agricultural activity" means the growing, raising, or production of horticultural or viticultural crops, berries, poultry, livestock, shellfish, grain, mint, hay, and dairy products. "Agricultural activity" also includes the growing, raising, or production of cattle at cattle feedlots.

(b) "Good agricultural practices" means economically feasible practices which are customary among or appropriate to farms and ranches of a similar nature in the local area and for cattle feedlots means implementing best management practices pursuant to a fugitive dust control plan that conforms to the fugitive dust control guidelines for beef cattle feedlots, best management practices, and plan development and approval procedures that were approved by the department of ecology in December 1995 or in updates to those guidelines that are mutually agreed to by the department of ecology and by the Washington cattle feeders association or a successor organization on behalf of cattle feedlots.

(c) "Agricultural land" means at least five acres of land devoted primarily to the commercial production of livestock, agricultural commodities, or cultured aquatic products.

(d) "Fugitive dust" means a particulate emission made airborne by human activity, forces of wind, or both, and which do not pass through a stack, chimney, vent, or other functionally equivalent opening.

(6) The exemption for fugitive dust provided in subsection (1) of this section does not apply to facilities subject to RCW 70.94.151 as specified in WAC 173-400-100 as of July 24, 2005, 70.94.152, or 70.94.161. The exemption for fugitive dust provided in subsection (1) of this section applies to cattle feedlots with operational facilities which have an inventory of one thousand or more cattle in operation between June 1st and October 1st, where vegetation forage growth is not sustained over the majority of the lot during the normal growing season; except that the cattle feedlots must comply with applicable requirements included in the approved state implementation plan for air quality as of the effective date of this section; and except if an area in which a cattle feedlot is located is at any time in the future designated nonattainment for a national ambient air quality standard for particulate matter, additional control measures may be required for cattle feedlots as part of a state implementation plan's control strategy for that area and as necessary to ensure the area returns to attainment.

Passed by the Senate February 28, 2017.
Passed by the House April 10, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 218

[Engrossed Substitute Senate Bill 5338]

OFF-ROAD VEHICLES AND SNOWMOBILES--REGISTRATION ENFORCEMENT

AN ACT Relating to registration enforcement for off-road vehicles and snowmobiles; adding a new section to chapter 46.09 RCW; adding a new section to chapter 46.10 RCW; adding a new section to chapter 46.93 RCW; creating new sections; prescribing penalties; and providing an effective date.

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

NEW SECTION. **Sec. 1.** The legislature finds that many residents of Washington enjoy recreational opportunities for off-road vehicle and snowmobile use afforded by the natural beauty of the state and do so in compliance with vehicle titling and registration laws and other laws that govern off-road vehicle and snowmobile use. At the same time, the legislature recognizes that the current law and corresponding enforcement regime may not be robust enough to ensure full compliance with legal registration requirements and a level playing field for all users. It is therefore the intent of the legislature to modify the statutory framework governing penalties for off-road vehicle and snowmobile registration violations and to add requirements to the department of licensing in order to improve registration compliance.

NEW SECTION. **Sec. 2.** A new section is added to chapter 46.09 RCW under the subchapter heading "uses and violations" to read as follows:

(1) It is a gross misdemeanor, punishable as provided under chapter 9A.20 RCW, for a resident, as identified in RCW 46.16A.140, to knowingly fail to apply for a Washington state certificate of title for, or to knowingly fail to register, an off-road vehicle within fifteen days of receiving or refusing a notice issued by the department under section 4 of this act.

(2) Excise taxes owed and fines assessed must be deposited in the manner provided under RCW 46.16A.030(6).

NEW SECTION. **Sec. 3.** A new section is added to chapter 46.10 RCW under the subchapter heading "uses and violations" to read as follows:

(1) It is a gross misdemeanor, punishable as provided under chapter 9A.20 RCW, for a resident, as identified in RCW 46.16A.140, to knowingly fail to register a snowmobile within fifteen days of receiving or refusing a notice issued by the department under section 4 of this act.

(2) Excise taxes owed and fines assessed must be deposited in the manner provided under RCW 46.16A.030(6).

NEW SECTION. **Sec. 4.** A new section is added to chapter 46.93 RCW to read as follows:

(1) By the first business day in February of each year, beginning in 2018, motorsports vehicle manufacturers must report to the department of licensing a listing of all motorsports vehicle warranties for off-road vehicles under chapter 46.09 RCW and snowmobiles under chapter 46.10 RCW sold to Washington residents by out-of-state motorsports vehicle dealers in the previous calendar year. The report must be transmitted such that the department receives the listing no later than the first business day in February. Failure to report a complete listing as required under this subsection results in an administrative fine of one hundred dollars for each day after the first business day in February that the department has not received the report.

(2) The department of licensing shall examine the listing reported in subsection (1) of this section to verify whether the vehicles are properly registered in the state. Beginning in 2018, and to the extent that it has received the listing required under subsection (1) of this section, the department shall notify by certified mail from the United States postal service, with return receipt requested, by the end of February of each year, the purchasers of the warranties of the off-road vehicles and snowmobiles that are not properly registered in the state of the owner's obligations under state law regarding vehicle titling, registration, and use tax payment, as well as of the penalties for failure to comply with the law.

(3) Fines received under this section must be paid into the state treasury and credited to the nonhighway and off-road vehicle activities program account under RCW 46.09.510 and to the snowmobile account under RCW 46.68.350. The state treasurer must apportion the fines between the accounts according to the pro rata share of the number of off-road vehicle and snowmobile registrations in the previous calendar year. The department must provide the state treasurer with the information needed to determine the apportionment.

NEW SECTION. **Sec. 5.** Section 4 of this act applies to the sales of off-road vehicles and snowmobiles beginning in January 2017.

NEW SECTION. **Sec. 6.** This act takes effect August 1, 2017.

Passed by the Senate April 18, 2017.
Passed by the House April 5, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 219

[Senate Bill 5436]

TELEMEDICINE--ORIGINATING SITE--PATIENT DETERMINATION

AN ACT Relating to expanding patient access to health services through telemedicine by further defining where a patient may receive the service; amending RCW 48.43.735, 41.05.700, and 74.09.325; and providing an effective date.

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

Sec. 1. RCW 48.43.735 and 2016 c 68 s 3 are each amended to read as follows:

(1) For health plans issued or renewed on or after January 1, 2017, a health carrier shall reimburse a provider for a health care service provided to a covered person through telemedicine or store and forward technology if:

(a) The plan provides coverage of the health care service when provided in person by the provider;

(b) The health care service is medically necessary;

(c) The health care service is a service recognized as an essential health benefit under section 1302(b) of the federal patient protection and affordable care act in effect on January 1, 2015; and

(d) The health care service is determined to be safely and effectively provided through telemedicine or store and forward technology according to generally accepted health care practices and standards, and the technology used to provide the health care service meets the standards required by state and federal laws governing the privacy and security of protected health information.

(2)(a) If the service is provided through store and forward technology there must be an associated office visit between the covered person and the referring health care provider. Nothing in this section prohibits the use of telemedicine for the associated office visit.

(b) For purposes of this section, reimbursement of store and forward technology is available only for those covered services specified in the negotiated agreement between the health carrier and the health care provider.

(3) An originating site for a telemedicine health care service subject to subsection (1) of this section includes a:

(a) Hospital;

(b) Rural health clinic;

(c) Federally qualified health center;

(d) Physician's or other health care provider's office;

(e) Community mental health center;

(f) Skilled nursing facility;

(g) Home <u>or any location determined by the individual receiving the service</u>; or

(h) Renal dialysis center, except an independent renal dialysis center.

(4) Except for subsection (3)(g) of this section, any originating site under subsection (3) of this section may charge a facility fee for infrastructure and preparation of the patient. Reimbursement must be subject to a negotiated agreement between the originating site and the health carrier. A distant site or any other site not identified in subsection (3) of this section may not charge a facility fee.

(5) A health carrier may not distinguish between originating sites that are rural and urban in providing the coverage required in subsection (1) of this section.

(6) A health carrier may subject coverage of a telemedicine or store and forward technology health service under subsection (1) of this section to all terms and conditions of the plan in which the covered person is enrolled((,)) including, but not limited to, utilization review, prior authorization, deductible, copayment, or coinsurance requirements that are applicable to coverage of a comparable health care service provided in person.

(7) This section does not require a health carrier to reimburse:

(a) An originating site for professional fees;

(b) A provider for a health care service that is not a covered benefit under the plan; or

(c) An originating site or health care provider when the site or provider is not a contracted provider under the plan.

(8) For purposes of this section:

(a) "Distant site" means the site at which a physician or other licensed provider, delivering a professional service, is physically located at the time the service is provided through telemedicine;

(b) "Health care service" has the same meaning as in RCW 48.43.005;

(c) "Hospital" means a facility licensed under chapter 70.41, 71.12, or 72.23 RCW;

(d) "Originating site" means the physical location of a patient receiving health care services through telemedicine;

(e) "Provider" has the same meaning as in RCW 48.43.005;

(f) "Store and forward technology" means use of an asynchronous transmission of a covered person's medical information from an originating site to the health care provider at a distant site which results in medical diagnosis and management of the covered person, and does not include the use of audio-only telephone, facsimile, or email; and

(g) "Telemedicine" means the delivery of health care services through the use of interactive audio and video technology, permitting real-time communication between the patient at the originating site and the provider, for the purpose of diagnosis, consultation, or treatment. For purposes of this section only, "telemedicine" does not include the use of audio-only telephone, facsimile, or email.

Sec. 2. RCW 41.05.700 and 2016 c 68 s 4 are each amended to read as follows:

(1) A health plan offered to employees and their covered dependents under this chapter issued or renewed on or after January 1, 2017, shall reimburse a provider for a health care service provided to a covered person through telemedicine or store and forward technology if:

(a) The plan provides coverage of the health care service when provided in person by the provider;

(b) The health care service is medically necessary;

(c) The health care service is a service recognized as an essential health benefit under section 1302(b) of the federal patient protection and affordable care act in effect on January 1, 2015; and

(d) The health care service is determined to be safely and effectively provided through telemedicine or store and forward technology according to generally accepted health care practices and standards, and the technology used to provide the health care service meets the standards required by state and federal laws governing the privacy and security of protected health information.

(2)(a) If the service is provided through store and forward technology there must be an associated office visit between the covered person and the referring health care provider. Nothing in this section prohibits the use of telemedicine for the associated office visit.

(b) For purposes of this section, reimbursement of store and forward technology is available only for those covered services specified in the negotiated agreement between the health plan and health care provider.

(3) An originating site for a telemedicine health care service subject to subsection (1) of this section includes a:

(a) Hospital;

(b) Rural health clinic;

(c) Federally qualified health center;

(d) Physician's or other health care provider's office;

(e) Community mental health center;

(f) Skilled nursing facility;

(g) Home or any location determined by the individual receiving the service; or

(h) Renal dialysis center, except an independent renal dialysis center.

(4) Except for subsection (3)(g) of this section, any originating site under subsection (3) of this section may charge a facility fee for infrastructure and preparation of the patient. Reimbursement must be subject to a negotiated agreement between the originating site and the health plan. A distant site or any other site not identified in subsection (3) of this section may not charge a facility fee.

(5) The plan may not distinguish between originating sites that are rural and urban in providing the coverage required in subsection (1) of this section.

(6) The plan may subject coverage of a telemedicine or store and forward technology health service under subsection (1) of this section to all terms and conditions of the plan((,)) including, but not limited to, utilization review, prior authorization, deductible, copayment, or coinsurance requirements that are applicable to coverage of a comparable health care service provided in person.

(7) This section does not require the plan to reimburse:

(a) An originating site for professional fees;

(b) A provider for a health care service that is not a covered benefit under the plan; or

(c) An originating site or health care provider when the site or provider is not a contracted provider under the plan.

(8) For purposes of this section:

(a) "Distant site" means the site at which a physician or other licensed provider, delivering a professional service, is physically located at the time the service is provided through telemedicine;

(b) "Health care service" has the same meaning as in RCW 48.43.005;

(c) "Hospital" means a facility licensed under chapter 70.41, 71.12, or 72.23 RCW;

(d) "Originating site" means the physical location of a patient receiving health care services through telemedicine;

(e) "Provider" has the same meaning as in RCW 48.43.005;

(f) "Store and forward technology" means use of an asynchronous transmission of a covered person's medical information from an originating site to the health care provider at a distant site which results in medical diagnosis and management of the covered person, and does not include the use of audio-only telephone, facsimile, or email; and

(g) "Telemedicine" means the delivery of health care services through the use of interactive audio and video technology, permitting real-time communication between the patient at the originating site and the provider, for the purpose of diagnosis, consultation, or treatment. For purposes of this section only, "telemedicine" does not include the use of audio-only telephone, facsimile, or email.

Sec. 3. RCW 74.09.325 and 2016 c 68 s 5 are each amended to read as follows:

(1) Upon initiation or renewal of a contract with the Washington state health care authority to administer a medicaid managed care plan, a managed health care system shall reimburse a provider for a health care service provided to a covered person through telemedicine or store and forward technology if:

(a) The medicaid managed care plan in which the covered person is enrolled provides coverage of the health care service when provided in person by the provider;

(b) The health care service is medically necessary;

(c) The health care service is a service recognized as an essential health benefit under section 1302(b) of the federal patient protection and affordable care act in effect on January 1, 2015; and

(d) The health care service is determined to be safely and effectively provided through telemedicine or store and forward technology according to generally accepted health care practices and standards, and the technology used to provide the health care service meets the standards required by state and federal laws governing the privacy and security of protected health information.

(2)(a) If the service is provided through store and forward technology there must be an associated visit between the covered person and the referring health care provider. Nothing in this section prohibits the use of telemedicine for the associated office visit.

(b) For purposes of this section, reimbursement of store and forward technology is available only for those services specified in the negotiated agreement between the managed health care system and health care provider.

(3) An originating site for a telemedicine health care service subject to subsection (1) of this section includes a:

(a) Hospital;

(b) Rural health clinic;

(c) Federally qualified health center;

(d) Physician's or other health care provider's office;

(e) Community mental health center;

(f) Skilled nursing facility;

(g) Home <u>or any location determined by the individual receiving the service</u>; or

(h) Renal dialysis center, except an independent renal dialysis center.

(4) Except for subsection (3)(g) of this section, any originating site under subsection (3) of this section may charge a facility fee for infrastructure and preparation of the patient. Reimbursement must be subject to a negotiated agreement between the originating site and the managed health care system. A distant site or any other site not identified in subsection (3) of this section may not charge a facility fee.

(5) A managed health care system may not distinguish between originating sites that are rural and urban in providing the coverage required in subsection (1) of this section.

(6) A managed health care system may subject coverage of a telemedicine or store and forward technology health service under subsection (1) of this section to all terms and conditions of the plan in which the covered person is enrolled((,)) including, but not limited to, utilization review, prior authorization, deductible, copayment, or coinsurance requirements that are applicable to coverage of a comparable health care service provided in person.

(7) This section does not require a managed health care system to reimburse:

(a) An originating site for professional fees;

(b) A provider for a health care service that is not a covered benefit under the plan; or

(c) An originating site or health care provider when the site or provider is not a contracted provider under the plan.

(8) For purposes of this section:

(a) "Distant site" means the site at which a physician or other licensed provider, delivering a professional service, is physically located at the time the service is provided through telemedicine;

(b) "Health care service" has the same meaning as in RCW 48.43.005;

(c) "Hospital" means a facility licensed under chapter 70.41, 71.12, or 72.23 RCW;

(d) "Managed health care system" means any health care organization, including health care providers, insurers, health care service contractors, health maintenance organizations, health insuring organizations, or any combination thereof, that provides directly or by contract health care services covered under this chapter and rendered by licensed providers, on a prepaid capitated basis and that meets the requirements of section 1903(m)(1)(A) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;

(e) "Originating site" means the physical location of a patient receiving health care services through telemedicine;

(f) "Provider" has the same meaning as in RCW 48.43.005;

(g) "Store and forward technology" means use of an asynchronous transmission of a covered person's medical information from an originating site to the health care provider at a distant site which results in medical diagnosis and management of the covered person, and does not include the use of audio-only telephone, facsimile, or email; and

(h) "Telemedicine" means the delivery of health care services through the use of interactive audio and video technology, permitting real-time communication between the patient at the originating site and the provider, for

the purpose of diagnosis, consultation, or treatment. For purposes of this section only, "telemedicine" does not include the use of audio-only telephone, facsimile, or email.

(9) To measure the impact on access to care for underserved communities and costs to the state and the medicaid managed health care system for reimbursement of telemedicine services, the Washington state health care authority, using existing data and resources, shall provide a report to the appropriate policy and fiscal committees of the legislature no later than December 31, 2018.

NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act take effect January 1, 2018.

Passed by the Senate February 23, 2017.
Passed by the House April 18, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 220

[Substitute Senate Bill 5514]

EMERGENCY DEPARTMENT PATIENT CARE INFORMATION--DEPARTMENT OF HEALTH COLLECTION--CONFIDENTIALITY

AN ACT Relating to rapid health information network data reporting; and adding a new section to chapter 43.70 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 43.70 RCW to read as follows:

(1) The legislature finds that public health data is critical to the department's ability to respond to emerging public health threats and chronic conditions affecting the public health and, therefore, intends that the department be fully informed about emerging public health threats and chronic conditions that may impact the health of Washington citizens.

(2) The department shall require hospitals with emergency departments to submit emergency department patient care information, which must be collected, maintained, analyzed, and disseminated by the department. The department shall also accept other data types submitted voluntarily as approved by the department. The data must be collected in a way that allows automated reporting by electronic transmission. Emergency departments submitting data must be able to obtain their data and aggregate regional and statewide data from the collection system within thirty minutes of submission of a query for the data once the data is available in the system. The department may, if deemed cost-effective and efficient, contract with a private entity for any or all parts of data collection, maintenance, analysis, and dissemination. The department or contractor shall include the following elements:

(a) A demonstrated ability to collect the data required by this section in a way that allows automated reporting by electronic transmission;

(b) An established data submission arrangement with the majority of emergency departments required to submit data pursuant to this section;

(c) The demonstrated ability to allow emergency departments submitting data to immediately obtain their own data and aggregate regional and statewide data and the department to immediately obtain any data within thirty minutes of submission of a query for data once the data is available in the system; and

(d) The capacity to work with existing emergency department data systems to minimize administrative reporting burden and costs.

(3) Data elements must be reported in conformance with a uniform reporting system established by the department in collaboration with representatives from emergency departments required to submit data pursuant to this section and in conformance with current or emerging national standards for reporting similar data. Data elements to be initially collected include, but are not limited to, data elements identifying facility information, limited patient identifiers, patient demographics, and encounter, clinical, and laboratory information. In order to ensure meaningful public health surveillance, after consulting with emergency departments required to submit data pursuant to this section, the department shall adopt rules including, but not limited to, data element and format requirements and time frames for reporting and addressing errors in submission. The rules adopted shall support alignment with current or emerging national standards for reporting similar data and minimization of administrative burden and costs.

(4) The department may require additional information from data providers only for the purposes of validating data received, verifying data accuracy, conducting surveillance of potential public health threats, and addressing potential public health threats.

(5) The data collected, maintained, and analyzed by the department must only be available for retrieval in original or processed form to public and private requestors pursuant to subsection (6) of this section and must be available within a reasonable period of time after the date of request, except that emergency departments submitting data pursuant to this section must have the ability to immediately obtain their own data and aggregate regional and statewide data within thirty minutes of submission of a query for data once the data is available in the system. The cost of retrieving their own data and aggregate regional and statewide data in standardized reports for state, local, tribal, federal officials and agencies, and health care facilities, and health care providers associated with the emergency departments submitting data pursuant to this section, must be funded through the agency's resources. The cost of retrieving data for individuals and organizations engaged in research or private use of data or reports must be funded by a fee schedule developed by the department that reflects the direct cost of retrieving the data or report in the requested form.

(6) The department must maintain the confidentiality of patient data it collects under subsection (2) of this section. Patient data collected by the department is health care information under chapter 70.02 RCW. Patient data that includes direct and indirect identifiers is not subject to public inspection and copying and the department may only release that data as allowed for in this section. Any agency that receives patient data under (a) or (b) of this subsection must also maintain the confidentiality of the data and may not release the data except as consistent with subsection (7)(b) of this section. The department may release the data as follows:

(a) Data that includes direct and indirect patient identifiers, as specifically defined in rule, may be released to:

(i)(A) Federal, Washington state, tribal, and local government agencies upon receipt of a signed data use agreement with the department;

(B) In the case of an emergent public health threat, the signed data use agreement requirement must be waived for public health authorities. The department may disclose only the minimum amount of information necessary, to the fewest number of people, for the least amount of time required to address the threat;

(ii) Researchers with approval of an institutional review board upon receipt of a signed confidentiality agreement with the department;

(b) Data that does not contain direct patient identifiers but may contain indirect patient identifiers may be released to agencies, institutional review board-approved researchers, and other persons upon receipt of a signed data use agreement with the department;

(c) Data that does not contain direct or indirect patient identifiers may be released on request.

(7) Recipients of data under subsection (6)(a) and (b) of this section must agree in a data use agreement, as applicable, at a minimum, to:

(a) Take steps to protect direct and indirect patient identifiers as described in the data use agreement; and

(b) Not redisclose the data except as authorized in their data use agreement consistent with the purpose of the agreement.

(8) Recipients of data under subsection (6)(b) and (c) of this section must not attempt to determine the identity of persons whose information is included in the data set or use the data in any manner that identifies individuals or their families.

(9) For the purposes of this section:

(a) "Direct patient identifier" means information that identifies a patient; and

(b) "Indirect patient identifier" means information that may identify a patient when combined with other information.

(10) The department may adopt rules necessary to carry out its responsibilities under this section. The department must consider national standards when adopting rules.

Passed by the Senate March 1, 2017.
Passed by the House April 10, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 221

[Senate Bill 5581]

PUBLIC BENEFIT HOSPITAL ENTITIES--JOINT SELF-INSURANCE PROGRAMS

AN ACT Relating to authorizing public hospital districts to participate in self-insurance risk pools with nonprofit hospitals; adding a new chapter to Title 48 RCW; and prescribing penalties.

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

NEW SECTION. **Sec. 1.** This chapter is intended to provide authority for two or more public benefit hospital entities to participate in a joint self-insurance program covering property or liability risks. This chapter provides public benefit hospital entities with the exclusive source of authority to jointly self-insure property and liability risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services with other public benefit hospital entities, except as otherwise provided in this chapter. This chapter must be liberally construed to grant public benefit hospital entities maximum flexibility in jointly self-insuring to the extent the self-insurance programs are operated in a safe and sound manner. This chapter is intended to require prior approval for the establishment of every joint self-insurance program. In addition, this chapter is intended to require every joint self-insurance program for public benefit hospital entities established under this chapter to notify the state of the existence of the program and to comply with the regulatory and statutory standards governing the management and operation of the programs as provided in this chapter. This chapter is not intended to authorize or regulate self-insurance of unemployment compensation under chapter 50.44 RCW or industrial insurance under chapter 51.14 RCW.

NEW SECTION. **Sec. 2.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Hospital services" means clinically related (i.e., preventive, diagnostic, curative, rehabilitative, or palliative) services provided in a hospital setting.

(2) "Property and liability risks" include the risk of property damage or loss sustained by a public benefit hospital entity and the risk of claims arising from the tortious or negligent conduct or any error or omission of the entity, its officers, employees, agents, or volunteers as a result of which a claim may be made against the entity.

(3) "Public benefit hospital entity" means any of the following:

(a) A public hospital district organized under the laws of this state or another state and any agency or instrumentality of a public hospital district including, but not limited to, a legal entity created to conduct a joint self-insurance program for public hospital districts that is operating in accordance with chapter 48.62 RCW; or

(b) A nonprofit corporation, whether organized under the laws of this state or another state, that meets the following requirements:

(i) The nonprofit corporation operates one or more hospitals each of which is licensed for three hundred sixty or fewer beds by the department of health pursuant to chapter 70.41 RCW; and

(ii) The nonprofit corporation is engaged in providing hospital services.

(4) "Self-insurance" means a formal program of advance funding and management of entity financial exposure to a risk of loss that is not transferred through the purchase of an insurance policy or contract.

(5) "State risk manager" means the risk manager of the office of risk management within the department of enterprise services.

NEW SECTION. **Sec. 3.** (1) The governing body of a public benefit hospital entity may join or form a self-insurance program together with one or more other public benefit hospital entities, and may jointly purchase insurance or reinsurance with one or more other public benefit hospital entities for property

and liability risks only as permitted under this chapter. Public benefit hospital entities may contract for or hire personnel to provide risk management, claims, and administrative services in accordance with this chapter.

(2) The agreement to form a joint self-insurance program may include the organization of a separate legal or administrative entity with powers delegated to the entity.

(3) If provided for in the organizational documents, a joint self-insurance program may, in conformance with this chapter:

(a) Contract or otherwise provide for risk management and loss control services;

(b) Contract or otherwise provide legal counsel for the defense of claims and other legal services;

(c) Consult with the state insurance commissioner and the state risk manager;

(d) Jointly purchase insurance and reinsurance coverage in a form and amount as provided for in the organizational documents;

(e) Obligate the program's participants to pledge revenues or contribute money to secure the obligations or pay the expenses of the program, including the establishment of a reserve or fund for coverage; and

(f) Possess any other powers and perform all other functions reasonably necessary to carry out the purposes of this chapter.

(4) Every joint self-insurance program governed by this chapter must appoint the state risk manager as its attorney to receive service of, and upon whom must be served, all legal process issued against the program in this state upon causes of action arising in this state.

(a) Service upon the state risk manager as attorney constitutes service upon the program. Service upon joint self-insurance programs subject to this chapter may only occur by service upon the state risk manager. At the time of service, the plaintiff shall pay to the state risk manager a fee to be set by the state risk manager, taxable as costs in the action.

(b) With the initial filing for approval with the state risk manager, each joint self-insurance program must designate by name and address the person to whom the state risk manager must forward legal process that is served upon him or her. The joint self-insurance program may change this person by filing a new designation.

(c) The appointment of the state risk manager as attorney is irrevocable, binds any successor in interest or to the assets or liabilities of the joint self-insurance program, and remains in effect as long as there is in force in this state any contract made by the joint self-insurance program or liabilities or duties arising from the contract.

(d) The state risk manager shall keep a record of the day and hour of service upon him or her of all legal process. A copy of the process, by registered mail with return receipt requested, must be sent by the state risk manager to the person designated to receive legal process by the joint self-insurance program in its most recent designation filed with the state risk manager. Proceedings must not commence against the joint self-insurance program, and the program must not be required to appear, plead, or answer, until the expiration of forty days after the date of service upon the state risk manager.

NEW SECTION. **Sec. 4.** This chapter does not apply to a public benefit hospital entity that:

(1) Individually self-insures for property and liability risks; or

(2) Participates in a risk pooling arrangement, including a risk retention group or a risk purchasing group, regulated under chapter 48.92 RCW, is a captive insurer authorized in its state of domicile, or participates in a local government risk pool formed under chapter 48.62 RCW.

NEW SECTION. **Sec. 5.** The state risk manager shall adopt rules governing the management and operation of joint self-insurance programs for public benefit hospital entities that cover property or liability risks. All rules must be appropriate for the type of program and class of risk covered. The state risk manager's rules must include:

(1) Standards for the management, operation, and solvency of joint self-insurance programs, including the necessity and frequency of actuarial analyses and claims audits;

(2) Standards for claims management procedures;

(3) Standards for contracts between joint self-insurance programs and private businesses, including standards for contracts between third-party administrators and programs; and

(4) Standards that preclude public hospital districts or other public entities participating in the joint self-insurance program from subsidizing, regardless of the form of subsidy, public benefit hospital entities that are not public hospital districts or public entities. These standards do not apply to the consideration attributable to the ownership interest of a public hospital district or other public entity in a separate legal or administrative entity organized with respect to the program.

NEW SECTION. **Sec. 6.** Before the establishment of a joint self-insurance program covering property or liability risks by public benefit hospital entities, the entities must obtain the approval of the state risk manager. The entities proposing the creation of a joint self-insurance program requiring prior approval shall submit a plan of management and operation to the state risk manager that provides at least the following information:

(1) The risk or risks to be covered, including any coverage definitions, terms, conditions, and limitations;

(2) The amount and method of funding the covered risks, including the initial capital and proposed rates and projected premiums;

(3) The proposed claim reserving practices;

(4) The proposed purchase and maintenance of insurance or reinsurance in excess of the amounts retained by the joint self-insurance program;

(5) The legal form of the program including, but not limited to, any articles of incorporation, bylaws, charter, or trust agreement or other agreement among the participating entities;

(6) The agreements with participants in the program defining the responsibilities and benefits of each participant and management;

(7) The proposed accounting, depositing, and investment practices of the program;

(8) The proposed time when actuarial analysis will be first conducted and the frequency of future actuarial analysis;

(9) A designation of the individual to whom service of process must be forwarded by the state risk manager on behalf of the program;

(10) All contracts between the program and private persons providing risk management, claims, or other administrative services;

(11) A professional analysis of the feasibility of the creation and maintenance of the program;

(12) A legal determination of the potential federal and state tax liabilities of the program; and

(13) Any other information required by rule of the state risk manager that is necessary to determine the probable financial and management success of the program or that is necessary to determine compliance with this chapter.

NEW SECTION. **Sec. 7.** A public benefit hospital entity may participate in a joint self-insurance program covering property or liability risks with similar public benefit hospital entities from other states if the program satisfies the following requirements:

(1) An ownership interest in the program is limited to some or all of the public benefit hospital entities of this state and public benefit hospital entities of other states that are provided insurance by the program;

(2) The participating public benefit hospital entities of this state and other states shall elect a board of directors to manage the program, a majority of whom must be affiliated with one or more of the participating public benefit hospital entities;

(3) The program must provide coverage through the delivery to each participating public benefit hospital entity of one or more written policies affecting insurance of covered risks;

(4) The program must be financed, including the payment of premiums and the contribution of initial capital, in accordance with the plan of management and operation submitted to the state risk manager in accordance with this chapter;

(5) The financial statements of the program must be audited annually by the certified public accountants for the program, and these audited financial statements must be delivered to the state risk manager not more than one hundred twenty days after the end of each fiscal year of the program;

(6) The investments of the program must be initiated only with financial institutions or broker-dealers, or both, doing business in those states in which participating public benefit hospital entities are located, and these investments must be audited annually by the certified public accountants for the program;

(7) The treasurer of a multistate joint self-insurance program must be designated by resolution of the program and the treasurer must be located in the state of one of the participating entities;

(8) The participating entities may have no contingent liabilities for covered claims, other than liabilities for unpaid premiums, retrospective premiums, or assessments, if assets of the program are insufficient to cover the program's liabilities; and

(9) The program must obtain approval from the state risk manager in accordance with this chapter and must remain in compliance with this chapter, except if provided otherwise under this section.

NEW SECTION. **Sec. 8.** (1) Within one hundred twenty days of receipt of a plan of management and operation, the state risk manager shall either approve or disapprove of the formation of the joint self-insurance program after reviewing the plan to determine whether the proposed program complies with this chapter and all rules adopted in accordance with this chapter.

(2) If the state risk manager denies a request for approval, the state risk manager shall specify in detail the reasons for denial and the manner in which the program fails to meet the requirements of this chapter or any rules adopted in accordance with this chapter.

(3) If the state risk manager determines that a joint self-insurance program covering property or liability risks is in violation of this chapter or is operating in an unsafe financial condition, the state risk manager may issue and serve upon the program an order to cease and desist from the violation or practice.

(a) The state risk manager shall deliver the order to the appropriate entity or entities directly or mail it to the appropriate entity or entities by certified mail with return receipt requested.

(b) If the program violates the order or has not taken steps to comply with the order after the expiration of twenty days after the cease and desist order has been received by the program, the program is deemed to be operating in violation of this chapter, and the state risk manager shall notify the attorney general of the violation.

(c) After hearing or with the consent of a program governed under this chapter and in addition to or in lieu of a continuation of the cease and desist order, the state risk manager may levy a fine upon the program in an amount not less than three hundred dollars and not more than ten thousand dollars. The order levying the fine must specify the period within which the fine must be fully paid. The period within which the fine must be paid must not be less than fifteen and no more than thirty days from the date of the order. Upon failure to pay the fine when due, the state risk manager shall request the attorney general to bring a civil action on the state risk manager's behalf to collect the fine. The state risk manager shall pay any fine collected to the state treasurer for the account of the general fund.

(4) Each joint self-insurance program approved by the state risk manager shall annually file a report with the state risk manager providing:

(a) Details of any changes in the articles of incorporation, bylaws, charter, or trust agreement or other agreement among the participating public benefit hospital entities;

(b) Copies of all the insurance coverage documents;

(c) A description of the program structure, including participants' retention, program retention, and excess insurance limits and attachment point;

(d) An actuarial analysis;

(e) A list of contractors and service providers;

(f) The financial and loss experience of the program; and

(g) Other information as required by rule of the state risk manager.

(5) A joint self-insurance program requiring the state risk manager's approval may not engage in an act or practice that in any respect significantly differs from the management and operation plan that formed the basis for the state risk manager's approval of the program unless the program first notifies the state risk manager in writing and obtains the state risk manager's approval. The

state risk manager shall approve or disapprove the proposed change within sixty days of receipt of the notice. If the state risk manager denies a requested change, the state risk manager shall specify in detail the reasons for the denial and the manner in which the program would fail to meet the requirements of this chapter or any rules adopted in accordance with this chapter.

NEW SECTION. **Sec. 9.** (1) A joint self-insurance program may by resolution of the program designate a person having experience with investments or financial matters as treasurer of the program. The program must require a bond obtained from a surety company in an amount and under the terms and conditions that the program finds will protect against loss arising from mismanagement or malfeasance in investing and managing program funds. The program may pay the premium on the bond.

(2) All interest and earnings collected on joint self-insurance program funds belong to the program and must be deposited to the program's credit in the proper program account.

NEW SECTION. **Sec. 10.** (1) An employee or official of a participating public benefit hospital entity in a joint self-insurance program may not directly or indirectly receive anything of value for services rendered in connection with the operation and management of a self-insurance program other than the salary and benefits provided by his or her employer or the reimbursement of expenses reasonably incurred in furtherance of the operation or management of the program. An employee or official of a participating public benefit hospital entity in a joint self-insurance program may not accept or solicit anything of value for personal benefit or for the benefit of others under circumstances in which it can be reasonably inferred that the employee's or official's independence of judgment is impaired with respect to the management and operation of the program.

(2) RCW 48.30.140, 48.30.150, and 48.30.157 apply to the use of insurance producers by a joint self-insurance program.

NEW SECTION. **Sec. 11.** A joint self-insurance program approved in accordance with this chapter is exempt from insurance premium taxes, fees assessed under chapter 48.02 RCW, chapters 48.32 and 48.32A RCW, business and occupation taxes imposed under chapter 82.04 RCW, and any assigned risk plan or joint underwriting association otherwise required by law. This section does not apply to, and no exemption is provided for, insurance companies issuing policies to cover program risks, and does not apply to or provide an exemption for third-party administrators or insurance producers serving the joint self-insurance program.

NEW SECTION. **Sec. 12.** (1) The state risk manager shall establish and charge an investigation fee in an amount necessary to cover the costs for the initial review and approval of a joint self-insurance program. The fee must accompany the initial submission of the plan of operation and management.

(2) The costs of subsequent reviews and investigations must be charged to the joint self-insurance program being reviewed or investigated in accordance with the actual time and expenses incurred in the review or investigation.

(3) Any program failing to remit its assessment when due is subject to denial of permission to operate or to a cease and desist order until the assessment is paid.

NEW SECTION. **Sec. 13.** (1) Any person who files reports or furnishes other information required under this title, required by the state risk manager under the authority granted under this title, or which is useful to the state risk manager in the administration of this title, is immune from liability in any civil action or suit arising from the filing of any such report or furnishing such information to the state risk manager, unless actual malice, fraud, or bad faith is shown.

(2) The state risk manager and his or her agents and employees are immune from liability in any civil action or suit arising from the publication of any report or bulletins or arising from dissemination of information related to the official activities of the state risk manager unless actual malice, fraud, or bad faith is shown.

(3) The immunity granted under this section is in addition to any common law or statutory privilege or immunity enjoyed by such person. This section is not intended to abrogate or modify in any way such common law or statutory privilege or immunity.

NEW SECTION. **Sec. 14.** Sections 1 through 13 of this act constitute a new chapter in Title 48 RCW.

Passed by the Senate April 17, 2017.
Passed by the House April 11, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 222

[Senate Bill 5595]

BEHAVIORAL HEALTH ORGANIZATIONS--STATE HOSPITAL REIMBURSEMENTS--QUARTERLY AVERAGE CENSUS METHOD

AN ACT Relating to maintaining the quarterly average census method for calculating state hospital reimbursements; and amending RCW 71.24.310.

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

Sec. 1. RCW 71.24.310 and 2014 c 225 s 40 are each amended to read as follows:

The legislature finds that administration of chapter 71.05 RCW and this chapter can be most efficiently and effectively implemented as part of the behavioral health organization defined in RCW 71.24.025. For this reason, the legislature intends that the department and the behavioral health organizations shall work together to implement chapter 71.05 RCW as follows:

(1) By June 1, 2006, behavioral health organizations shall recommend to the department the number of state hospital beds that should be allocated for use by each behavioral health organization. The statewide total allocation shall not exceed the number of state hospital beds offering long-term inpatient care, as defined in this chapter, for which funding is provided in the biennial appropriations act.

(2) If there is consensus among the behavioral health organizations regarding the number of state hospital beds that should be allocated for use by each behavioral health organization, the department shall contract with each behavioral health organization accordingly.

(3) If there is not consensus among the behavioral health organizations regarding the number of beds that should be allocated for use by each behavioral health organization, the department shall establish by emergency rule the number of state hospital beds that are available for use by each behavioral health organization. The emergency rule shall be effective September 1, 2006. The primary factor used in the allocation shall be the estimated number of adults with acute and chronic mental illness in each behavioral health organization area, based upon population-adjusted incidence and utilization.

(4) The allocation formula shall be updated at least every three years to reflect demographic changes, and new evidence regarding the incidence of acute and chronic mental illness and the need for long-term inpatient care. In the updates, the statewide total allocation shall include (a) all state hospital beds offering long-term inpatient care for which funding is provided in the biennial appropriations act; plus (b) the estimated equivalent number of beds or comparable diversion services contracted in accordance with subsection (5) of this section.

(5) The department is encouraged to enter performance-based contracts with behavioral health organizations to provide some or all of the behavioral health organization's allocated long-term inpatient treatment capacity in the community, rather than in the state hospital. The performance contracts shall specify the number of patient days of care available for use by the behavioral health organization in the state hospital.

(6) If a behavioral health organization uses more state hospital patient days of care than it has been allocated under subsection (3) or (4) of this section, or than it has contracted to use under subsection (5) of this section, whichever is less, it shall reimburse the department for that care((~~, except during the period of July 1, 2012, through December 31, 2013, where reimbursements may be temporarily altered per section 204, chapter 4, Laws of 2013 2nd sp. sess~~)). Reimbursements must be calculated using quarterly average census data to determine an average number of days used in excess of the bed allocation for the quarter. The reimbursement rate per day shall be the hospital's total annual budget for long-term inpatient care, divided by the total patient days of care assumed in development of that budget.

(7) One-half of any reimbursements received pursuant to subsection (6) of this section shall be used to support the cost of operating the state hospital and, during the 2007-2009 fiscal biennium, implementing new services that will enable a behavioral health organization to reduce its utilization of the state hospital. The department shall distribute the remaining half of such reimbursements among behavioral health organizations that have used less than their allocated or contracted patient days of care at that hospital, proportional to the number of patient days of care not used.

Passed by the Senate February 28, 2017.

Passed by the House April 6, 2017.

Approved by the Governor May 5, 2017.

Filed in Office of Secretary of State May 5, 2017.

CHAPTER 223

[Substitute Senate Bill 5618]

DOMESTIC VIOLENCE ASSAULT--MINORS--ARREST

AN ACT Relating to arrest of sixteen and seventeen year olds for domestic violence assault; and reenacting and amending RCW 10.31.100.

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

Sec. 1. RCW 10.31.100 and 2016 c 203 s 9 and 2016 c 113 s 1 are each reenacted and amended to read as follows:

A police officer having probable cause to believe that a person has committed or is committing a felony shall have the authority to arrest the person without a warrant. A police officer may arrest a person without a warrant for committing a misdemeanor or gross misdemeanor only when the offense is committed in the presence of an officer, except as provided in subsections (1) through (((~~(12)~~))) (11) of this section.

(1) Any police officer having probable cause to believe that a person has committed or is committing a misdemeanor or gross misdemeanor, involving physical harm or threats of harm to any person or property or the unlawful taking of property or involving the use or possession of cannabis, or involving the acquisition, possession, or consumption of alcohol by a person under the age of twenty-one years under RCW 66.44.270, or involving criminal trespass under RCW 9A.52.070 or 9A.52.080, shall have the authority to arrest the person.

(2) A police officer shall arrest and take into custody, pending release on bail, personal recognizance, or court order, a person without a warrant when the officer has probable cause to believe that:

(a) An order has been issued of which the person has knowledge under RCW 26.44.063, or chapter 7.92, 7.90, 9A.46, 10.99, 26.09, 26.10, 26.26, 26.50, or 74.34 RCW restraining the person and the person has violated the terms of the order restraining the person from acts or threats of violence, or restraining the person from going onto the grounds of or entering a residence, workplace, school, or day care, or prohibiting the person from knowingly coming within, or knowingly remaining within, a specified distance of a location or, in the case of an order issued under RCW 26.44.063, imposing any other restrictions or conditions upon the person; or

(b) A foreign protection order, as defined in RCW 26.52.010, has been issued of which the person under restraint has knowledge and the person under restraint has violated a provision of the foreign protection order prohibiting the person under restraint from contacting or communicating with another person, or excluding the person under restraint from a residence, workplace, school, or day care, or prohibiting the person from knowingly coming within, or knowingly remaining within, a specified distance of a location, or a violation of any provision for which the foreign protection order specifically indicates that a violation will be a crime; or

(c) The person is eighteen years or older and within the preceding four hours has assaulted a family or household member as defined in RCW 10.99.020 and the officer believes: (i) A felonious assault has occurred; (ii) an assault has occurred which has resulted in bodily injury to the victim, whether the injury is observable by the responding officer or not; or (iii) that any physical action has occurred which was intended to cause another person reasonably to fear

imminent serious bodily injury or death. Bodily injury means physical pain, illness, or an impairment of physical condition. When the officer has probable cause to believe that family or household members have assaulted each other, the officer is not required to arrest both persons. The officer shall arrest the person whom the officer believes to be the primary physical aggressor. In making this determination, the officer shall make every reasonable effort to consider: (A) The intent to protect victims of domestic violence under RCW 10.99.010; (B) the comparative extent of injuries inflicted or serious threats creating fear of physical injury; and (C) the history of domestic violence of each person involved, including whether the conduct was part of an ongoing pattern of abuse.

(3) ((~~A police officer shall, at the request of a parent or guardian, arrest the sixteen or seventeen year old child of that parent or guardian if the officer has probable cause to believe that the child has assaulted a family or household member as defined in RCW 10.99.020 in the preceding four hours. Nothing in this subsection removes a police officer's existing authority provided in this section to make an arrest.~~

~~(4)~~)) Any police officer having probable cause to believe that a person has committed or is committing a violation of any of the following traffic laws shall have the authority to arrest the person:

(a) RCW 46.52.010, relating to duty on striking an unattended car or other property;

(b) RCW 46.52.020, relating to duty in case of injury to or death of a person or damage to an attended vehicle;

(c) RCW 46.61.500 or 46.61.530, relating to reckless driving or racing of vehicles;

(d) RCW 46.61.502 or 46.61.504, relating to persons under the influence of intoxicating liquor or drugs;

(e) RCW 46.61.503 or 46.25.110, relating to persons having alcohol or THC in their system;

(f) RCW 46.20.342, relating to driving a motor vehicle while operator's license is suspended or revoked;

(g) RCW 46.61.5249, relating to operating a motor vehicle in a negligent manner.

(((~~(5)~~))) (4) A law enforcement officer investigating at the scene of a motor vehicle accident may arrest the driver of a motor vehicle involved in the accident if the officer has probable cause to believe that the driver has committed in connection with the accident a violation of any traffic law or regulation.

(((~~(6)~~))) (5)(a) A law enforcement officer investigating at the scene of a motor vessel accident may arrest the operator of a motor vessel involved in the accident if the officer has probable cause to believe that the operator has committed, in connection with the accident, a criminal violation of chapter 79A.60 RCW.

(b) A law enforcement officer investigating at the scene of a motor vessel accident may issue a citation for an infraction to the operator of a motor vessel involved in the accident if the officer has probable cause to believe that the operator has committed, in connection with the accident, a violation of any boating safety law of chapter 79A.60 RCW.

(((~~(7)~~))) (6) Any police officer having probable cause to believe that a person has committed or is committing a violation of RCW 79A.60.040 shall have the authority to arrest the person.

(((~~(8)~~))) (7) An officer may act upon the request of a law enforcement officer in whose presence a traffic infraction was committed, to stop, detain, arrest, or issue a notice of traffic infraction to the driver who is believed to have committed the infraction. The request by the witnessing officer shall give an officer the authority to take appropriate action under the laws of the state of Washington.

(((~~(9)~~))) (8) Any police officer having probable cause to believe that a person has committed or is committing any act of indecent exposure, as defined in RCW 9A.88.010, may arrest the person.

(((~~(10)~~))) (9) A police officer may arrest and take into custody, pending release on bail, personal recognizance, or court order, a person without a warrant when the officer has probable cause to believe that an order has been issued of which the person has knowledge under chapter 10.14 RCW and the person has violated the terms of that order.

(((~~(11)~~))) (10) Any police officer having probable cause to believe that a person has, within twenty-four hours of the alleged violation, committed a violation of RCW 9A.50.020 may arrest such person.

(((~~(12)~~))) (11) A police officer having probable cause to believe that a person illegally possesses or illegally has possessed a firearm or other dangerous weapon on private or public elementary or secondary school premises shall have the authority to arrest the person.

For purposes of this subsection, the term "firearm" has the meaning defined in RCW 9.41.010 and the term "dangerous weapon" has the meaning defined in RCW 9.41.250 and 9.41.280(1) (c) through (e).

(((~~(13)~~))) (12) A law enforcement officer having probable cause to believe that a person has committed a violation under RCW 77.15.160(4) may issue a citation for an infraction to the person in connection with the violation.

(((~~(14)~~))) (13) A law enforcement officer having probable cause to believe that a person has committed a criminal violation under RCW 77.15.809 or 77.15.811 may arrest the person in connection with the violation.

(((~~(15)~~))) (14) Except as specifically provided in subsections (2), (3), (4), (((~~(5),~~))) and (((~~(8)~~))) (7) of this section, nothing in this section extends or otherwise affects the powers of arrest prescribed in Title 46 RCW.

(((~~(16)~~))) (15) No police officer may be held criminally or civilly liable for making an arrest pursuant to subsection (2) or (((~~(10)~~))) (9) of this section if the police officer acts in good faith and without malice.

(((~~(17)~~))) (16)(a) Except as provided in (b) of this subsection, a police officer shall arrest and keep in custody, until release by a judicial officer on bail, personal recognizance, or court order, a person without a warrant when the officer has probable cause to believe that the person has violated RCW 46.61.502 or 46.61.504 or an equivalent local ordinance and the police officer has knowledge that the person has a prior offense as defined in RCW 46.61.5055 within ten years.

(b) A police officer is not required to keep in custody a person under (a) of this subsection if the person requires immediate medical attention and is admitted to a hospital.

(((~~(18) A juvenile detention facility shall book into detention any person under age eighteen brought to that detention facility pursuant to an arrest for assaulting a family or household member as defined in RCW 10.99.020.~~)))

Passed by the Senate April 17, 2017.
Passed by the House April 6, 2017.
Approved by the Governor May 5, 2017.
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CHAPTER 224

[Senate Bill 5635]

RETAIL THEFT WITH SPECIAL CIRCUMSTANCES--DEVICES--AGGREGATION

AN ACT Relating to retail theft with special circumstances; amending RCW 9A.56.360; and prescribing penalties.

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

Sec. 1. RCW 9A.56.360 and 2013 c 153 s 1 are each amended to read as follows:

(1) A person commits retail theft with special circumstances if he or she commits theft of property from a mercantile establishment with one of the following special circumstances:

(a) To facilitate the theft, the person leaves the mercantile establishment through a designated emergency exit;

(b) The person was, at the time of the theft, in possession of an item, article, implement, or device used, under circumstances evincing an intent to use or employ, or designed to overcome security systems including, but not limited to, lined bags or tag removers; or

(c) The person committed theft at three or more separate and distinct mercantile establishments within a one hundred eighty-day period.

(2) A person is guilty of retail theft with special circumstances in the first degree if the theft involved constitutes theft in the first degree. Retail theft with special circumstances in the first degree is a class B felony.

(3) A person is guilty of retail theft with special circumstances in the second degree if the theft involved constitutes theft in the second degree. Retail theft with special circumstances in the second degree is a class C felony.

(4) A person is guilty of retail theft with special circumstances in the third degree if the theft involved constitutes theft in the third degree. Retail theft with special circumstances in the third degree is a class C felony.

(5) For the purposes of this section, "special circumstances" means the particular aggravating circumstances described in subsection (1)(a) through (c) of this section.

(6)(a) A series of thefts committed by the same person from one or more mercantile establishments over a period of one hundred eighty days may be aggregated in one count and the sum of the value of all the property shall be the value considered in determining the degree of the retail theft with special circumstances involved. Thefts committed by the same person in different counties that have been aggregated in one county may be prosecuted in any county in which any one of the thefts occurred. In no case may an aggregated series of thefts, or a single theft that has been aggregated in one county, be prosecuted in more than one county.

(b) The mercantile establishment or establishments whose property is alleged to have been stolen may request that the charge be aggregated with other

thefts of property about which the mercantile establishment or establishments is aware. In the event a request to aggregate the prosecution is declined, the mercantile establishment or establishments shall be promptly advised by the prosecuting jurisdiction making the decision to decline aggregating the prosecution of the decision and the reasons for the decision.

Passed by the Senate April 17, 2017.
Passed by the House April 10, 2017.
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CHAPTER 225

[Substitute Senate Bill 5713]

SKILLED WORKER OUTREACH, RECRUITMENT, AND CAREER AWARENESS TRAINING PROGRAM

AN ACT Relating to creating the skilled worker outreach, recruitment, and career awareness training program; adding a new chapter to Title 43 RCW; and providing an expiration date.

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

NEW SECTION. **Sec. 1.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Department" means the department of commerce.

(2) "Eligible applicant" means any government entity or any nongovernment entity, association, or organization that is not a private vocational school, that:

(a) Offers, or plans to offer, a skilled worker awareness program; and

(b) Has partnered with industry to either offer or fund a skilled worker awareness program.

(3) "Grant program" means the skilled worker outreach, recruitment, and career awareness grant program.

(4) "Grant review committee" means the skilled worker outreach, recruitment, and career awareness grant program review committee created in section 5 of this act.

(5) "Matching grant" means a grant funded by the state to match funding provided by an eligible applicant to support efforts to increase the state's skilled workforce.

(6) "Skilled worker awareness program" means a program designed to increase awareness of, and enrollment in, accredited educational, occupational, state-approved preapprenticeship, apprenticeship, and similar training programs that: (a) Train individuals to perform skills needed in the workforce; and (b) award industry or state-recognized certificates, credentials, associate degrees, professional licenses, or similar evidence of achievement but not including bachelor's or higher degrees.

NEW SECTION. **Sec. 2.** (1) Subject to availability of amounts appropriated for this specific purpose, the skilled worker outreach, recruitment, and career awareness grant program is created. The purpose of the grant program is to increase the state's skilled workforce by raising awareness of the state's worker training programs.

(2)(a) Under the grant program, the department must award matching grants to eligible applicants that will engage in outreach and recruiting efforts to increase enrollment in and completion of worker training programs.

(b) Recipients of the grant must provide matching cash funding. The recipient's match must be two dollars for each one dollar of the grant. The recipient's match may not be in the form of in-kind contributions.

NEW SECTION. **Sec. 3.** (1) The department shall administer the grant program and establish a process for accepting grant applications, including application guidelines and deadlines.

(2) By January 1, 2018, and annually no later than January 1st thereafter, the department shall start accepting grant applications.

NEW SECTION. **Sec. 4.** (1) To be considered for a matching grant, an eligible applicant must include, at a minimum, the following information in its application:

(a) A description of how the matching grant will be used to provide outreach, education, and recruitment for training programs;

(b) A description of the training programs the applicant plans to promote, the particular skills taught by that training program, and the number of years the training program has been in operation;

(c) Past, current, and projected enrollment in the training program the applicant plans to promote and the estimated increases in enrollment, if the training program has been in existence;

(d) If the applicant is promoting an existing training program, a comparison of the number of participants who enroll in the training program and the number of participants who complete the program over a five-year period, if available;

(e) Specific industry needs or gaps in the workforce that the training program will or does address;

(f) A description of intended or existing partnerships with industry members, including those where training program participants will have the opportunity to earn income or credit hours;

(g) Costs or the anticipated costs to implement the skilled worker awareness program;

(h) Resources that the eligible applicant will commit in matching dollars and, if the applicant already has a skilled worker awareness program, existing resources that the applicant has invested in recruiting, outreach, and funding of its skilled worker awareness program; and

(i) Any other information the department requires.

(2) Upon receipt of an application that satisfies the requirements in this section, the department must send the application to the grant review committee for its consideration.

NEW SECTION. **Sec. 5.** (1) The department must establish a grant review committee to review grant applications and make recommendations on who should receive a matching grant and the amount. The grant review committee must consist of eleven members with representatives from the following:

(a) The department of labor and industries;

(b) The employment security department;

(c) The department of enterprise services;

(d) The workforce training and education coordinating board;

(e) The state board for community and technical colleges;

(f) Two representatives from business;

(g) Two representatives from labor; and

(h) Two representatives from the Washington apprenticeship and training council.

(2) The grant review committee shall designate a chair to oversee the committee's meetings.

(3) The grant review committee shall establish criteria for ranking eligible applicants for matching grant awards. The grant review committee shall consider and rank eligible applicants based on which applicants currently are able to or have the best potential to:

(a) Reach a broad diverse audience, including populations with barriers as identified in the state's comprehensive workforce training and education plan, through their recruitment and outreach efforts;

(b) Collaborate with and utilize centers of excellence within the community and technical college system;

(c) Significantly increase enrollment and completion of the training program the applicant plans to promote;

(d) Fill existing needs for skilled workers in the market; and

(e) Demonstrate the following, prioritized in the following order:

(i) That the eligible applicant will provide monetary contributions from its own resources; and

(ii) That the eligible applicant has secured:

(A) An industry partner; or

(B) Monetary contributions from an industry partner, conditional job placement guarantees, or articulation agreements.

(4) The grant review committee shall submit its recommendations to the director of the department, who shall determine to whom and in what amounts to award matching grants. Matching grants must be awarded no later than April 1st each year following the application submittal deadline.

NEW SECTION. **Sec. 6.** Grant recipients may not use matching grants for tuition subsidies or to reduce tuition for any training program.

NEW SECTION. **Sec. 7.** (1) Each eligible applicant that receives a matching grant shall submit a quarterly report and an annual report to the grant review committee on the outcomes achieved. The grant recipient shall include in the report at least the following measurable outcomes:

(a) The manner in which the grant recipient has used the matching grant for outreach and recruitment;

(b) The number of participants enrolled in and the number of participants who completed the training program being promoted, both before the matching grant was awarded and since the matching grant was received;

(c) The number of participants who obtained employment in an industry for which the participant was trained under the training program promoted by the recipient, including information about the industry in which the participants are employed;

(d) The number of participants recruited; and

(e) Any other information the grant review committee determines appropriate.

(2) By December 1, 2019, and by each December 1st thereafter, the grant review committee shall submit an annual report to the governor and appropriate committees of the legislature in accordance with the reporting requirements in RCW 43.01.036. The report must include:

(a) The number of matching grants awarded in the prior year, including the amount, recipient, and duration of each matching grant;

(b) The number of individuals who enrolled in and completed training programs promoted by each grant recipient;

(c) The number of individuals who obtained employment in a position that uses the skills for which they were trained through a training program promoted by a grant recipient; and

(d) Other information obtained from grant recipients' reports under subsection (1) of this section.

NEW SECTION. **Sec. 8.** To assist with implementation of the grant program, the department, in coordination with the workforce training and education coordinating board and the workforce training customer advisory committee, shall coordinate skilled worker awareness programs throughout the state. The coordination must include:

(1) Partnering with industry associations, labor-management programs, and businesses to assess and determine their workforce needs; and

(2) Coordinating with training program providers on skill sets being developed and the quality of students being trained.

NEW SECTION. **Sec. 9.** The skilled worker outreach, recruitment, and career awareness grant program account is created in the custody of the state treasurer. The department shall deposit in the account all money received for the program. The account shall be self-sustaining and consist of funds appropriated by the legislature for the skilled worker outreach, recruitment, and career awareness grant program and private contributions to the program. Expenditures from the account shall only be used for matching grants provided to grant recipients. Only the director of the department or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. **Sec. 10.** This chapter expires July 1, 2022.

NEW SECTION. **Sec. 11.** Sections 1 through 10 of this act constitute a new chapter in Title 43 RCW.

Passed by the Senate April 17, 2017.
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CHAPTER 226

[Substitute Senate Bill 5779]

BEHAVIORAL HEALTH CARE--PRIMARY CARE INTEGRATION

AN ACT Relating to behavioral health integration in primary care; amending RCW 74.09.010, 74.09.495, and 70.320.020; adding new sections to chapter 74.09 RCW; creating a new section; repealing RCW 18.205.040; and providing contingent effective dates.

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

NEW SECTION. **Sec. 1.** Health transformation in Washington state requires a multifaceted approach to implement sustainable solutions for the integration of behavioral and physical health. Effective integration requires a holistic approach and cannot be limited to one strategy or model. Bidirectional integration of primary care and behavioral health is a foundational strategy to reduce health disparities and provide better care coordination for patients regardless of where they choose to receive care.

An important component to health care integration supported both by research and experience in Washington is primary care behavioral health, a model in which behavioral health providers, sometimes called behavioral health consultants, are fully integrated in primary care. The primary care behavioral health model originated more than two decades ago, has become standard practice nationally in patient centered medical homes, and has been endorsed as a viable integration strategy by Washington's Dr. Robert J. Bree Collaborative.

Primary care settings are a gateway for many individuals with behavioral health and primary care needs. An estimated one in four primary care patients have an identifiable behavioral health need and as many as seventy percent of primary care visits are impacted by a psychosocial component. A behavioral health consultant engages primary care patients and their caregivers on the same day as a medical visit, often in the same exam room. This warm hand-off approach fosters coordinated whole-person care, increases access to behavioral health services, and reduces stigma and cultural barriers in a cost-effective manner. Patients are provided evidence-based brief interventions and skills training, with more severe needs being effectively engaged, assessed, and referred to appropriate specialized care.

While the benefits of primary care behavioral health are not restricted to children, the primary care behavioral health model also provides a unique opportunity to engage children who have a strong relationship with primary care, identify problems early, and assure healthy development. Investment in primary care behavioral health creates opportunities for prevention and early detection that pay dividends throughout the life cycle.

The legislature also recognizes that for individuals with more complex behavioral health disorders, there are tremendous barriers to accessing primary care. Whole-person care in behavioral health is an evidence-based model for integrating primary care into behavioral health settings where these patients already receive care. Health disparities among people with behavioral health disorders have been well-documented for decades. People with serious mental illness or substance use disorders continue to experience multiple chronic health conditions and dramatically reduced life expectancy while also constituting one of the highest-cost and highest-risk populations. Two-thirds of premature deaths are due to preventable or treatable medical conditions such as cardiovascular, pulmonary, and infectious diseases, and forty-four percent of all cigarettes consumed nationally are smoked by people with serious mental illness.

The whole-person care in behavioral health model allows behavioral health providers to take responsibility for managing the full array of physical health needs, providing routine basic health screening, and ensuring integrated primary care by actively coordinating with or providing on-site primary care services.

Providers in Washington need guidance on how to effectively implement bidirectional integration models in a manner that is also financially sustainable. Payment methodologies must be scrutinized to remove nonessential restrictions and limitations that restrict the scope of practice of behavioral health professionals, impede same-day billing for behavioral health and primary care services, abet billing errors, and stymie innovation that supports wellness and health integration.

NEW SECTION. **Sec. 2.** A new section is added to chapter 74.09 RCW to read as follows:

(1) By August 1, 2017, the authority must complete a review of payment codes available to health plans and providers related to primary care and behavioral health. The review must include adjustments to payment rules if needed to facilitate bidirectional integration. The review must involve stakeholders and include consideration of the following principles to the extent allowed by federal law:

(a) Payment rules must allow professionals to operate within the full scope of their practice;

(b) Payment rules should allow medically necessary behavioral health services for covered patients to be provided in any setting;

(c) Payment rules should allow medically necessary primary care services for covered patients to be provided in any setting;

(d) Payment rules and provider communications related to payment should facilitate integration of physical and behavioral health services through multifaceted models, including primary care behavioral health, whole-person care in behavioral health, collaborative care, and other models;

(e) Payment rules should be designed liberally to encourage innovation and ease future transitions to more integrated models of payment and more integrated models of care;

(f) Payment rules should allow health and behavior codes to be reimbursed for all patients in primary care settings as provided by any licensed behavioral health professional operating within their scope of practice, including but not limited to psychiatrists, psychologists, psychiatric advanced registered nurse professionals, physician assistants working with a supervising psychiatrist, psychiatric nurses, mental health counselors, social workers, chemical dependency professionals, chemical dependency professional trainees, marriage and family therapists, and mental health counselor associates under the supervision of a licensed clinician;

(g) Payment rules should allow health and behavior codes to be reimbursed for all patients in behavioral health settings as provided by any licensed health care provider within the provider's scope of practice;

(h) Payment rules which limit same-day billing for providers using the same provider number, require prior authorization for low-level or routine behavioral health care, or prohibit payment when the patient is not present should be implemented only when consistent with national coding conventions and consonant with accepted best practices in the field.

(2) Concurrent with the review described in subsection (1) of this section, the authority must create matrices listing the following codes available for provider payment through medical assistance programs: All behavioral health-related codes; and all physical health-related codes available for payment when

provided in licensed behavioral health agencies. The authority must clearly explain applicable payment rules in order to increase awareness among providers, standardize billing practices, and reduce common and avoidable billing errors. The authority must disseminate this information in a manner calculated to maximally reach all relevant plans and providers. The authority must update the provider billing guide to maintain consistency of information.

(3) The authority must inform the governor and relevant committees of the legislature by letter of the steps taken pursuant to this section and results achieved once the work has been completed.

NEW SECTION. **Sec. 3.** A new section is added to chapter 74.09 RCW to read as follows:

(1) By August 1, 2017, the authority must complete a review of payment codes available to health plans and providers related to primary care and behavioral health. The review must include adjustments to payment rules if needed to facilitate bidirectional integration. The review must involve stakeholders and include consideration of the following principles to the extent allowed by federal law:

(a) Payment rules must allow professionals to operate within the full scope of their practice;

(b) Payment rules should allow medically necessary behavioral health services for covered patients to be provided in any setting;

(c) Payment rules should allow medically necessary primary care services for covered patients to be provided in any setting;

(d) Payment rules and provider communications related to payment should facilitate integration of physical and behavioral health services through multifaceted models, including primary care behavioral health, whole-person care in behavioral health, collaborative care, and other models;

(e) Payment rules should be designed liberally to encourage innovation and ease future transitions to more integrated models of payment and more integrated models of care;

(f) Payment rules should allow health and behavior codes to be reimbursed for all patients in primary care settings as provided by any licensed behavioral health professional operating within their scope of practice, including but not limited to psychiatrists, psychologists, psychiatric advanced registered nurse professionals, physician assistants working with a supervising psychiatrist, psychiatric nurses, mental health counselors, social workers, substance use disorder professionals, substance use disorder professional trainees, marriage and family therapists, and mental health counselor associates under the supervision of a licensed clinician;

(g) Payment rules should allow health and behavior codes to be reimbursed for all patients in behavioral health settings as provided by any licensed health care provider within the provider's scope of practice;

(h) Payment rules which limit same-day billing for providers using the same provider number, require prior authorization for low-level or routine behavioral health care, or prohibit payment when the patient is not present should be implemented only when consistent with national coding conventions and consonant with accepted best practices in the field.

(2) Concurrent with the review described in subsection (1) of this section, the authority must create matrices listing the following codes available for

provider payment through medical assistance programs: All behavioral health-related codes; and all physical health-related codes available for payment when provided in licensed behavioral health agencies. The authority must clearly explain applicable payment rules in order to increase awareness among providers, standardize billing practices, and reduce common and avoidable billing errors. The authority must disseminate this information in a manner calculated to maximally reach all relevant plans and providers. The authority must update the provider billing guide to maintain consistency of information.

(3) The authority must inform the governor and relevant committees of the legislature by letter of the steps taken pursuant to this section and results achieved once the work has been completed.

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

(1) For children who are eligible for medical assistance and who have been identified as requiring mental health treatment, the authority must oversee the coordination of resources and services through (a) the managed health care system as defined in RCW 74.09.325 and (b) tribal organizations providing health care services. The authority must ensure the child receives treatment and appropriate care based on their assessed needs, regardless of whether the referral occurred through primary care, school-based services, or another practitioner.

(2) The authority must require each managed health care system as defined in RCW 74.09.325 and each behavioral health organization to develop and maintain adequate capacity to facilitate child mental health treatment services in the community or transfers to a behavioral health organization, depending on the level of required care. Managed health care systems and behavioral health organizations must:

(a) Follow up with individuals to ensure an appointment has been secured;

(b) Coordinate with and report back to primary care provider offices on individual treatment plans and medication management, in accordance with patient confidentiality laws;

(c) Provide information to health plan members and primary care providers about the behavioral health resource line available twenty-four hours a day, seven days a week; and

(d) Maintain an accurate list of providers contracted to provide mental health services to children and youth. The list must contain current information regarding the providers' availability to provide services. The current list must be made available to health plan members and primary care providers.

(3) This section expires June 30, 2020.

Sec. 5. RCW 74.09.010 and 2013 2nd sp.s. c 10 s 8 are each amended to read as follows:

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

(1) "Authority" means the Washington state health care authority.

(2) "Bidirectional integration" means integrating behavioral health services into primary care settings and integrating primary care services into behavioral health settings.

(3) "Children's health program" means the health care services program provided to children under eighteen years of age and in households with incomes

at or below the federal poverty level as annually defined by the federal department of health and human services as adjusted for family size, and who are not otherwise eligible for medical assistance or the limited casualty program for the medically needy.

(((~~(3)~~))) (4) "Chronic care management" means the health care management within a health home of persons identified with, or at high risk for, one or more chronic conditions. Effective chronic care management:

(a) Actively assists patients to acquire self-care skills to improve functioning and health outcomes, and slow the progression of disease or disability;

(b) Employs evidence-based clinical practices;

(c) Coordinates care across health care settings and providers, including tracking referrals;

(d) Provides ready access to behavioral health services that are, to the extent possible, integrated with primary care; and

(e) Uses appropriate community resources to support individual patients and families in managing chronic conditions.

(((~~(4)~~))) (5) "Chronic condition" means a prolonged condition and includes, but is not limited to:

(a) A mental health condition;

(b) A substance use disorder;

(c) Asthma;

(d) Diabetes;

(e) Heart disease; and

(f) Being overweight, as evidenced by a body mass index over twenty-five.

(((~~(5)~~))) (6) "County" means the board of county commissioners, county council, county executive, or tribal jurisdiction, or its designee.

(((~~(6)~~))) (7) "Department" means the department of social and health services.

(((~~(7)~~))) (8) "Department of health" means the Washington state department of health created pursuant to RCW 43.70.020.

(((~~(8)~~))) (9) "Director" means the director of the Washington state health care authority.

(((~~(9)~~))) (10) "Full benefit dual eligible beneficiary" means an individual who, for any month: Has coverage for the month under a medicare prescription drug plan or medicare advantage plan with part D coverage; and is determined eligible by the state for full medicaid benefits for the month under any eligibility category in the state's medicaid plan or a section 1115 demonstration waiver that provides pharmacy benefits.

(((~~(10)~~))) (11) "Health home" or "primary care health home" means coordinated health care provided by a licensed primary care provider coordinating all medical care services, and a multidisciplinary health care team comprised of clinical and nonclinical staff. The term "coordinating all medical care services" shall not be construed to require prior authorization by a primary care provider in order for a patient to receive treatment for covered services by an optometrist licensed under chapter 18.53 RCW. Primary care health home services shall include those services defined as health home services in 42 U.S.C. Sec. 1396w-4 and, in addition, may include, but are not limited to:

(a) Comprehensive care management including, but not limited to, chronic care treatment and management;

(b) Extended hours of service;

(c) Multiple ways for patients to communicate with the team, including electronically and by phone;

(d) Education of patients on self-care, prevention, and health promotion, including the use of patient decision aids;

(e) Coordinating and assuring smooth transitions and follow-up from inpatient to other settings;

(f) Individual and family support including authorized representatives;

(g) The use of information technology to link services, track tests, generate patient registries, and provide clinical data; and

(h) Ongoing performance reporting and quality improvement.

((~~(11)~~)) (12) "Internal management" means the administration of medical assistance, medical care services, the children's health program, and the limited casualty program.

((~~(12)~~)) (13) "Limited casualty program" means the medical care program provided to medically needy persons as defined under Title XIX of the federal social security act, and to medically indigent persons who are without income or resources sufficient to secure necessary medical services.

((~~(13)~~)) (14) "Medical assistance" means the federal aid medical care program provided to categorically needy persons as defined under Title XIX of the federal social security act.

((~~(14)~~)) (15) "Medical care services" means the limited scope of care financed by state funds and provided to persons who are not eligible for medicaid under RCW 74.09.510 and who are eligible for the aged, blind, or disabled assistance program authorized in RCW 74.62.030 or the essential needs and housing support program pursuant to RCW 74.04.805.

((~~(15)~~)) (16) "Multidisciplinary health care team" means an interdisciplinary team of health professionals which may include, but is not limited to, medical specialists, nurses, pharmacists, nutritionists, dieticians, social workers, behavioral and mental health providers including substance use disorder prevention and treatment providers, doctors of chiropractic, physical therapists, licensed complementary and alternative medicine practitioners, home care and other long-term care providers, and physicians' assistants.

((~~(16)~~)) (17) "Nursing home" means nursing home as defined in RCW 18.51.010.

((~~(17)~~)) (18) "Poverty" means the federal poverty level determined annually by the United States department of health and human services, or successor agency.

((~~(18)~~)) (19) "Primary care behavioral health" means a health care integration model in which behavioral health care is colocated, collaborative, and integrated within a primary care setting.

(20) "Primary care provider" means a general practice physician, family practitioner, internist, pediatrician, ((~~osteopath~~)) osteopathic physician, naturopath, physician assistant, osteopathic physician assistant, and advanced registered nurse practitioner licensed under Title 18 RCW.

((~~(19)~~)) (21) "Secretary" means the secretary of social and health services.

(22) "Whole-person care in behavioral health" means a health care integration model in which primary care services are integrated into a behavioral health setting either through colocation or community-based care management.

Sec. 6. RCW 74.09.495 and 2016 c 96 s 3 are each amended to read as follows:

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

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

(((~~(1)~~))) (a) The percentage of discharges for patients ages six through seventeen who had a visit to the emergency room with a primary diagnosis of mental health or alcohol or other drug dependence during the measuring year and who had a follow-up visit with any provider with a corresponding primary diagnosis of mental health or alcohol or other drug dependence within thirty days of discharge;

(((~~(2)~~))) (b) The percentage of health plan members with an identified mental health need who received mental health services during the reporting period; and

(((~~(3)~~))) (c) The percentage of children served by behavioral health organizations, including the types of services provided.

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

****NEW SECTION.*** ***Sec. 7.*** A new section is added to chapter 74.09 RCW to read as follows:

Subject to the availability of amounts appropriated for this specific purpose, in order to increase the availability of behavioral health services and incentivize adoption of the primary care behavioral health model, the authority must establish a methodology and rate which provides increased reimbursement to providers for behavioral health services provided to patients in primary care settings.

****Sec. 7 was vetoed. See message at end of chapter.***

Sec. 8. RCW 70.320.020 and 2014 c 225 s 107 are each amended to read as follows:

(1) The authority and the department shall base contract performance measures developed under RCW 70.320.030 on the following outcomes when contracting with service contracting entities: Improvements in client health status and wellness; increases in client participation in meaningful activities; reductions in client involvement with criminal justice systems; reductions in avoidable costs in hospitals, emergency rooms, crisis services, and jails and prisons; increases in stable housing in the community; improvements in client satisfaction with quality of life; and reductions in population-level health disparities.

(2) The performance measures must demonstrate the manner in which the following principles are achieved within each of the outcomes under subsection (1) of this section:

(a) Maximization of the use of evidence-based practices will be given priority over the use of research-based and promising practices, and research-based practices will be given priority over the use of promising practices. The

agencies will develop strategies to identify programs that are effective with ethnically diverse clients and to consult with tribal governments, experts within ethnically diverse communities and community organizations that serve diverse communities;

(b) The maximization of the client's independence, recovery, and employment;

(c) The maximization of the client's participation in treatment decisions; and

(d) The collaboration between consumer-based support programs in providing services to the client.

(3) In developing performance measures under RCW 70.320.030, the authority and the department shall consider expected outcomes relevant to the general populations that each agency serves. The authority and the department may adapt the outcomes to account for the unique needs and characteristics of discrete subcategories of populations receiving services, including ethnically diverse communities.

(4) The authority and the department shall coordinate the establishment of the expected outcomes and the performance measures between each agency as well as each program to identify expected outcomes and performance measures that are common to the clients enrolled in multiple programs and to eliminate conflicting standards among the agencies and programs.

(5)(a) The authority and the department shall establish timelines and mechanisms for service contracting entities to report data related to performance measures and outcomes, including phased implementation of public reporting of outcome and performance measures in a form that allows for comparison of performance measures and levels of improvement between geographic regions of Washington.

(b) The authority and the department may not release any public reports of client outcomes unless the data ((~~have [has]~~)) has been deidentified and aggregated in such a way that the identity of individual clients cannot be determined through directly identifiable data or the combination of multiple data elements.

(6) The authority and department must establish a performance measure to be integrated into the statewide common measure set which tracks effective integration practices of behavioral health services in primary care settings.

NEW SECTION. **Sec. 9.** RCW 18.205.040 (Use of title) and 2014 c 225 s 108, 2008 c 135 s 17, & 1998 c 243 s 4 are each repealed.

NEW SECTION. **Sec. 10.** Section 2 of this act takes effect only if Engrossed Substitute House Bill No. 1340 (including any later amendments or substitutes) is not signed into law by the governor by the effective date of this section.

NEW SECTION. **Sec. 11.** Section 3 of this act takes effect only if Engrossed Substitute House Bill No. 1340 (including any later amendments or substitutes) is signed into law by the governor by the effective date of this section.

Passed by the Senate April 17, 2017.

Passed by the House April 10, 2017.

Approved by the Governor May 5, 2017, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 5, 2017.

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

"I am returning herewith, without my approval as to Section 7, Substitute Senate Bill No. 5779 entitled:

"AN ACT Relating to behavioral health integration in primary care."

Section 7 of this bill states that subject to appropriation, the Health Care Authority should implement a rate with "the intention that it will increase the availability of behavioral health services and incentivize adoption of the primary care behavioral health model." The section further states that the rate should "provide increased reimbursement to providers for behavioral health services provided to patients in primary care settings."

Section 7 is unnecessary because we do not yet know what funding may be required and no budget has identified funding that corresponds to this section of this bill. This section is therefore premature and the agency does not have the capacity to absorb any new potential costs within its current funding.

"This veto does not impact the substance of the bill. I agree that we must increase access to behavioral health services; this is a priority the state has been deeply engaged in for some time. In addition, while I am vetoing Section 7, I am directing the Health Care Authority once the payment code review is done as required in the substance of the bill, to recommend an appropriate reimbursement rate for providers for this work, and report any projected costs to the appropriate committees of the legislature and myself by October 15, 2017, and submit a decision package for consideration as part of next year's supplemental budget."

For these reasons I have vetoed Section 7 of Substitute Senate Bill No. 5779.

With the exception of Section 7, Substitute Senate Bill No. 5779 is approved."

CHAPTER 227

[Engrossed Substitute Senate Bill 5808]

AGRITOURISM--CIVIL IMMUNITY

AN ACT Relating to agritourism; and adding new sections to chapter 4.24 RCW.

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

NEW SECTION. **Sec. 1.** The legislature finds that agriculture plays a substantial role in the economy, culture, and history of Washington state. As an increasing number of Washington's citizens are removed from day-to-day agricultural experiences, agritourism provides a valuable opportunity for the public to interact with, experience, and understand agriculture. In addition, agritourism opportunities provide valuable options for farmers and ranchers and rural residents to maintain their operations and continue a traditional economic development opportunity in rural areas. Inherent risks exist on farms and ranches, some of which cannot be reasonably eliminated. Uncertainty of potential liability associated with inherent risks has a negative impact on the establishment and success of agritourism operations.

NEW SECTION. **Sec. 2.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Agritourism activity" means any activity carried out on a farm or ranch whose primary business activity is agriculture or ranching and that allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy rural activities including, but not limited to: Farming;

ranching; historic, cultural, and on-site educational programs; recreational farming programs that may include on-site hospitality services; guided and self-guided tours; petting zoos; farm festivals; corn mazes; harvest-your-own operations; hayrides; barn parties; horseback riding; fishing; and camping.

(2) "Agritourism professional" means any person in the business of providing one or more agritourism activities, whether or not for compensation.

(3) "Inherent risks of agritourism activity" means those dangers or conditions that are an integral part of an agritourism activity including certain hazards, such as surface and subsurface conditions, natural conditions of land, vegetation, waters, the behavior of wild or domestic animals, and ordinary dangers of structures or equipment ordinarily used in farming and ranching operations. Inherent risks of agritourism activity also include the potential of a participant to act in a negligent manner that may contribute to injury to the participant or others, including failing to follow instructions given by the agritourism professional or failing to exercise reasonable caution while engaging in the agritourism activity, unless the participant acting in a negligent manner is a minor or is under the influence of alcohol or drugs.

(4) "Participant" means any person, other than the agritourism professional, who engages in an agritourism activity.

(5) "Person" means an individual, fiduciary, firm, association, partnership, limited liability company, corporation, unit of government, or any other group acting as a unit.

NEW SECTION. **Sec. 3.** (1)(a) Except as provided in subsection (2) of this section, an agritourism professional is not liable for injury, loss, damage, or death of a participant resulting exclusively from any of the inherent risks of agritourism activities.

(b) Except as provided in subsection (2) of this section, no participant or participant's representative may pursue an action or recover from an agritourism professional for injury, loss, damage, or death of the participant resulting exclusively from any of the inherent risks of agritourism activities.

(c) In any action for damages against an agritourism professional for agritourism activity, the agritourism professional must plead the affirmative defense of assumption of the risk of agritourism activity by the participant.

(2) Nothing in subsection (1) of this section prevents or limits the liability of an agritourism professional if the agritourism professional does any one or more of the following:

(a) Commits an act or omission that is grossly negligent or constitutes willful or wanton disregard for the safety of the participant and that act or omission proximately causes injury, damage, or death to the participant.

(b) Has actual knowledge or reasonably should have known of an existing dangerous condition on the land, facilities, or equipment used in the activity or the dangerous propensity of a particular animal used in such an activity and does not make the danger known to the participant and the danger proximately causes injury, damage, or death to the participant.

(c) Permits minor participants to use facilities or engage in agritourism activities that are not reasonably appropriate for their age. This provision shall not be interpreted to relieve a parent or guardian of a minor participant of the duty to reasonably supervise the minor's participation in agritourism activities,

including assessing whether the minor's participation in an agritourism activity is reasonably appropriate for his or her age.

(d) Knowingly permits participants to use facilities or engage in agritourism activities while under the influence of alcohol or drugs.

(e) Fails to warn participants as required by section 4 of this act.

(3) Any limitation on legal liability afforded by this section to an agritourism professional is in addition to any other limitations of legal liability otherwise provided by law.

NEW SECTION. **Sec. 4.** (1) Every agritourism professional must post and maintain signs that contain the warning notice specified in subsection (2) of this section. The sign must be placed in a clearly visible location at the entrance to the agritourism location and at the site of the agritourism activity. The warning notice must consist of a sign in black letters, with each letter to be a minimum of one inch in height. Every written contract entered into by an agritourism professional for the providing of professional services, instruction, or the rental of equipment to a participant, whether or not the contract involves agritourism activities on or off the location or at the site of the agritourism activity, must contain in clearly readable print the warning notice specified in subsection (2) of this section.

(2) The sign and contracts described in subsection (1) of this section must contain the following notice of warning:

"WARNING

Under Washington state law, there is limited liability for an injury to or death of a participant in an agritourism activity conducted at this agritourism location if such an injury or death results exclusively from the inherent risks of the agritourism activity. Inherent risks of agritourism activities include, among others, risks of injury inherent to land, equipment, and animals, as well as the potential for you to act in a negligent manner that may contribute to your injury or death. We are required to ensure that in any activity involving minor children, only age-appropriate access to activities, equipment, and animals is permitted. You are assuming the risk of participating in this agritourism activity."

(3) Failure to comply with the requirements concerning warning signs and notices provided in this section prohibits an agritourism professional from invoking the privilege of immunity provided by this section and sections 1 through 3 of this act and may be introduced as evidence in any claim for damages.

NEW SECTION. **Sec. 5.** Sections 1 through 4 of this act are each added to chapter 4.24 RCW.

Passed by the Senate April 17, 2017.

Passed by the House April 7, 2017.

Approved by the Governor May 5, 2017.

Filed in Office of Secretary of State May 5, 2017.

CHAPTER 228

[Substitute Senate Bill 5815]

HOSPITAL SAFETY NET ASSESSMENT--EXTENSION

AN ACT Relating to the hospital safety net assessment; amending RCW 74.60.005, 74.60.010, 74.60.020, 74.60.030, 74.60.050, 74.60.090, 74.60.100, 74.60.120, 74.60.130, 74.60.150, 74.60.160, 74.60.901, and 74.60.902; adding a new section to chapter 74.60 RCW; providing an effective date; providing an expiration date; and declaring an emergency.

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

Sec. 1. RCW 74.60.005 and 2015 2nd sp.s. c 5 s 1 are each amended to read as follows:

(1) The purpose of this chapter is to provide for a safety net assessment on certain Washington hospitals, which will be used solely to augment funding from all other sources and thereby support additional payments to hospitals for medicaid services as specified in this chapter.

(2) The legislature finds that federal health care reform will result in an expansion of medicaid enrollment in this state and an increase in federal financial participation.

(3) In adopting this chapter, it is the intent of the legislature:

(a) To impose a hospital safety net assessment to be used solely for the purposes specified in this chapter;

(b) To generate approximately ((~~nine hundred seventy five million~~)) one billion dollars per state fiscal biennium in new state and federal funds by disbursing all of that amount to pay for medicaid hospital services and grants to certified public expenditure and critical access hospitals, except costs of administration as specified in this chapter, in the form of additional payments to hospitals and managed care plans, which may not be a substitute for payments from other sources, but which include quality improvement incentive payments under RCW 74.09.611;

(c) To generate two hundred ninety-two million dollars per biennium during the ((~~2015-2017 and~~)) 2017-2019 and 2019-2021 biennia in new funds to be used in lieu of state general fund payments for medicaid hospital services;

(d) That the total amount assessed not exceed the amount needed, in combination with all other available funds, to support the payments authorized by this chapter;

(e) To condition the assessment on receiving federal approval for receipt of additional federal financial participation and on continuation of other funding sufficient to maintain aggregate payment levels to hospitals for inpatient and outpatient services covered by medicaid, including fee-for-service and managed care, at least at the ((~~levels~~)) rates the state paid for those services on July 1, 2015, as adjusted for current enrollment and utilization; and

(f) For each of the two biennia starting with fiscal year ((~~2016~~)) 2018 to generate:

(i) Four million dollars for new integrated evidence-based psychiatry residency program slots that did not receive state funding prior to 2016 at the integrated psychiatry residency program at the University of Washington; and

(ii) Eight million two hundred thousand dollars for new family medicine residency program slots that did not receive state funding prior to 2016, as directed through the family medicine residency network at the University of Washington, for slots where residents are employed by hospitals.

Sec. 2. RCW 74.60.010 and 2013 2nd sp.s. c 17 s 2 are each amended to read as follows:

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

(1) "Authority" means the health care authority.

(2) "Base year" for medicaid payments for state fiscal year ((~~2014~~)) 2017 is state fiscal year ((~~2011~~)) 2014. For each following year's calculations, the base year must be updated to the next following year.

(3) "Bordering city hospital" means a hospital as defined in WAC 182-550-1050 and bordering cities as described in WAC 182-501-0175, or successor rules.

(4) "Certified public expenditure hospital" means a hospital participating in or that at any point from June 30, 2013, to July 1, 2019, has participated in the authority's certified public expenditure payment program as described in WAC 182-550-4650 or successor rule. For purposes of this chapter any such hospital shall continue to be treated as a certified public expenditure hospital for assessment and payment purposes through the date specified in RCW 74.60.901. The eligibility of such hospitals to receive grants under RCW 74.60.090 solely from funds generated under this chapter must not be affected by any modification or termination of the federal certified public expenditure program, or reduced by the amount of any federal funds no longer available for that purpose.

(5) "Critical access hospital" means a hospital as described in RCW 74.09.5225.

(6) "Director" means the director of the health care authority.

(7) "Eligible new prospective payment hospital" means a prospective payment hospital opened after January 1, 2009, for which a full year of cost report data as described in RCW 74.60.030(2) and a full year of medicaid base year data required for the calculations in RCW 74.60.120(3) are available.

(8) "Fund" means the hospital safety net assessment fund established under RCW 74.60.020.

(9) "Hospital" means a facility licensed under chapter 70.41 RCW.

(10) "Long-term acute care hospital" means a hospital which has an average inpatient length of stay of greater than twenty-five days as determined by the department of health.

(11) "Managed care organization" means an organization having a certificate of authority or certificate of registration from the office of the insurance commissioner that contracts with the authority under a comprehensive risk contract to provide prepaid health care services to eligible clients under the authority's medicaid managed care programs, including the healthy options program.

(12) "Medicaid" means the medical assistance program as established in Title XIX of the social security act and as administered in the state of Washington by the authority.

(13) "Medicare cost report" means the medicare cost report, form 2552, or successor document.

(14) "Nonmedicare hospital inpatient day" means total hospital inpatient days less medicare inpatient days, including medicare days reported for medicare managed care plans, as reported on the medicare cost report, form

2552, or successor forms, excluding all skilled and nonskilled nursing facility days, skilled and nonskilled swing bed days, nursery days, observation bed days, hospice days, home health agency days, and other days not typically associated with an acute care inpatient hospital stay.

(15) "Outpatient" means services provided classified as ambulatory payment classification services or successor payment methodologies as defined in WAC 182-550-7050 or successor rule and applies to fee-for-service payments and managed care encounter data.

(16) "Prospective payment system hospital" means a hospital reimbursed for inpatient and outpatient services provided to medicaid beneficiaries under the inpatient prospective payment system and the outpatient prospective payment system as defined in WAC 182-550-1050 or successor rule. For purposes of this chapter, prospective payment system hospital does not include a hospital participating in the certified public expenditure program or a bordering city hospital located outside of the state of Washington and in one of the bordering cities listed in WAC 182-501-0175 or successor rule.

(17) "Psychiatric hospital" means a hospital facility licensed as a psychiatric hospital under chapter 71.12 RCW.

(18) "Rehabilitation hospital" means a medicare-certified freestanding inpatient rehabilitation facility.

(19) "Small rural disproportionate share hospital payment" means a payment made in accordance with WAC 182-550-5200 or successor rule.

(20) "Upper payment limit" means the aggregate federal upper payment limit on the amount of the medicaid payment for which federal financial participation is available for a class of service and a class of health care providers, as specified in 42 C.F.R. Part 47, as separately determined for inpatient and outpatient hospital services.

Sec. 3. RCW 74.60.020 and 2015 2nd sp.s. c 5 s 2 are each amended to read as follows:

(1) A dedicated fund is hereby established within the state treasury to be known as the hospital safety net assessment fund. The purpose and use of the fund shall be to receive and disburse funds, together with accrued interest, in accordance with this chapter. Moneys in the fund, including interest earned, shall not be used or disbursed for any purposes other than those specified in this chapter. Any amounts expended from the fund that are later recouped by the authority on audit or otherwise shall be returned to the fund.

(a) Any unexpended balance in the fund at the end of a fiscal year shall carry over into the following fiscal year or that fiscal year and the following fiscal year and shall be applied to reduce the amount of the assessment under RCW 74.60.050(1)(c).

(b) Any amounts remaining in the fund after July 1, ((~~2019~~)) 2021, shall be refunded to hospitals, pro rata according to the amount paid by the hospital since July 1, 2013, subject to the limitations of federal law.

(2) All assessments, interest, and penalties collected by the authority under RCW 74.60.030 and 74.60.050 shall be deposited into the fund.

(3) Disbursements from the fund are conditioned upon appropriation and the continued availability of other funds sufficient to maintain aggregate payment levels to hospitals for inpatient and outpatient services covered by medicaid, including fee-for-service and managed care, at least at the levels the state paid

for those services on July 1, 2015, as adjusted for current enrollment and utilization.

(4) Disbursements from the fund may be made only:

(a) To make payments to hospitals and managed care plans as specified in this chapter;

(b) To refund erroneous or excessive payments made by hospitals pursuant to this chapter;

(c) For one million dollars per biennium for payment of administrative expenses incurred by the authority in performing the activities authorized by this chapter;

(d) For two hundred ((~~eighty-three~~)) ninety-two million dollars per biennium, to be used in lieu of state general fund payments for medicaid hospital services, provided that if the full amount of the payments required under RCW 74.60.120 and 74.60.130 cannot be distributed in a given fiscal year, this amount must be reduced proportionately;

(e) To repay the federal government for any excess payments made to hospitals from the fund if the assessments or payment increases set forth in this chapter are deemed out of compliance with federal statutes and regulations in a final determination by a court of competent jurisdiction with all appeals exhausted. In such a case, the authority may require hospitals receiving excess payments to refund the payments in question to the fund. The state in turn shall return funds to the federal government in the same proportion as the original financing. If a hospital is unable to refund payments, the state shall develop either a payment plan, or deduct moneys from future medicaid payments, or both;

(f) ((~~Beginning in state fiscal year 2015,~~)) To pay an amount sufficient, when combined with the maximum available amount of federal funds necessary to provide a one percent increase in medicaid hospital inpatient rates to hospitals eligible for quality improvement incentives under RCW 74.09.611. By May 16, 2018 and by each May 16 thereafter, the authority, in cooperation with the department of health, must verify that each hospital eligible to receive quality improvement incentives under the terms of this chapter is in substantial compliance with the reporting requirements in RCW 43.70.052 and 70.01.040 for the prior period. For the purposes of this subsection, "substantial compliance" means, in the prior period, the hospital has submitted at least nine of the twelve monthly reports by the due date. The authority must distribute quality improvement incentives to hospitals that have met these requirements beginning July 1 of 2018 and each July 1 thereafter; and

(g) For each state fiscal year ((~~2016~~)) 2018 through ((~~2019~~)) 2021 to generate:

(i) Two million dollars for new integrated evidence-based psychiatry residency program slots that did not receive state funding prior to 2016 at the integrated psychiatry residency program at the University of Washington; and

(ii) Four million one hundred thousand dollars for new family medicine residency program slots that did not receive state funding prior to 2016, as directed through the family medicine residency network at the University of Washington, for slots where residents are employed by hospitals.

Sec. 4. RCW 74.60.030 and 2015 2nd sp.s. c 5 s 3 are each amended to read as follows:

(1)(a) Upon satisfaction of the conditions in RCW 74.60.150(1), and so long as the conditions in RCW 74.60.150(2) have not occurred, an assessment is imposed as set forth in this subsection. Assessment notices must be sent on or about thirty days prior to the end of each quarter and payment is due thirty days thereafter.

(b) Effective July 1, 2015, and except as provided in RCW 74.60.050:

(i) Each prospective payment system hospital, except psychiatric and rehabilitation hospitals, shall pay a quarterly assessment. Each quarterly assessment shall be no more than one quarter of three hundred ((~~fifty~~)) eighty dollars for each annual nonmedicare hospital inpatient day, up to a maximum of fifty-four thousand days per year. For each nonmedicare hospital inpatient day in excess of fifty-four thousand days, each prospective payment system hospital shall pay ((~~an~~)) a quarterly assessment of one quarter of seven dollars for each such day, unless such assessment amount or threshold needs to be modified to comply with applicable federal regulations;

(ii) Each critical access hospital shall pay a quarterly assessment of one quarter of ten dollars for each annual nonmedicare hospital inpatient day;

(iii) Each psychiatric hospital shall pay a quarterly assessment of no more than one quarter of seventy-four dollars for each annual nonmedicare hospital inpatient day; and

(iv) Each rehabilitation hospital shall pay a quarterly assessment of no more than one quarter of seventy-four dollars for each annual nonmedicare hospital inpatient day.

(2) The authority shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare hospital inpatient days for each hospital that is not exempt from the assessment under RCW 74.60.040. The authority shall obtain inpatient data from the hospital's 2552 cost report data file or successor data file available through the centers for medicare and medicaid services, as of a date to be determined by the authority. For state fiscal year ((~~2016~~)) 2017, the authority shall use cost report data for hospitals' fiscal years ending in ((~~2012~~)) 2013. For subsequent years, the hospitals' next succeeding fiscal year cost report data must be used.

(a) With the exception of a prospective payment system hospital commencing operations after January 1, 2009, for any hospital without a cost report for the relevant fiscal year, the authority shall work with the affected hospital to identify appropriate supplemental information that may be used to determine annual nonmedicare hospital inpatient days.

(b) A prospective payment system hospital commencing operations after January 1, 2009, must be assessed in accordance with this section after becoming an eligible new prospective payment system hospital as defined in RCW 74.60.010.

Sec. 5. RCW 74.60.050 and 2015 2nd sp.s. c 5 s 4 are each amended to read as follows:

(1) The authority, in cooperation with the office of financial management, shall develop rules for determining the amount to be assessed to individual hospitals, notifying individual hospitals of the assessed amount, and collecting the amounts due. Such rule making shall specifically include provision for:

(a) Transmittal of notices of assessment by the authority to each hospital informing the hospital of its nonmedicare hospital inpatient days and the assessment amount due and payable;

(b) Interest on delinquent assessments at the rate specified in RCW 82.32.050; and

(c) Adjustment of the assessment amounts in accordance with subsection (2) of this section.

(2) For ((~~state fiscal year 2016 and~~)) each ((~~subsequent~~)) state fiscal year, the assessment amounts established under RCW 74.60.030 must be adjusted as follows:

(a) If sufficient other funds, including federal funds, are available to make the payments required under this chapter and fund the state portion of the quality incentive payments under RCW 74.09.611 and 74.60.020(4)(f) without utilizing the full assessment under RCW 74.60.030, the authority shall reduce the amount of the assessment to the minimum levels necessary to support those payments;

(b) If the total amount of inpatient ((~~or~~)) and outpatient supplemental payments under RCW 74.60.120 is in excess of the upper payment limits and the entire excess amount cannot be disbursed by additional payments to managed care organizations under RCW 74.60.130, the authority shall proportionately reduce future assessments on prospective payment hospitals to the level necessary to generate additional payments to hospitals that are consistent with the upper payment limit plus the maximum permissible amount of additional payments to managed care organizations under RCW 74.60.130;

(c) If the amount of payments to managed care organizations under RCW 74.60.130 cannot be distributed because of failure to meet federal actuarial soundness or utilization requirements or other federal requirements, the authority shall apply the amount that cannot be distributed to reduce future assessments to the level necessary to generate additional payments to managed care organizations that are consistent with federal actuarial soundness or utilization requirements or other federal requirements;

(d) If required in order to obtain federal matching funds, the maximum number of nonmedicare inpatient days at the higher rate provided under RCW 74.60.030(1)(b)(i) may be adjusted in order to comply with federal requirements;

(e) If the number of nonmedicare inpatient days applied to the rates provided in RCW 74.60.030 will not produce sufficient funds to support the payments required under this chapter and the state portion of the quality incentive payments under RCW 74.09.611 and 74.60.020(4)(f), the assessment rates provided in RCW 74.60.030 may be increased proportionately by category of hospital to amounts no greater than necessary in order to produce the required level of funds needed to make the payments specified in this chapter and the state portion of the quality incentive payments under RCW 74.09.611 and 74.60.020(4)(f); and

(f) Any actual or estimated surplus remaining in the fund at the end of the fiscal year must be applied to reduce the assessment amount for the subsequent fiscal year or that fiscal year and the following fiscal years prior to and including fiscal year ((~~2019~~)) 2021.

(3)(a) Any adjustment to the assessment amounts pursuant to this section, and the data supporting such adjustment, including, but not limited to, relevant

data listed in (b) of this subsection, must be submitted to the Washington state hospital association for review and comment at least sixty calendar days prior to implementation of such adjusted assessment amounts. Any review and comment provided by the Washington state hospital association does not limit the ability of the Washington state hospital association or its members to challenge an adjustment or other action by the authority that is not made in accordance with this chapter.

(b) The authority shall provide the following data to the Washington state hospital association sixty days before implementing any revised assessment levels, detailed by fiscal year, beginning with fiscal year 2011 and extending to the most recent fiscal year, except in connection with the initial assessment under this chapter:

(i) The fund balance;

(ii) The amount of assessment paid by each hospital;

(iii) The state share, federal share, and total annual medicaid fee-for-service payments for inpatient hospital services made to each hospital under RCW 74.60.120, and the data used to calculate the payments to individual hospitals under that section;

(iv) The state share, federal share, and total annual medicaid fee-for-service payments for outpatient hospital services made to each hospital under RCW 74.60.120, and the data used to calculate annual payments to individual hospitals under that section;

(v) The annual state share, federal share, and total payments made to each hospital under each of the following programs: Grants to certified public expenditure hospitals under RCW 74.60.090, for critical access hospital payments under RCW 74.60.100; and disproportionate share programs under RCW 74.60.110;

(vi) The data used to calculate annual payments to individual hospitals under (b)(v) of this subsection; and

(vii) The amount of payments made to managed care plans under RCW 74.60.130, including the amount representing additional premium tax, and the data used to calculate those payments.

(c) On a monthly basis, the authority shall provide the Washington state hospital association the amount of payments made to managed care plans under RCW 74.60.130, including the amount representing additional premium tax, and the data used to calculate those payments.

Sec. 6. RCW 74.60.090 and 2015 2nd sp.s. c 5 s 5 are each amended to read as follows:

(1) In each fiscal year commencing upon satisfaction of the applicable conditions in RCW 74.60.150(1), funds must be disbursed from the fund and the authority shall make grants to certified public expenditure hospitals, which shall not be considered payments for hospital services, as follows:

(a) University of Washington medical center: Ten million five hundred fifty-five thousand dollars in each state fiscal year ((~~2016~~)) 2018 through ((~~2019~~)) 2021 paid as follows, except if the full amount of the payments required under RCW 74.60.120 and 74.60.130 cannot be distributed in a given fiscal year, the amounts in this subsection (((~~(ii) and (iii)~~))) must be reduced proportionately:

(i) Four million four hundred fifty-five thousand dollars;

(ii) Two million dollars to new integrated, evidence-based psychiatry residency program slots that did not receive state funding prior to 2016, at the integrated psychiatry residency program at the University of Washington; and

(iii) Four million one hundred thousand dollars to new family medicine residency program slots that did not receive state funding prior to 2016, as directed through the family medicine residency network at the University of Washington, for slots where residents are employed by hospitals;

(b) Harborview medical center: Ten million two hundred sixty thousand dollars in each state fiscal year ((~~2016 through 2019~~)) 2018 through 2021, except if the full amount of the payments required under RCW 74.60.120 and 74.60.130 cannot be distributed in a given fiscal year, the amounts in this subsection must be reduced proportionately;

(c) All other certified public expenditure hospitals: Six million three hundred forty-five thousand dollars in each state fiscal year ((~~2016 through 2019~~)) 2018 through 2021, except if the full amount of the payments required under RCW 74.60.120 and 74.60.130 cannot be distributed in a given fiscal year, the amounts in this subsection must be reduced proportionately. The amount of payments to individual hospitals under this subsection must be determined using a methodology that provides each hospital with a proportional allocation of the group's total amount of medicaid and state children's health insurance program payments determined from claims and encounter data using the same general methodology set forth in RCW 74.60.120 (3) and (4).

(2) Payments must be made quarterly, before the end of each quarter, taking the total disbursement amount and dividing by four to calculate the quarterly amount. The authority shall provide a quarterly report of such payments to the Washington state hospital association.

Sec. 7. RCW 74.60.100 and 2015 2nd sp.s. c 5 s 6 are each amended to read as follows:

In each fiscal year commencing upon satisfaction of the conditions in RCW 74.60.150(1), the authority shall make access payments to critical access hospitals that do not qualify for or receive a small rural disproportionate share hospital payment in a given fiscal year in the total amount of ((~~seven hundred~~)) two million thirty-eight thousand dollars from the fund ((~~and to critical access hospitals that receive disproportionate share payments in the total amount of one million three hundred thirty-six thousand dollars~~)). The amount of payments to individual hospitals under this section must be determined using a methodology that provides each hospital with a proportional allocation of the group's total amount of medicaid and state children's health insurance program payments determined from claims and encounter data using the same general methodology set forth in RCW 74.60.120 (3) and (4). Payments must be made after the authority determines a hospital's payments under RCW 74.60.110. These payments shall be in addition to any other amount payable with respect to services provided by critical access hospitals and shall not reduce any other payments to critical access hospitals. The authority shall provide a report of such payments to the Washington state hospital association within thirty days after payments are made.

Sec. 8. RCW 74.60.120 and 2015 2nd sp.s. c 5 s 7 are each amended to read as follows:

(1) In each state fiscal year, commencing upon satisfaction of the applicable conditions in RCW 74.60.150(1), the authority shall make supplemental payments directly to Washington hospitals, separately for inpatient and outpatient fee-for-service medicaid services, as follows unless there are federal restrictions on doing so. If there are federal restrictions, to the extent allowed, funds that cannot be paid under (a) of this subsection, should be paid under (b) of this subsection, and funds that cannot be paid under (b) of this subsection, shall be paid under (a) of this subsection:

(a) For inpatient fee-for-service payments for prospective payment hospitals other than psychiatric or rehabilitation hospitals, twenty-nine million one hundred sixty-two thousand five hundred dollars per state fiscal year plus federal matching funds;

(b) For outpatient fee-for-service payments for prospective payment hospitals other than psychiatric or rehabilitation hospitals, thirty million dollars per state fiscal year plus federal matching funds;

(c) For inpatient fee-for-service payments for psychiatric hospitals, eight hundred seventy-five thousand dollars per state fiscal year plus federal matching funds;

(d) For inpatient fee-for-service payments for rehabilitation hospitals, two hundred twenty-five thousand dollars per state fiscal year plus federal matching funds;

(e) For inpatient fee-for-service payments for border hospitals, two hundred fifty thousand dollars per state fiscal year plus federal matching funds; and

(f) For outpatient fee-for-service payments for border hospitals, two hundred fifty thousand dollars per state fiscal year plus federal matching funds.

(2) If the amount of inpatient or outpatient payments under subsection (1) of this section, when combined with federal matching funds, exceeds the upper payment limit, payments to each category of hospital must be reduced proportionately to a level where the total payment amount is consistent with the upper payment limit. Funds under this chapter unable to be paid to hospitals under this section because of the upper payment limit must be paid to managed care organizations under RCW 74.60.130, subject to the limitations in this chapter.

(3) The amount of such fee-for-service inpatient payments to individual hospitals within each of the categories identified in subsection (1)(a), (c), (d), and (e) of this section must be determined by:

(a) ((~~Applying the medicaid fee-for-service rates in effect on July 1, 2009, without regard to the increases required by chapter 30, Laws of 2010 1st sp. sess. to each hospital's inpatient fee-for-services claims and medicaid managed care encounter data for~~)) Totaling the inpatient fee-for-service claims payments and inpatient managed care encounter rate payments for each hospital during the base year;

(b) ((~~Applying the medicaid fee-for-service rates in effect on July 1, 2009, without regard to the increases required by chapter 30, Laws of 2010 1st sp. sess. to all hospitals' inpatient fee-for-services claims and medicaid managed care encounter data for~~)) Totaling the inpatient fee-for-service claims payments and inpatient managed care encounter rate payments for all hospitals during the base year; and

(c) Using the amounts calculated under (a) and (b) of this subsection to determine an individual hospital's percentage of the total amount to be distributed to each category of hospital.

(4) The amount of such fee-for-service outpatient payments to individual hospitals within each of the categories identified in subsection (1)(b) and (f) of this section must be determined by:

(a) ((~~Applying the medicaid fee-for-service rates in effect on July 1, 2009, without regard to the increases required by chapter 30, Laws of 2010 1st sp. sess. to each hospital's outpatient fee-for-services claims and medicaid managed care encounter data for~~)) Totaling the outpatient fee-for-service claims payments and outpatient managed care encounter rate payments for each hospital during the base year;

(b) ((~~Applying the medicaid fee-for-service rates in effect on July 1, 2009, without regard to the increases required by chapter 30, Laws of 2010 1st sp. sess. to all hospitals' outpatient fee-for-services claims and medicaid managed care encounter data for~~)) Totaling the outpatient fee-for-service claims payments and outpatient managed care encounter rate payments for all hospitals during the base year; and

(c) Using the amounts calculated under (a) and (b) of this subsection to determine an individual hospital's percentage of the total amount to be distributed to each category of hospital.

(5) Sixty days before the first payment in each subsequent fiscal year, the authority shall provide each hospital and the Washington state hospital association with an explanation of how the amounts due to each hospital under this section were calculated.

(6) Payments must be made in quarterly installments on or about the last day of every quarter.

(7) A prospective payment system hospital commencing operations after January 1, 2009, is eligible to receive payments in accordance with this section after becoming an eligible new prospective payment system hospital as defined in RCW 74.60.010.

(8) Payments under this section are supplemental to all other payments and do not reduce any other payments to hospitals.

Sec. 9. RCW 74.60.130 and 2015 2nd sp.s. c 5 s 8 are each amended to read as follows:

(1) For state fiscal year 2016 and for each subsequent fiscal year, commencing within thirty days after satisfaction of the conditions in RCW 74.60.150(1) and subsection (5) of this section, the authority shall increase capitation payments in a manner consistent with federal contracting requirements to managed care organizations by an amount at least equal to the amount available from the fund after deducting disbursements authorized by RCW 74.60.020(4) (c) through (f) and payments required by RCW 74.60.080 through 74.60.120. When combined with applicable federal matching funds, the capitation payment under this subsection must be ((~~no less than ninety-six million dollars per state fiscal year plus the maximum available amount of federal matching funds~~)) at least three hundred sixty million dollars per year. The initial payment following satisfaction of the conditions in RCW 74.60.150(1) must include all amounts due from July 1, 2015, to the end of the

calendar month during which the conditions in RCW 74.60.150(1) are satisfied. Subsequent payments shall be made monthly.

(2) Payments to individual managed care organizations shall be determined by the authority based on each organization's or network's enrollment relative to the anticipated total enrollment in each program for the fiscal year in question, the anticipated utilization of hospital services by an organization's or network's medicaid enrollees, and such other factors as are reasonable and appropriate to ensure that purposes of this chapter are met.

(3) If the federal government determines that total payments to managed care organizations under this section exceed what is permitted under applicable medicaid laws and regulations, payments must be reduced to levels that meet such requirements, and the balance remaining must be applied as provided in RCW 74.60.050. Further, in the event a managed care organization is legally obligated to repay amounts distributed to hospitals under this section to the state or federal government, a managed care organization may recoup the amount it is obligated to repay under the medicaid program from individual hospitals by not more than the amount of overpayment each hospital received from that managed care organization.

(4) Payments under this section do not reduce the amounts that otherwise would be paid to managed care organizations: PROVIDED, That such payments are consistent with actuarial soundness certification and enrollment.

(5) Before making such payments, the authority shall require medicaid managed care organizations to comply with the following requirements:

(a) All payments to managed care organizations under this chapter must be expended for hospital services provided by Washington hospitals, which for purposes of this section includes psychiatric and rehabilitation hospitals, in a manner consistent with the purposes and provisions of this chapter, and must be equal to all increased capitation payments under this section received by the organization or network, consistent with actuarial certification and enrollment, less an allowance for any estimated premium taxes the organization is required to pay under Title 48 RCW associated with the payments under this chapter;

(b) Managed care organizations shall expend the increased capitation payments under this section in a manner consistent with the purposes of this chapter, with the initial expenditures to hospitals to be made within thirty days of receipt of payment from the authority. Subsequent expenditures by the managed care plans are to be made before the end of the quarter in which funds are received from the authority;

(c) Providing that any delegation or attempted delegation of an organization's or network's obligations under agreements with the authority do not relieve the organization or network of its obligations under this section and related contract provisions.

(6) No hospital or managed care organizations may use the payments under this section to gain advantage in negotiations.

(7) No hospital has a claim or cause of action against a managed care organization for monetary compensation based on the amount of payments under subsection (5) of this section.

(8) If funds cannot be used to pay for services in accordance with this chapter the managed care organization or network must return the funds to the authority which shall return them to the hospital safety net assessment fund.

Sec. 10. RCW 74.60.150 and 2015 2nd sp.s. c 5 s 9 are each amended to read as follows:

(1) The assessment, collection, and disbursement of funds under this chapter shall be conditional upon:

(a) Final approval by the centers for medicare and medicaid services of any state plan amendments or waiver requests that are necessary in order to implement the applicable sections of this chapter including, if necessary, waiver of the broad-based or uniformity requirements as specified under section 1903(w)(3)(E) of the federal social security act and 42 C.F.R. 433.68(e);

(b) To the extent necessary, amendment of contracts between the authority and managed care organizations in order to implement this chapter; and

(c) Certification by the office of financial management that appropriations have been adopted that fully support the rates established in this chapter for the upcoming fiscal year.

(2) This chapter does not take effect or ceases to be imposed, and any moneys remaining in the fund shall be refunded to hospitals in proportion to the amounts paid by such hospitals, if and to the extent that any of the following conditions occur:

(a) The federal department of health and human services and a court of competent jurisdiction makes a final determination, with all appeals exhausted, that any element of this chapter, other than RCW 74.60.100, cannot be validly implemented;

(b) Funds generated by the assessment for payments to prospective payment hospitals or managed care organizations are determined to be not eligible for federal ((~~match~~)) matching funds in addition to those federal funds that would be received without the assessment, or the federal government replaces medicaid matching funds with a block grant or grants;

(c) Other funding sufficient to maintain aggregate payment levels to hospitals for inpatient and outpatient services covered by medicaid, including fee-for-service and managed care, at least at the ((~~levels~~)) rates the state paid for those services on July 1, 2015, as adjusted for current enrollment and utilization is not appropriated or available;

(d) Payments required by this chapter are reduced, except as specifically authorized in this chapter, or payments are not made in substantial compliance with the time frames set forth in this chapter; or

(e) The fund is used as a substitute for or to supplant other funds, except as authorized by RCW 74.60.020.

Sec. 11. RCW 74.60.160 and 2015 2nd sp.s. c 5 s 10 are each amended to read as follows:

(1) The legislature intends to provide the hospitals with an opportunity to contract with the authority each fiscal biennium to protect the hospitals from future legislative action during the biennium that could result in hospitals receiving less from supplemental payments, increased managed care payments, disproportionate share hospital payments, or access payments than the hospitals expected to receive in return for the assessment based on the biennial appropriations and assessment legislation.

(2) Each odd-numbered year after enactment of the biennial omnibus operating appropriations act, the authority shall ((~~offer to enter into a contract or to~~)) extend ((~~an~~)) the existing contract for the period of the fiscal biennium

beginning July 1st with a hospital that is required to pay the assessment under this chapter or shall offer to enter into a contract with any hospital subject to this chapter that has not previously been a party to a contract or whose contract has expired. The contract must include the following terms:

(a) The authority must agree not to do any of the following:

(i) Increase the assessment from the level set by the authority pursuant to this chapter on the first day of the contract period for reasons other than those allowed under RCW 74.60.050(2)(e);

(ii) Reduce aggregate payment levels to hospitals for inpatient and outpatient services covered by medicaid, including fee-for-service and managed care, adjusting for changes in enrollment and utilization, from the levels the state paid for those services on the first day of the contract period;

(iii) For critical access hospitals only, reduce the levels of disproportionate share hospital payments under RCW 74.60.110 or access payments under RCW 74.60.100 for all critical access hospitals below the levels specified in those sections on the first day of the contract period;

(iv) For prospective payment system, psychiatric, and rehabilitation hospitals only, reduce the levels of supplemental payments under RCW 74.60.120 for all prospective payment system hospitals below the levels specified in that section on the first day of the contract period unless the supplemental payments are reduced under RCW 74.60.120(2);

(v) For prospective payment system, psychiatric, and rehabilitation hospitals only, reduce the increased capitation payments to managed care organizations under RCW 74.60.130 below the levels specified in that section on the first day of the contract period unless the managed care payments are reduced under RCW 74.60.130(3); or

(vi) Except as specified in this chapter, use assessment revenues for any other purpose than to secure federal medicaid matching funds to support payments to hospitals for medicaid services; and

(b) As long as payment levels are maintained as required under this chapter, the hospital must agree not to challenge the authority's reduction of hospital reimbursement rates to July 1, 2009, levels, which results from the elimination of assessment supported rate restorations and increases, under 42 U.S.C. Sec. 1396a(a)(30)(a) either through administrative appeals or in court during the period of the contract.

(3) If a court finds that the authority has breached an agreement with a hospital under subsection (2)(a) of this section, the authority:

(a) Must immediately refund any assessment payments made subsequent to the breach by that hospital upon receipt; and

(b) May discontinue supplemental payments, increased managed care payments, disproportionate share hospital payments, and access payments made subsequent to the breach for the hospital that are required under this chapter.

(4) The remedies provided in this section are not exclusive of any other remedies and rights that may be available to the hospital whether provided in this chapter or otherwise in law, equity, or statute.

Sec. 12. RCW 74.60.901 and 2015 2nd sp.s. c 5 s 11 are each amended to read as follows:

This chapter expires July 1, ((~~2019~~)) 2021.

Sec. 13. RCW 74.60.902 and 2010 1st sp.s. c 30 s 22 are each amended to read as follows:

Upon expiration of chapter 74.60 RCW, inpatient and outpatient hospital reimbursement rates shall return to a ((~~rate structure~~)) funding level as if the four percent medicaid inpatient and outpatient rate reductions did not occur on July 1, 2009, using the rate structure in effect July 1, 2015, or as otherwise specified in the ((~~2013-15~~)) 2019-2021 biennial operating appropriations act.

NEW SECTION. **Sec. 14.** A new section is added to chapter 74.60 RCW to read as follows:

(1) The estimated hospital net financial benefit under this chapter shall be determined by the authority by summing the following anticipated hospital payments, including all applicable federal matching funds, specified in RCW 74.60.090 for grants to certified public expenditure hospitals, RCW 74.60.100 for payments to critical access hospitals, RCW 74.60.110 for payments to small rural disproportionate share hospitals, RCW 74.60.120 for direct supplemental payments to hospitals, RCW 74.60.130 for managed care capitation payments, RCW 74.60.020(4)(f) for quality improvement incentives, minus the total assessments paid by all hospitals under RCW 74.60.030 for hospital assessments, and minus any taxes paid on RCW 74.60.130 for managed care payments.

(2) If, for any reason including reduction or elimination of federal matching funds, the estimated hospital net financial benefit falls below one hundred thirty million dollars in any state fiscal year, the office of financial management shall direct the authority to modify the assessment rates provided for in RCW 74.60.030, and the office of financial management is authorized to direct the authority to adjust the amounts disbursed from the fund, including disbursements for payments under RCW 74.60.020(4)(f) and payments to hospitals under RCW 74.60.090 through 74.60.130 and 74.60.020(4)(g), such that the estimated hospital net financial benefit is equal to the amount disbursed from the fund for use in lieu of state general fund payments. Each category of adjusted payments to hospitals under RCW 74.60.090 through 74.60.130 and payments under RCW 74.60.020(4)(g) must bear the same relationship to the total of such adjusted payments as originally provided in this chapter.

NEW SECTION. **Sec. 15.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2017.

Passed by the Senate April 19, 2017.
Passed by the House April 18, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 229

[Engrossed Senate Bill 5834]

BONDED AND NONBONDED SPIRITS WAREHOUSE LICENSE

AN ACT Relating to licensing of bonded spirits warehouses; amending RCW 66.24.640; and adding a new section to chapter 66.24 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 66.24 RCW to read as follows:

(1) There shall be a bonded and nonbonded spirits warehouse license for spirits warehouses that authorizes the storage and handling of bonded bulk spirits and, to the extent allowed under federal law and under rules adopted by the board, bottled spirits and the storage of tax-paid spirits not in bond. Under this license a licensee may maintain a warehouse for the storage of federally authorized spirits off the premises of a distillery for distillers qualified under RCW 66.24.140, 66.24.145, or 66.24.150, or entities otherwise licensed and permitted in this state, or bulk spirits transferred in bond from out-of-state distilleries and, to the extent allowed by federal law and under rules adopted by the board, bottled spirits, if the storage of the federally authorized spirits transferred into the state is for storage only and not for processing or bottling in the bonded spirits warehouse. A licensee must designate clearly in its license application to the board the sections of the warehouse that are bonded and nonbonded with a physical separation between such spaces. Only spirits in bond may be stored in the bonded sections of the warehouse and only spirits that have been removed from bond tax-paid may be stored in nonbonded areas of the warehouse. The proprietor of the warehouse must maintain a plan for tracking spirits being stored in the warehouse to ensure compliance with relevant bonding and tax obligations.

(2) The board must adopt similar qualifications for a spirits warehouse licensed under this section as required for obtaining a distillery license as specified in RCW 66.24.140, 66.24.145, and 66.24.150. A licensee must be a sole proprietor, a partnership, a limited liability company, a corporation, a port authority, a city, a county, or any other public entity or subdivision of the state that elects to license a bonded spirits warehouse as an agricultural or economic development activity. One or more domestic distilleries or manufacturers may operate as a partnership, corporation, business co-op, cotenant, or agricultural co-op for the purpose of obtaining a bonded and nonbonded spirits warehouse license or storing spirits in the facility under a common management and oversight agreement free of charge or for a fee.

(3) Spirits in bond may be removed from a bonded spirits warehouse for the purpose of being:

(a) Exported from the state;

(b) Returned to a distillery or spirits warehouse licensed under this section; or

(c) Transferred to a distillery, spirits warehouse licensed under this section, or a licensed bottling or packaging facility.

(4) Bottled spirits that are being removed from a spirits warehouse licensed under this section tax-paid may be:

(a) Transferred back to the distillery that produced them;

(b) Shipped to a licensed Washington spirits distributor;

(c) Shipped to a licensed Washington spirits retailer;

(d) Exported from the state; or

(e) Removed for direct shipping to a consumer pursuant to RCW 66.20.410.

(5) The ownership and operation of a spirits warehouse facility licensed under this section may be by a person or entity other than those described in this

section acting in a commercial warehouse management position under contract for such licensed persons or entities on their behalf.

(6) A license applicant must demonstrate the right to have warehoused spirits under a valid federal permit held by a licensee who maintains ownership and title to the spirits while they are in storage in the spirits warehouse licensed under this section. The fee for this license is one hundred dollars per year.

(7) The board must adopt rules requiring a spirits warehouse licensed under this section to be physically secure, zoned for the intended use, and physically separated from any other use.

(8) The operator or licensee operating a spirits warehouse licensed under this section must submit to the board a monthly report of movement of spirits to and from a warehouse licensed under this section in a form prescribed by the board. The board may adopt other necessary procedures by which such warehouses are licensed and regulated.

(9) The board may require a single annual permit valid for a full calendar year issued to each licensee or entity warehousing spirits under this section that allows for unlimited transfers to and from such warehouse within that year. The fee for this permit is one hundred dollars per year.

(10) Handling of bottled spirits that have been removed from bond tax-paid and that reside in the spirits warehouse licensed under this section includes packaging and repackaging services; bottle labeling services; creating baskets or variety packs that may or may not include nonspirits products; and picking, packing, and shipping spirits orders on behalf of a licensed distillery direct to consumers in accordance with RCW 66.20.410. A distillery contracting with the operator of a spirits warehouse licensed under this section for handling bottled spirits must comply with all applicable state and federal laws and is responsible for financial transactions in direct to consumer shipping activities.

Sec. 2. RCW 66.24.640 and 2012 c 2 s 206 are each amended to read as follows:

Any distiller licensed under this title may act as a retailer and/or distributor to retailers selling for consumption on or off the licensed premises of spirits of its own production, and any manufacturer, importer, or bottler of spirits holding a certificate of approval may act as a distributor of spirits it is entitled to import into the state under such certificate. The board must by rule provide for issuance of certificates of approval to spirits suppliers. An industry member operating as a distributor and/or retailer under this section must comply with the applicable laws and rules relating to distributors and/or retailers, except that an industry member operating as a distributor under this section may maintain a warehouse off the distillery premises for the distribution of <u>bottled</u> spirits of its own production to spirits retailers within the state <u>and for bottled foreign-made spirits that such distillery is entitled to distribute under this title</u>, if the warehouse is within the United States and has been approved by the board.

Passed by the Senate April 17, 2017.

Passed by the House April 11, 2017.

Approved by the Governor May 5, 2017.

Filed in Office of Secretary of State May 5, 2017.

CHAPTER 230

[Substitute House Bill 1079]

HUMAN TRAFFICKING AND PROMOTING PROSTITUTION--NO-CONTACT ORDERS

AN ACT Relating to no-contact orders for human trafficking and promoting prostitution-related offenses; reenacting and amending RCW 26.50.110; adding new sections to chapter 9A.40 RCW; adding new sections to chapter 9A.88 RCW; and prescribing penalties.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 9A.40 RCW to read as follows:

(1) A defendant who is charged by citation, complaint, or information with an offense involving trafficking, as described in RCW 9A.40.100, and is not arrested, shall appear in court for arraignment or initial appearance in person as soon as practicable, but in no event later than fourteen days after the defendant is served with the citation, complaint, or information. At that appearance, the court shall determine the necessity of imposing or extending a no-contact order, and consider the provisions of RCW 9.41.800 or other conditions of pretrial release according to the procedures established by court rule for preliminary appearance or an arraignment.

(2) Whenever a no-contact order is issued under this section, the clerk of the court shall forward a copy of the order on or before the next judicial day to the appropriate law enforcement agency specified in the order. Upon receipt of the copy of the order, the law enforcement agency shall enter the order for one year or until the expiration date specified on the order into any computer-based criminal intelligence information system available in this state used by law enforcement agencies to list outstanding warrants. Entry into the computer-based criminal intelligence information system constitutes notice to all law enforcement agencies of the existence of the order. The order is fully enforceable in any jurisdiction in the state. Upon receipt of notice that an order has been terminated, the law enforcement agency shall remove the order from the computer-based criminal intelligence information system.

NEW SECTION. **Sec. 2.** A new section is added to chapter 9A.40 RCW to read as follows:

Any general authority Washington peace officer as defined in RCW 10.93.020 in this state may enforce this chapter as it relates to orders restricting the defendants' ability to have contact with the victim or others.

NEW SECTION. **Sec. 3.** A new section is added to chapter 9A.40 RCW to read as follows:

(1) Because of the likelihood of repeated harassment and intimidation directed at those who have been victims of trafficking as described in RCW 9A.40.100, before any defendant charged with or arrested, for a crime involving trafficking, is released from custody, or at any time the case remains unresolved, the court may prohibit that person from having any contact with the victim whether directly or through third parties.

At the initial preliminary appearance, the court shall determine whether to extend any existing prohibition on the defendant's contact with the victim. If there is no outstanding restraining or protective order prohibiting that person from having contact with the victim, the court may issue, by telephone, a no-contact order prohibiting the person charged or arrested from having contact

with the victim or from knowingly coming within, or knowingly remaining within, a specified distance of a location. The court may also consider the provisions of RCW 9.41.800 or other conditions of pretrial release according to the procedures established by court rule for preliminary appearance or an arraignment.

(2) At the time of arraignment the court shall determine whether a no-contact order shall be issued or extended. So long as the court finds probable cause, the court may issue or extend a no-contact order. The no-contact order shall terminate if the defendant is acquitted or the charges are dismissed.

(3)(a) Willful violation of a court order issued under this section is punishable under RCW 26.50.110.

(b) The written order shall contain the court's directives and shall bear the legend: Violation of this order is a criminal offense under chapter 26.50 RCW and the violator is subject to arrest; any assault, drive-by shooting, or reckless endangerment that is a violation of this order is a felony.

(4) Upon a motion with notice to all parties and after a hearing, the court may terminate or modify the terms of an existing no-contact order, including terms entered pursuant to RCW 9.41.800 related to firearms or other dangerous weapons or to concealed pistol licenses.

(5)(a) A defendant's motion to terminate or modify a no-contact order must include a declaration setting forth facts supporting the requested order for termination or modification. The court shall deny the motion unless it finds that adequate cause for hearing the motion is established by the declarations. If the court finds that the defendant established adequate cause, the court shall set a date for hearing the defendant's motion.

(b) The court may terminate or modify the terms of a no-contact order, including terms entered pursuant to RCW 9.41.800 related to firearms or other dangerous weapons or to concealed pistol licenses, if the defendant proves by a preponderance of the evidence that there has been a material change in circumstances such that the defendant is not likely to engage in or attempt to engage in physical or nonphysical contact with the victim if the order is terminated or modified. The victim bears no burden of proving that he or she has a current reasonable fear of harm by the defendant.

(c) A defendant may file a motion to terminate or modify pursuant to this section no more than once in every twelve-month period that the order is in effect, starting from the date of the order and continuing through any renewal.

(6) Whenever a no-contact order is issued, modified, or terminated under this section, the clerk of the court shall forward a copy of the order on or before the next judicial day to the appropriate law enforcement agency specified in the order. Upon receipt of the copy of the order the law enforcement agency shall enter the order for one year or until the expiration date specified on the order into any computer-based criminal intelligence information system available in this state used by law enforcement agencies to list outstanding warrants. Entry into the computer-based criminal intelligence information system constitutes notice to all law enforcement agencies of the existence of the order. The order is fully enforceable in any jurisdiction in the state. Upon receipt of notice that an order has been terminated, the law enforcement agency shall remove the order from the computer-based criminal intelligence information system.

NEW SECTION. **Sec. 4.** A new section is added to chapter 9A.40 RCW to read as follows:

(1) If a defendant is found guilty of the crime of trafficking under RCW 9A.40.100 and a condition of the sentence restricts the defendant's ability to have contact with the victim, the condition must be recorded and a written certified copy of that order must be provided to the victim by the clerk of the court. Willful violation of a court order issued under this section is punishable under RCW 26.50.110. The written order must contain the court's directives and shall bear the legend: Violation of this order is a criminal offense under chapter 26.50 RCW and the violator is subject to arrest; any assault, drive-by shooting, or reckless endangerment that is a violation of this order is a felony.

(2) Whenever a no-contact order is issued under this section, the clerk of the court shall forward a copy of the order on or before the next judicial day to the appropriate law enforcement agency specified in the order. Upon receipt of the copy of the order, the law enforcement agency shall enter the order for one year or until the expiration date specified on the order into any computer-based criminal intelligence information system available in this state used by law enforcement agencies to list outstanding warrants. Entry into the computer-based criminal intelligence information system constitutes notice to all law enforcement agencies of the existence of the order. The order is fully enforceable in any jurisdiction in the state. Upon receipt of notice that an order has been terminated, the law enforcement agency shall remove the order from the computer-based criminal intelligence information system.

NEW SECTION. **Sec. 5.** A new section is added to chapter 9A.88 RCW to read as follows:

(1) A defendant who is charged by citation, complaint, or information with an offense involving promoting prostitution in the first degree as described in RCW 9A.88.070 or promoting prostitution in the second degree as described in RCW 9A.88.080 and not arrested shall appear in court for arraignment or initial appearance in person as soon as practicable, but in no event later than fourteen days after the defendant is served with the citation, complaint, or information. At that appearance, the court shall determine the necessity of imposing or extending a no-contact order, and consider the provisions of RCW 9.41.800 or other conditions of pretrial release according to the procedures established by court rule for preliminary appearance or an arraignment.

(2) Whenever a no-contact order is issued under this section, the clerk of the court shall forward a copy of the order on or before the next judicial day to the appropriate law enforcement agency specified in the order. Upon receipt of the copy of the order, the law enforcement agency shall enter the order for one year or until the expiration date specified on the order into any computer-based criminal intelligence information system available in this state used by law enforcement agencies to list outstanding warrants. Entry into the computer-based criminal intelligence information system constitutes notice to all law enforcement agencies of the existence of the order. The order is fully enforceable in any jurisdiction in the state. Upon receipt of notice that an order has been terminated, the law enforcement agency shall remove the order from the computer-based criminal intelligence information system.

NEW SECTION. **Sec. 6.** A new section is added to chapter 9A.88 RCW to read as follows:

Any general authority Washington peace officer as defined in RCW 10.93.020 in this state may enforce this chapter as it relates to orders restricting the defendants' ability to have contact with the victim or others.

NEW SECTION. **Sec. 7.** A new section is added to chapter 9A.88 RCW to read as follows:

(1) Because of the likelihood of repeated harassment and intimidation directed at those who have been victims of promoting prostitution in the first degree under RCW 9A.88.070 or promoting prostitution in the second degree under RCW 9A.88.080, before any defendant charged with or arrested, for a crime involving promoting prostitution is released from custody, or at any time the case remains unresolved, the court may prohibit that person from having any contact with the victim whether directly or through third parties. If there is no outstanding restraining or protective order prohibiting that person from having contact with the victim, the court may issue, by telephone, a no-contact order prohibiting the person charged or arrested from having contact with the victim or from knowingly coming within, or knowingly remaining within, a specified distance of a location. The court may also consider the provisions of RCW 9.41.800 or other conditions of pretrial release according to the procedures established by court rule for preliminary appearance or an arraignment.

(2) At the time of arraignment, the court shall determine whether a no-contact order shall be issued or extended. So long as the court finds probable cause, the court may issue or extend a no-contact order. The no-contact order shall terminate if the defendant is acquitted or the charges are dismissed.

(3)(a) Willful violation of a court order issued under this section is punishable under RCW 26.50.110.

(b) The written order shall contain the court's directives and shall bear the legend: Violation of this order is a criminal offense under chapter 26.50 RCW and the violator is subject to arrest; any assault, drive-by shooting, or reckless endangerment that is a violation of this order is a felony.

(4) Upon a motion with notice to all parties and after a hearing, the court may terminate or modify the terms of an existing no-contact order, including terms entered pursuant to RCW 9.41.800 related to firearms or other dangerous weapons or to concealed pistol licenses.

(5)(a) A defendant's motion to terminate or modify a no-contact order must include a declaration setting forth facts supporting the requested order for termination or modification. The court shall deny the motion unless it finds that adequate cause for hearing the motion is established by the declarations. If the court finds that the defendant established adequate cause, the court shall set a date for hearing the defendant's motion.

(b) The court may terminate or modify the terms of a no-contact order, including terms entered pursuant to RCW 9.41.800 related to firearms or other dangerous weapons or to concealed pistol licenses, if the defendant proves by a preponderance of the evidence that there has been a material change in circumstances such that the defendant is not likely to engage in or attempt to engage in physical or nonphysical contact with the victim if the order is terminated or modified. The victim bears no burden of proving that he or she has a current reasonable fear of harm by the defendant.

(c) A defendant may file a motion to terminate or modify pursuant to this section no more than once in every twelve-month period that the order is in effect, starting from the date of the order and continuing through any renewal.

(6) Whenever a no-contact order is issued, modified, or terminated under this section, the clerk of the court shall forward a copy of the order on or before the next judicial day to the appropriate law enforcement agency specified in the order. Upon receipt of the copy of the order the law enforcement agency shall enter the order for one year or until the expiration date specified on the order into any computer-based criminal intelligence information system available in this state used by law enforcement agencies to list outstanding warrants. Entry into the computer-based criminal intelligence information system constitutes notice to all law enforcement agencies of the existence of the order. The order is fully enforceable in any jurisdiction in the state. Upon receipt of notice that an order has been terminated, the law enforcement agency shall remove the order from the computer-based criminal intelligence information system.

NEW SECTION. **Sec. 8.** A new section is added to chapter 9A.88 RCW to read as follows:

(1) If a defendant is found guilty of the crime of promoting prostitution in the first degree under RCW 9A.88.070 or promoting prostitution in the second degree under RCW 9A.88.080, and a condition of the sentence restricts the defendant's ability to have contact with the victim or witnesses, the condition must be recorded and a written certified copy of that order must be provided to the victim or witnesses by the clerk of the court. Willful violation of a court order issued under this section is punishable under RCW 26.50.110. The written order must contain the court's directives and shall bear the legend: Violation of this order is a criminal offense under chapter 26.50 RCW and the violator is subject to arrest; any assault, drive-by shooting, or reckless endangerment that is a violation of this order is a felony.

(2) Whenever a no-contact order is issued under this section, the clerk of the court shall forward a copy of the order on or before the next judicial day to the appropriate law enforcement agency specified in the order. Upon receipt of the copy of the order, the law enforcement agency shall enter the order for one year or until the expiration date specified on the order into any computer-based criminal intelligence information system available in this state used by law enforcement agencies to list outstanding warrants. Entry into the computer-based criminal intelligence information system constitutes notice to all law enforcement agencies of the existence of the order. The order is fully enforceable in any jurisdiction in the state. Upon receipt of notice that an order has been terminated, the law enforcement agency shall remove the order from the computer-based criminal intelligence information system.

Sec. 9. RCW 26.50.110 and 2015 c 275 s 15 and 2015 c 248 s 1 are each reenacted and amended to read as follows:

(1)(a) Whenever an order is granted under this chapter, chapter 7.92, 7.90, 9A.40, 9A.46, 9A.88, 9.94A, 10.99, 26.09, 26.10, 26.26, or 74.34 RCW, any temporary order for protection granted under chapter 7.40 RCW pursuant to chapter 74.34 RCW, or there is a valid foreign protection order as defined in RCW 26.52.020, and the respondent or person to be restrained knows of the

order, a violation of any of the following provisions of the order is a gross misdemeanor, except as provided in subsections (4) and (5) of this section:

(i) The restraint provisions prohibiting acts or threats of violence against, or stalking of, a protected party, or restraint provisions prohibiting contact with a protected party;

(ii) A provision excluding the person from a residence, workplace, school, or day care;

(iii) A provision prohibiting a person from knowingly coming within, or knowingly remaining within, a specified distance of a location;

(iv) A provision prohibiting interfering with the protected party's efforts to remove a pet owned, possessed, leased, kept, or held by the petitioner, respondent, or a minor child residing with either the petitioner or the respondent; or

(v) A provision of a foreign protection order specifically indicating that a violation will be a crime.

(b) Upon conviction, and in addition to any other penalties provided by law, the court:

(i) May require that the respondent submit to electronic monitoring. The court shall specify who shall provide the electronic monitoring services, and the terms under which the monitoring shall be performed. The order also may include a requirement that the respondent pay the costs of the monitoring. The court shall consider the ability of the convicted person to pay for electronic monitoring.

(ii) Shall impose a fine of fifteen dollars, in addition to any penalty or fine imposed, for a violation of a domestic violence protection order issued under this chapter. Revenue from the fifteen dollar fine must be remitted monthly to the state treasury for deposit in the domestic violence prevention account.

(2) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order issued under this chapter, chapter 7.92, 7.90, 9A.40, 9A.46, 9A.88, 9.94A, 10.99, 26.09, 26.10, 26.26, or 74.34 RCW, any temporary order for protection granted under chapter 7.40 RCW pursuant to chapter 74.34 RCW, or a valid foreign protection order as defined in RCW 26.52.020, that restrains the person or excludes the person from a residence, workplace, school, or day care, or prohibits the person from knowingly coming within, or knowingly remaining within, a specified distance of a location, if the person restrained knows of the order. Presence of the order in the law enforcement computer-based criminal intelligence information system is not the only means of establishing knowledge of the order.

(3) A violation of an order issued under this chapter, chapter 7.92, 7.90, 9A.40, 9A.46, 9A.88, 9.94A, 10.99, 26.09, 26.10, 26.26, or 74.34 RCW, or of a valid foreign protection order as defined in RCW 26.52.020, shall also constitute contempt of court, and is subject to the penalties prescribed by law.

(4) Any assault that is a violation of an order issued under this chapter, chapter 7.92, 7.90, 9A.40, 9A.46, 9A.88, 9.94A, 10.99, 26.09, 26.10, 26.26, or 74.34 RCW, or of a valid foreign protection order as defined in RCW 26.52.020, and that does not amount to assault in the first or second degree under RCW 9A.36.011 or 9A.36.021 is a class C felony, and any conduct in violation of such

an order that is reckless and creates a substantial risk of death or serious physical injury to another person is a class C felony.

(5) A violation of a court order issued under this chapter, chapter 7.92, 7.90, 9A.40, 9A.46, 9A.88, 9.94A, 10.99, 26.09, 26.10, 26.26, or 74.34 RCW, or of a valid foreign protection order as defined in RCW 26.52.020, is a class C felony if the offender has at least two previous convictions for violating the provisions of an order issued under this chapter, chapter 7.90, 9A.40, 9A.46, 9A.88, 9.94A, 10.99, 26.09, 26.10, 26.26, or 74.34 RCW, or a valid foreign protection order as defined in RCW 26.52.020. The previous convictions may involve the same victim or other victims specifically protected by the orders the offender violated.

(6) Upon the filing of an affidavit by the petitioner or any peace officer alleging that the respondent has violated an order granted under this chapter, chapter 7.92, 7.90, 9A.40, 9A.46, 9A.88, 9.94A, 10.99, 26.09, 26.10, 26.26, or 74.34 RCW, or a valid foreign protection order as defined in RCW 26.52.020, the court may issue an order to the respondent, requiring the respondent to appear and show cause within fourteen days why the respondent should not be found in contempt of court and punished accordingly. The hearing may be held in the court of any county or municipality in which the petitioner or respondent temporarily or permanently resides at the time of the alleged violation.

Passed by the House April 17, 2017.
Passed by the Senate April 5, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 231

[Senate Bill 5030]

TRAFFICKING, PROSTITUTION, AND COMMERCIAL SEXUAL ABUSE OF A MINOR--STATUTE OF LIMITATIONS--EXCHANGE OF VALUE

AN ACT Relating to human trafficking, prostitution, and commercial sexual abuse of a minor; amending RCW 9A.04.080, 9.68A.100, 9.68A.101, and 9A.88.060; creating a new section; and prescribing penalties.

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

NEW SECTION. **Sec. 1.** (1) Because of the serious nature of human trafficking related offenses, and the power, control, and exploitation exerted over victims, the legislature finds the statute of limitations on these offenses should be extended. Victims are often under the control of their trafficker for significant periods of time and may not be willing or able to report their perpetrator until they are free from their control.

(2) The legislature finds that statutes governing commercial sexual abuse of a minor, promoting commercial sexual abuse of a minor, and promoting prostitution should be consistent with all human trafficking related statutes, and reflect the practical reality of the crimes, which often involve an exchange of drugs or gifts for the commercial sex act.

Sec. 2. RCW 9A.04.080 and 2013 c 17 s 1 are each amended to read as follows:

(1) Prosecutions for criminal offenses shall not be commenced after the periods prescribed in this section.

(a) The following offenses may be prosecuted at any time after their commission:

(i) Murder;

(ii) Homicide by abuse;

(iii) Arson if a death results;

(iv) Vehicular homicide;

(v) Vehicular assault if a death results;

(vi) Hit-and-run injury-accident if a death results (RCW 46.52.020(4)).

(b) Except as provided in (c) of this subsection, the following offenses shall not be prosecuted more than ten years after their commission:

(i) Any felony committed by a public officer if the commission is in connection with the duties of his or her office or constitutes a breach of his or her public duty or a violation of the oath of office;

(ii) Arson if no death results;

(iii)(A) Violations of RCW 9A.44.040 or 9A.44.050 if the rape is reported to a law enforcement agency within one year of its commission.

(B) If a violation of RCW 9A.44.040 or 9A.44.050 is not reported within one year, the rape may not be prosecuted more than three years after its commission; ((~~or~~))

(iv) Indecent liberties under RCW 9A.44.100(1)(b); or

(v) Trafficking under RCW 9A.40.100.

(c) Violations of the following statutes, when committed against a victim under the age of eighteen, may be prosecuted up to the victim's thirtieth birthday: RCW 9A.44.040 (rape in the first degree), 9A.44.050 (rape in the second degree), 9A.44.073 (rape of a child in the first degree), 9A.44.076 (rape of a child in the second degree), 9A.44.079 (rape of a child in the third degree), 9A.44.083 (child molestation in the first degree), 9A.44.086 (child molestation in the second degree), 9A.44.089 (child molestation in the third degree), 9A.44.100(1)(b) (indecent liberties), 9A.64.020 (incest), or 9.68A.040 (sexual exploitation of a minor).

(d) A violation of any offense listed in this subsection (1)(d) may be prosecuted up to ten years after its commission or, if committed against a victim under the age of eighteen, up to the victim's thirtieth birthday, whichever is later:

(i) RCW 9.68A.100 (commercial sexual abuse of a minor);

(ii) RCW 9.68A.101 (promoting commercial sexual abuse of a minor); or

(iii) RCW 9.68A.102 (promoting travel for commercial sexual abuse of a minor).

(e) The following offenses shall not be prosecuted more than six years after their commission or their discovery, whichever occurs later:

(i) Violations of RCW 9A.82.060 or 9A.82.080;

(ii) Any felony violation of chapter 9A.83 RCW;

(iii) Any felony violation of chapter 9.35 RCW;

(iv) Theft in the first or second degree under chapter 9A.56 RCW when accomplished by color or aid of deception; or

(v) Trafficking in stolen property in the first or second degree under chapter 9A.82 RCW in which the stolen property is a motor vehicle or major component part of a motor vehicle as defined in RCW 46.80.010.

((~~(e)~~)) (f) The following offenses shall not be prosecuted more than five years after their commission: Any class C felony under chapter 74.09, 82.36, or 82.38 RCW.

((~~(f)~~)) (g) Bigamy shall not be prosecuted more than three years after the time specified in RCW 9A.64.010.

((~~(g)~~)) (h) A violation of RCW 9A.56.030 must not be prosecuted more than three years after the discovery of the offense when the victim is a tax exempt corporation under 26 U.S.C. Sec. 501(c)(3).

((~~(h)~~)) (i) No other felony may be prosecuted more than three years after its commission; except that in a prosecution under RCW 9A.44.115, if the person who was viewed, photographed, or filmed did not realize at the time that he or she was being viewed, photographed, or filmed, the prosecution must be commenced within two years of the time the person who was viewed or in the photograph or film first learns that he or she was viewed, photographed, or filmed.

((~~(i)~~)) (j) No gross misdemeanor may be prosecuted more than two years after its commission.

((~~(j)~~)) (k) No misdemeanor may be prosecuted more than one year after its commission.

(2) The periods of limitation prescribed in subsection (1) of this section do not run during any time when the person charged is not usually and publicly resident within this state.

(3) In any prosecution for a sex offense as defined in RCW 9.94A.030, the periods of limitation prescribed in subsection (1) of this section run from the date of commission or one year from the date on which the identity of the suspect is conclusively established by deoxyribonucleic acid testing or by photograph as defined in RCW 9.68A.011, whichever is later.

(4) If, before the end of a period of limitation prescribed in subsection (1) of this section, an indictment has been found or a complaint or an information has been filed, and the indictment, complaint, or information is set aside, then the period of limitation is extended by a period equal to the length of time from the finding or filing to the setting aside.

Sec. 3. RCW 9.68A.100 and 2013 c 302 s 2 are each amended to read as follows:

(1) A person is guilty of commercial sexual abuse of a minor if:

(a) He or she ((~~pays a fee~~)) provides anything of value to a minor or a third person as compensation for a minor having engaged in sexual conduct with him or her;

(b) He or she ((~~pays or agrees to pay a fee~~)) provides or agrees to provide anything of value to a minor or a third person pursuant to an understanding that in return therefore such minor will engage in sexual conduct with him or her; or

(c) He or she solicits, offers, or requests to engage in sexual conduct with a minor in return for ((~~a fee~~)) anything of value.

(2) Commercial sexual abuse of a minor is a class B felony punishable under chapter 9A.20 RCW.

(3) In addition to any other penalty provided under chapter 9A.20 RCW, a person guilty of commercial sexual abuse of a minor is subject to the provisions under RCW 9A.88.130 and 9A.88.140.

(4) Consent of a minor to the sexual conduct does not constitute a defense to any offense listed in this section.

(5) For purposes of this section, "sexual conduct" means sexual intercourse or sexual contact, both as defined in chapter 9A.44 RCW.

Sec. 4. RCW 9.68A.101 and 2013 c 302 s 3 are each amended to read as follows:

(1) A person is guilty of promoting commercial sexual abuse of a minor if he or she knowingly advances commercial sexual abuse or a sexually explicit act of a minor or profits from a minor engaged in sexual conduct or a sexually explicit act.

(2) Promoting commercial sexual abuse of a minor is a class A felony.

(3) For the purposes of this section:

(a) A person "advances commercial sexual abuse of a minor" if, acting other than as a minor receiving compensation for personally rendered sexual conduct or as a person engaged in commercial sexual abuse of a minor, he or she causes or aids a person to commit or engage in commercial sexual abuse of a minor, procures or solicits customers for commercial sexual abuse of a minor, provides persons or premises for the purposes of engaging in commercial sexual abuse of a minor, operates or assists in the operation of a house or enterprise for the purposes of engaging in commercial sexual abuse of a minor, or engages in any other conduct designed to institute, aid, cause, assist, or facilitate an act or enterprise of commercial sexual abuse of a minor.

(b) A person "profits from commercial sexual abuse of a minor" if, acting other than as a minor receiving compensation for personally rendered sexual conduct, he or she accepts or receives money or ((~~other property~~)) anything of value pursuant to an agreement or understanding with any person whereby he or she participates or will participate in the proceeds of commercial sexual abuse of a minor.

(c) A person "advances a sexually explicit act of a minor" if he or she causes or aids a sexually explicit act of a minor, procures or solicits customers for a sexually explicit act of a minor, provides persons or premises for the purposes of a sexually explicit act of a minor, or engages in any other conduct designed to institute, aid, cause, assist, or facilitate a sexually explicit act of a minor.

(d) A "sexually explicit act" is a public, private, or live photographed, recorded, or videotaped act or show intended to arouse or satisfy the sexual desires or appeal to the prurient interests of patrons and for which ((~~something~~)) anything of value is given or received.

(e) A "patron" is a person who ((~~pays or agrees to pay a fee~~)) provides or agrees to provide anything of value to another person as compensation for a sexually explicit act of a minor or who solicits or requests a sexually explicit act of a minor in return for a fee.

(4) Consent of a minor to the sexually explicit act or sexual conduct does not constitute a defense to any offense listed in this section.

(5) For purposes of this section, "sexual conduct" means sexual intercourse or sexual contact, both as defined in chapter 9A.44 RCW.

Sec. 5. RCW 9A.88.060 and 2011 c 336 s 412 are each amended to read as follows:

The following definitions are applicable in RCW 9A.88.070 through 9A.88.090:

(1) "Advances prostitution." A person "advances prostitution" if, acting other than as a prostitute or as a customer thereof, he or she causes or aids a person to commit or engage in prostitution, procures or solicits customers for prostitution, provides persons or premises for prostitution purposes, operates or assists in the operation of a house of prostitution or a prostitution enterprise, or engages in any other conduct designed to institute, aid, or facilitate an act or enterprise of prostitution.

(2) "Profits from prostitution." A person "profits from prostitution" if, acting other than as a prostitute receiving compensation for personally rendered prostitution services, he or she accepts or receives money or ((~~other property~~)) anything of value pursuant to an agreement or understanding with any person whereby he or she participates or is to participate in the proceeds of prostitution activity.

Passed by the Senate April 13, 2017.
Passed by the House April 6, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 232

[Substitute House Bill 1184]

PATRONIZING A PROSTITUTE--LOCATION OF CRIME

AN ACT Relating to patronizing a prostitute; amending RCW 9A.88.110; and prescribing penalties.

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

Sec. 1. RCW 9A.88.110 and 1988 c 146 s 4 are each amended to read as follows:

(1) A person is guilty of patronizing a prostitute if:

(a) Pursuant to a prior understanding, he or she pays a fee to another person as compensation for such person or a third person having engaged in sexual conduct with him or her; or

(b) He or she pays or agrees to pay a fee to another person pursuant to an understanding that in return therefor such person will engage in sexual conduct with him or her; or

(c) He or she solicits or requests another person to engage in sexual conduct with him or her in return for a fee.

(2) The crime of patronizing a prostitute may be committed in more than one location. The crime is deemed to have been committed in any location in which the defendant commits any act under subsection (1)(a), (b), or (c) of this section that constitutes part of the crime. A person who sends a communication to patronize a prostitute is considered to have committed the crime both at the place from which the contact was made pursuant to subsection (1)(a), (b), or (c) of this section and where the communication is received, provided that this section must be construed to prohibit anyone from being prosecuted twice for substantially the same crime.

(3) For purposes of this section, "sexual conduct" has the meaning given in RCW 9A.88.030.

(((~~(3)~~))) (4) Patronizing a prostitute is a misdemeanor.

Passed by the House April 17, 2017.
Passed by the Senate April 6, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 233

[Engrossed Substitute Senate Bill 5256]

SEXUAL ASSAULT PROTECTION ORDERS--DURATION--RENEWAL--MODIFICATION

AN ACT Relating to sexual assault protection orders; and amending RCW 7.90.120, 7.90.121, 7.90.170, and 9.41.040.

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

Sec. 1. RCW 7.90.120 and 2013 c 74 s 3 are each amended to read as follows:

(1)(a) An ex parte temporary sexual assault protection order shall be effective for a fixed period not to exceed fourteen days. A full hearing, as provided in this chapter, shall be set for not later than fourteen days from the issuance of the temporary order or not later than twenty-four days if service by publication or service by mail is permitted. If the court permits service by publication or service by mail, the court shall also reissue the ex parte temporary protection order not to exceed another twenty-four days from the date of reissuing the ex parte protection order. Except as provided in RCW 7.90.050, 7.90.052, or 7.90.053, the respondent shall be personally served with a copy of the ex parte temporary sexual assault protection order along with a copy of the petition and notice of the date set for the hearing.

(b) Any ex parte temporary order issued under this section shall contain the date and time of issuance and the expiration date and shall be entered into a statewide judicial information system by the clerk of the court within one judicial day after issuance.

(2) Except as otherwise provided in this section or RCW 7.90.150, a final sexual assault protection order shall be effective for a fixed period of time(((~~, not to exceed two years~~))) or be permanent.

(3) Any sexual assault protection order which would expire on a court holiday shall instead expire at the close of the next court business day.

(4) The practice of dismissing or suspending a criminal prosecution in exchange for the issuance of a sexual assault protection order undermines the purposes of this chapter. This section shall not be construed as encouraging that practice.

Sec. 2. RCW 7.90.121 and 2013 c 74 s 4 are each amended to read as follows:

(1) Any ex parte temporary or nonpermanent final sexual assault protection order may be renewed one or more times, as required.

(2) The petitioner may apply for renewal of the order by filing a motion for renewal at any time within the three months before the order expires. The motion

for renewal shall state the reasons why the petitioner seeks to renew the protection order.

(3) ((~~If the motion for renewal is uncontested and the petitioner seeks no modification of the order, the order may be renewed on the basis of the petitioner's motion or affidavit stating that there has been no material change in relevant circumstances since entry of the order and stating the reason for the requested renewal.~~)) (a) The court shall grant the motion for renewal unless the respondent proves by a preponderance of the evidence that there has been a material change in circumstances such that the respondent is not likely to engage in or attempt to engage in physical or nonphysical contact with the petitioner when the order expires.

(b) For purposes of this subsection (3), a court shall determine whether there has been a material change in circumstances by considering only factors which address whether the respondent is likely to engage in or attempt to engage in physical or nonphysical contact with the petitioner when the order expires. The passage of time and compliance with the existing protection order shall not, alone, be sufficient to meet this burden of proof. The court may renew the sexual assault protection order for another fixed time period or may enter a permanent order as provided in this section.

(c) In determining whether there has been a material change in circumstances, the court may consider the following unweighted factors, and no inference is to be drawn from the order in which the factors are listed:

(i) Whether the respondent has committed or threatened sexual assault, domestic violence, stalking, or other violent acts since the protection order was entered;

(ii) Whether the respondent has violated the terms of the protection order and the time that has passed since the entry of the order;

(iii) Whether the respondent has exhibited suicidal ideation or attempts since the protection order was entered;

(iv) Whether the respondent has been convicted of criminal activity since the protection order was entered;

(v) Whether the respondent has either acknowledged responsibility for acts of sexual assault that resulted in entry of the protection order or successfully completed sexual assault perpetrator treatment or counseling since the protection order was entered;

(vi) Whether the respondent has a continuing involvement with drug or alcohol abuse, if such abuse was a factor in the protection order;

(vii) Whether the respondent or petitioner has relocated to an area more distant from the other party, giving due consideration to the fact that acts of sexual assault may be committed from any distance such as via cybercrime;

(viii) Other factors relating to a material change in circumstances.

(4)(a) If the motion is contested, upon receipt of the motion, the court shall order that a hearing be held not later than fourteen days from the date of the order.

(b) The court may schedule a hearing by telephone pursuant to local court rule, to reasonably accommodate a disability, or in exceptional circumstances to protect a petitioner from further nonconsensual sexual conduct or nonconsensual sexual penetration. The court shall require assurances of the petitioner's identity before conducting a telephonic hearing.

(c) The respondent shall be personally served not less than five court days prior to the hearing. If timely personal service cannot be made, the court shall set a new hearing date and shall either require additional attempts at obtaining personal service or permit service by publication as provided in RCW 7.90.052 or service by mail as provided in RCW 7.90.053. The court shall not require more than two attempts at obtaining personal service and shall permit service by publication or service by mail unless the petitioner requests additional time to attempt personal service. If the court permits service by publication or service by mail, the court shall set the hearing date not later than twenty-four days from the date of the order.

(5) Renewals may be granted only in open court.

Sec. 3. RCW 7.90.170 and 2013 c 74 s 9 are each amended to read as follows:

(1) Upon ((~~receipt of~~)) a motion ((~~to~~)) with notice to all parties and after a hearing, the court may terminate or modify the terms of an existing sexual assault protection order, including terms entered pursuant to RCW 9.41.800 related to firearms or other dangerous weapons or to concealed pistol licenses.

(2)(a) A respondent's motion to terminate or modify a sexual assault protection order must include a declaration setting forth facts supporting the requested order for termination or modification. The nonmoving parties to the proceeding may file opposing declarations. The court shall deny the motion unless it finds that adequate cause for hearing the motion is established by the declarations. If the court finds that the respondent established adequate cause, the court shall set a date for hearing the respondent's motion.

(b) The court may terminate or modify the terms of a sexual assault protection order, including terms entered pursuant to RCW 9.41.800 related to firearms or other dangerous weapons or to concealed pistol licenses, if the respondent proves by a preponderance of the evidence that there has been a material change in circumstances such that the respondent is not likely to engage in or attempt to engage in physical or nonphysical contact with the persons protected by the protection order if the order is terminated or modified. The petitioner bears no burden of proving that he or she has a current reasonable fear of harm by the respondent.

(c) A respondent may file a motion to terminate or modify pursuant to this section no more than once in every twelve-month period that the order is in effect, starting from the date of the order and continuing through any renewal.

(d) A court may require the respondent to pay the petitioner for costs incurred in responding to a motion to terminate or modify pursuant to this section, including reasonable attorneys' fees.

(3) The court shall order that a hearing on the motion for termination or modification of the order be held not later than fourteen days from the date of the order. The ((~~respondent~~)) nonmoving party shall be personally served not less than five days before the hearing. If timely service cannot be made, the court shall set a new hearing date and shall either require additional attempts at obtaining personal service or permit service by publication as provided in RCW 7.90.052 or service by mail as provided in RCW 7.90.053. If the court permits service by mail or service by publication, the court shall set the new hearing date not later than twenty-four days from the date of the order. ((~~If the order expires because timely service cannot be made, the court shall grant an ex parte order of~~

~~protection as provided in RCW 7.90.110. The court may modify the protection order for another fixed time period or may enter a permanent order as provided in RCW 7.90.120.~~

~~(2)~~)) (4) In any situation where an order is terminated or modified before its expiration date, the clerk of the court shall forward on or before the next judicial day a true copy of the modified order or the termination order to the appropriate law enforcement agency specified in the modified or termination order. Upon receipt of the order, the law enforcement agency shall promptly enter it in the computer-based criminal intelligence information system, or if the order is terminated, remove the order from the computer-based criminal intelligence information system.

Sec. 4. RCW 9.41.040 and 2016 c 136 s 7 are each amended to read as follows:

(1)(a) A person, whether an adult or juvenile, is guilty of the crime of unlawful possession of a firearm in the first degree, if the person owns, has in his or her possession, or has in his or her control any firearm after having previously been convicted or found not guilty by reason of insanity in this state or elsewhere of any serious offense as defined in this chapter.

(b) Unlawful possession of a firearm in the first degree is a class B felony punishable according to chapter 9A.20 RCW.

(2)(a) A person, whether an adult or juvenile, is guilty of the crime of unlawful possession of a firearm in the second degree, if the person does not qualify under subsection (1) of this section for the crime of unlawful possession of a firearm in the first degree and the person owns, has in his or her possession, or has in his or her control any firearm:

(i) After having previously been convicted or found not guilty by reason of insanity in this state or elsewhere of any felony not specifically listed as prohibiting firearm possession under subsection (1) of this section, or any of the following crimes when committed by one family or household member against another, committed on or after July 1, 1993: Assault in the fourth degree, coercion, stalking, reckless endangerment, criminal trespass in the first degree, or violation of the provisions of a protection order or no-contact order restraining the person or excluding the person from a residence (RCW 26.50.060, 26.50.070, 26.50.130, or 10.99.040);

(ii) During any period of time that the person is subject to a court order issued under chapter 7.90, 7.92, 9A.46, 10.14, 10.99, 26.09, 26.10, 26.26, or 26.50 RCW that:

(A) Was issued after a hearing of which the person received actual notice, and at which the person had an opportunity to participate;

(B) Restrains the person from harassing, stalking, or threatening an intimate partner of the person or child of the intimate partner or person, or engaging in other conduct that would place an intimate partner in reasonable fear of bodily injury to the partner or child; and

(C)(I) Includes a finding that the person represents a credible threat to the physical safety of the intimate partner or child; and

(II) By its terms, explicitly prohibits the use, attempted use, or threatened use of physical force against the intimate partner or child that would reasonably be expected to cause bodily injury;

(iii) After having previously been involuntarily committed for mental health treatment under RCW 71.05.240, 71.05.320, 71.34.740, 71.34.750, chapter 10.77 RCW, or equivalent statutes of another jurisdiction, unless his or her right to possess a firearm has been restored as provided in RCW 9.41.047;

(iv) If the person is under eighteen years of age, except as provided in RCW 9.41.042; and/or

(v) If the person is free on bond or personal recognizance pending trial, appeal, or sentencing for a serious offense as defined in RCW 9.41.010.

(b) (a)(ii) of this subsection does not apply to a sexual assault protection order under chapter 7.90 RCW if the order has been modified pursuant to RCW 7.90.170 to remove any restrictions on firearm purchase, transfer, or possession.

(c) Unlawful possession of a firearm in the second degree is a class C felony punishable according to chapter 9A.20 RCW.

(3) Notwithstanding RCW 9.41.047 or any other provisions of law, as used in this chapter, a person has been "convicted", whether in an adult court or adjudicated in a juvenile court, at such time as a plea of guilty has been accepted, or a verdict of guilty has been filed, notwithstanding the pendency of any future proceedings including but not limited to sentencing or disposition, post-trial or post-fact-finding motions, and appeals. Conviction includes a dismissal entered after a period of probation, suspension or deferral of sentence, and also includes equivalent dispositions by courts in jurisdictions other than Washington state. A person shall not be precluded from possession of a firearm if the conviction has been the subject of a pardon, annulment, certificate of rehabilitation, or other equivalent procedure based on a finding of the rehabilitation of the person convicted or the conviction or disposition has been the subject of a pardon, annulment, or other equivalent procedure based on a finding of innocence. Where no record of the court's disposition of the charges can be found, there shall be a rebuttable presumption that the person was not convicted of the charge.

(4)(a) Notwithstanding subsection (1) or (2) of this section, a person convicted or found not guilty by reason of insanity of an offense prohibiting the possession of a firearm under this section other than murder, manslaughter, robbery, rape, indecent liberties, arson, assault, kidnapping, extortion, burglary, or violations with respect to controlled substances under RCW 69.50.401 and 69.50.410, who received a probationary sentence under RCW 9.95.200, and who received a dismissal of the charge under RCW 9.95.240, shall not be precluded from possession of a firearm as a result of the conviction or finding of not guilty by reason of insanity. Notwithstanding any other provisions of this section, if a person is prohibited from possession of a firearm under subsection (1) or (2) of this section and has not previously been convicted or found not guilty by reason of insanity of a sex offense prohibiting firearm ownership under subsection (1) or (2) of this section and/or any felony defined under any law as a class A felony or with a maximum sentence of at least twenty years, or both, the individual may petition a court of record to have his or her right to possess a firearm restored:

(i) Under RCW 9.41.047; and/or

(ii)(A) If the conviction or finding of not guilty by reason of insanity was for a felony offense, after five or more consecutive years in the community without being convicted or found not guilty by reason of insanity or currently charged with any felony, gross misdemeanor, or misdemeanor crimes, if the individual

has no prior felony convictions that prohibit the possession of a firearm counted as part of the offender score under RCW 9.94A.525; or

(B) If the conviction or finding of not guilty by reason of insanity was for a nonfelony offense, after three or more consecutive years in the community without being convicted or found not guilty by reason of insanity or currently charged with any felony, gross misdemeanor, or misdemeanor crimes, if the individual has no prior felony convictions that prohibit the possession of a firearm counted as part of the offender score under RCW 9.94A.525 and the individual has completed all conditions of the sentence.

(b) An individual may petition a court of record to have his or her right to possess a firearm restored under (a) of this subsection (4) only at:

(i) The court of record that ordered the petitioner's prohibition on possession of a firearm; or

(ii) The superior court in the county in which the petitioner resides.

(5) In addition to any other penalty provided for by law, if a person under the age of eighteen years is found by a court to have possessed a firearm in a vehicle in violation of subsection (1) or (2) of this section or to have committed an offense while armed with a firearm during which offense a motor vehicle served an integral function, the court shall notify the department of licensing within twenty-four hours and the person's privilege to drive shall be revoked under RCW 46.20.265, unless the offense is the juvenile's first offense in violation of this section and has not committed an offense while armed with a firearm, an unlawful possession of a firearm offense, or an offense in violation of chapter 66.44, 69.52, 69.41, or 69.50 RCW.

(6) Nothing in chapter 129, Laws of 1995 shall ever be construed or interpreted as preventing an offender from being charged and subsequently convicted for the separate felony crimes of theft of a firearm or possession of a stolen firearm, or both, in addition to being charged and subsequently convicted under this section for unlawful possession of a firearm in the first or second degree. Notwithstanding any other law, if the offender is convicted under this section for unlawful possession of a firearm in the first or second degree and for the felony crimes of theft of a firearm or possession of a stolen firearm, or both, then the offender shall serve consecutive sentences for each of the felony crimes of conviction listed in this subsection.

(7) Each firearm unlawfully possessed under this section shall be a separate offense.

(8) For purposes of this section, "intimate partner" includes: A spouse, a domestic partner, a former spouse, a former domestic partner, a person with whom the restrained person has a child in common, or a person with whom the restrained person has cohabitated or is cohabitating as part of a dating relationship.

Passed by the Senate March 8, 2017.

Passed by the House April 6, 2017.

Approved by the Governor May 5, 2017.

Filed in Office of Secretary of State May 5, 2017.

CHAPTER 234

[Substitute House Bill 1543]

SEXUAL ASSAULT--PARENTAL RIGHTS AND RESPONSIBILITIES

AN ACT Relating to parental rights and responsibilities of sexual assault perpetrators and survivors; amending RCW 26.09.191 and 26.33.170; and adding a new section to chapter 26.26 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 26.26 RCW to read as follows:

(1) This section applies in cases when a person alleged or presumed to be a legal parent to a child is alleged to have committed a sexual assault that resulted in the victim of the assault becoming pregnant and subsequently giving birth to the child.

(2) For the purposes of this section, "sexual assault" means nonconsensual sexual penetration that results in pregnancy.

(3) For the purposes of this section, the fact that the person seeking parental rights or presumed to be a legal parent committed a sexual assault that resulted in the victim of the assault becoming pregnant and subsequently giving birth to the child may be proved by either:

(a) Evidence that the person seeking parental rights or presumed to be a legal parent was convicted of or pleaded guilty to a sexual assault under RCW 9A.44.040, 9A.44.050, 9A.44.060, or a comparable crime of sexual assault in any jurisdiction, against the child's parent, and that the child was born within three hundred twenty days after the sexual assault; or

(b) Clear, cogent, and convincing evidence that the person seeking parental rights or presumed to be a legal parent committed sexual assault, as defined in this section, against the child's parent, and that the child was born within three hundred twenty days after the sexual assault.

(4) An allegation that the child was born as the result of a sexual assault may be raised under this chapter:

(a) In a petition to adjudicate parentage; or

(b) In response to a petition to adjudicate parentage.

The pleading making the allegation must be filed in a petition or in a response to a petition in proceedings filed no later than four years after the birth of the child, except that (i) the pleading making the allegation that the child was born as a result of a sexual assault may be filed at any time in proceedings pursuant to RCW 26.26.525; or (ii) for a period of two years after the effective date of this section, a court may waive the time bar in cases in which a presumed, acknowledged, or adjudicated parent was found in a criminal or separate civil proceeding to have committed a sexual assault against the parent alleging that the child was born as a result of the sexual assault.

(5) If there is an allegation that the child was born as a result of a sexual assault against the child's parent by the person seeking parentage or presumed to be the parent of the child, the court must conduct a fact-finding hearing on the allegation.

(a) The court may not enter any temporary orders providing residential time or decision making to the alleged perpetrator prior to the fact-finding hearing on the sexual assault allegation unless both of the following criteria are satisfied: (i) The alleged perpetrator is a presumed parent of the child; and (ii) the court

specifically finds that it would be in the best interests of the child if such temporary orders are entered.

(b) Prior to the fact-finding hearing, the court may order genetic testing to determine whether the alleged perpetrator is biologically related to the child. If genetic testing reveals that the alleged perpetrator is not biologically related to the child, the fact-finding hearing must be stricken.

(c) Fourteen days prior to the fact-finding hearing, the party alleging that the child was born as a result of a sexual assault shall submit affidavits setting forth facts supporting the allegation and shall give notice, together with a copy of the affidavit, to other parties to the proceedings, who may file opposing affidavits. Opposing affidavits must be submitted and served to other parties to the proceeding five days prior to the fact-finding hearing.

(d) The court shall determine on the record whether affidavits and documents submitted for the fact-finding hearing should be sealed.

(6) If, after the fact-finding hearing or after a bench trial, the court finds that the person seeking parental rights or presumed to be a legal parent committed sexual assault, pursuant to the standards set forth in subsection (3)(a) or (b) of this section, against the child's parent, and that the child was born within three hundred twenty days of the sexual assault the court must:

(a) Enter an order holding that the person seeking parental rights or presumed to be a legal parent is not a parent of the child, if such an order is requested by the child's legal parent or guardian; or

(b) Enter an order consistent with the relief requested by the child's legal parent or guardian, provided that the court determines that the relief requested is in the best interests of the child.

(7) Absent the express written consent of the child's legal parent or guardian, a person who is found to have committed a sexual assault, as defined in this section, against the child's parent, and that the child was born within three hundred twenty days of the sexual assault has:

(a) No right to an allocation of parental rights, including residential time or decision-making responsibilities for the child;

(b) No right to inheritance from the child; and

(c) No right to notification of, or standing to object to, the adoption of the child.

(8) If the court enters an order under subsection (6) of this section that is inconsistent with the information on the child's birth certificate, the court shall also order the birth certificate be amended in a manner that is consistent with the child's best interests and the wishes of the child's legal parent or guardian.

(9) If the court finds that the person seeking parentage or presumed to be the parent committed a sexual assault, as defined in this section, against the child's parent, and that the child was born within three hundred twenty days of the sexual assault, and the legal parent or guardian requests it, the court must order the person seeking parentage or presumed to be the parent to pay child support or birth-related costs or both.

(10) The legal parent or guardian may decline an order for child support or birth-related costs. If the legal parent or guardian declines an order for child support, and is either currently receiving public assistance or later applies for it for the child born as a result of the sexual assault, support enforcement agencies as defined in this chapter shall not file administrative or court proceedings to

establish or collect child support, including medical support, from the person seeking parentage or presumed to be the parent who has been found to have committed a sexual assault, as defined in this section, against the child's parent, and that the child was born within three hundred twenty days of the sexual assault.

(11) If the court enters an order under subsection (10) of this section providing that no child support obligation may be established or collected from the person seeking parentage or presumed to be the parent who has been found to have committed a sexual assault, the court shall forward a copy of the order to the Washington state support registry.

(12) The court may order an award of attorneys' fees under this section on the same basis as attorneys' fees are awarded under RCW 26.09.140.

(13) Any party may move to close the fact-finding hearing and any related proceedings under this section to the public. If no party files such a motion, the court shall determine on its own initiative whether the fact-finding hearing and any related proceedings under this section should be closed to the public. Upon finding good cause for closing the proceeding, and if consistent with Article I, section 10 of the state Constitution, the court may: (a) Restrict admission to only those persons whom the court finds to have a direct interest in the case or in the work of the court, including witnesses deemed necessary to the disposition of the case; and (b) restrict persons who are admitted from disclosing any information obtained at the hearing that would identify the parties involved or the child.

Sec. 2. RCW 26.09.191 and 2011 c 89 s 6 are each amended to read as follows:

(1) The permanent parenting plan shall not require mutual decision-making or designation of a dispute resolution process other than court action if it is found that a parent has engaged in any of the following conduct: (a) Willful abandonment that continues for an extended period of time or substantial refusal to perform parenting functions; (b) physical, sexual, or a pattern of emotional abuse of a child; or (c) a history of acts of domestic violence as defined in RCW 26.50.010((~~(1)~~)) (3) or an assault or sexual assault ((~~which~~)) that causes grievous bodily harm or the fear of such harm or that results in a pregnancy.

(2)(a) The parent's residential time with the child shall be limited if it is found that the parent has engaged in any of the following conduct: (i) Willful abandonment that continues for an extended period of time or substantial refusal to perform parenting functions; (ii) physical, sexual, or a pattern of emotional abuse of a child; (iii) a history of acts of domestic violence as defined in RCW 26.50.010((~~(1)~~)) (3) or an assault or sexual assault ((~~which~~)) that causes grievous bodily harm or the fear of such harm or that results in a pregnancy; or (iv) the parent has been convicted as an adult of a sex offense under:

(A) RCW 9A.44.076 if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (d) of this subsection;

(B) RCW 9A.44.079 if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (d) of this subsection;

(C) RCW 9A.44.086 if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (d) of this subsection;

(D) RCW 9A.44.089;

(E) RCW 9A.44.093;

(F) RCW 9A.44.096;

(G) RCW 9A.64.020 (1) or (2) if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (d) of this subsection;

(H) Chapter 9.68A RCW;

(I) Any predecessor or antecedent statute for the offenses listed in (a)(iv)(A) through (H) of this subsection;

(J) Any statute from any other jurisdiction that describes an offense analogous to the offenses listed in (a)(iv)(A) through (H) of this subsection.

This subsection (2)(a) shall not apply when (c) or (d) of this subsection applies.

(b) The parent's residential time with the child shall be limited if it is found that the parent resides with a person who has engaged in any of the following conduct: (i) Physical, sexual, or a pattern of emotional abuse of a child; (ii) a history of acts of domestic violence as defined in RCW 26.50.010((~~(1)~~)) (3) or an assault or sexual assault that causes grievous bodily harm or the fear of such harm or that results in a pregnancy; or (iii) the person has been convicted as an adult or as a juvenile has been adjudicated of a sex offense under:

(A) RCW 9A.44.076 if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (e) of this subsection;

(B) RCW 9A.44.079 if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (e) of this subsection;

(C) RCW 9A.44.086 if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (e) of this subsection;

(D) RCW 9A.44.089;

(E) RCW 9A.44.093;

(F) RCW 9A.44.096;

(G) RCW 9A.64.020 (1) or (2) if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (e) of this subsection;

(H) Chapter 9.68A RCW;

(I) Any predecessor or antecedent statute for the offenses listed in (b)(iii)(A) through (H) of this subsection;

(J) Any statute from any other jurisdiction that describes an offense analogous to the offenses listed in (b)(iii)(A) through (H) of this subsection.

This subsection (2)(b) shall not apply when (c) or (e) of this subsection applies.

(c) If a parent has been found to be a sexual predator under chapter 71.09 RCW or under an analogous statute of any other jurisdiction, the court shall restrain the parent from contact with a child that would otherwise be allowed under this chapter. If a parent resides with an adult or a juvenile who has been found to be a sexual predator under chapter 71.09 RCW or under an analogous statute of any other jurisdiction, the court shall restrain the parent from contact with the parent's child except contact that occurs outside that person's presence.

(d) There is a rebuttable presumption that a parent who has been convicted as an adult of a sex offense listed in (d)(i) through (ix) of this subsection poses a present danger to a child. Unless the parent rebuts this presumption, the court shall restrain the parent from contact with a child that would otherwise be allowed under this chapter:

(i) RCW 9A.64.020 (1) or (2), provided that the person convicted was at least five years older than the other person;

(ii) RCW 9A.44.073;

(iii) RCW 9A.44.076, provided that the person convicted was at least eight years older than the victim;

(iv) RCW 9A.44.079, provided that the person convicted was at least eight years older than the victim;

(v) RCW 9A.44.083;

(vi) RCW 9A.44.086, provided that the person convicted was at least eight years older than the victim;

(vii) RCW 9A.44.100;

(viii) Any predecessor or antecedent statute for the offenses listed in (d)(i) through (vii) of this subsection;

(ix) Any statute from any other jurisdiction that describes an offense analogous to the offenses listed in (d)(i) through (vii) of this subsection.

(e) There is a rebuttable presumption that a parent who resides with a person who, as an adult, has been convicted, or as a juvenile has been adjudicated, of the sex offenses listed in (e)(i) through (ix) of this subsection places a child at risk of abuse or harm when that parent exercises residential time in the presence of the convicted or adjudicated person. Unless the parent rebuts the presumption, the court shall restrain the parent from contact with the parent's child except for contact that occurs outside of the convicted or adjudicated person's presence:

(i) RCW 9A.64.020 (1) or (2), provided that the person convicted was at least five years older than the other person;

(ii) RCW 9A.44.073;

(iii) RCW 9A.44.076, provided that the person convicted was at least eight years older than the victim;

(iv) RCW 9A.44.079, provided that the person convicted was at least eight years older than the victim;

(v) RCW 9A.44.083;

(vi) RCW 9A.44.086, provided that the person convicted was at least eight years older than the victim;

(vii) RCW 9A.44.100;

(viii) Any predecessor or antecedent statute for the offenses listed in (e)(i) through (vii) of this subsection;

(ix) Any statute from any other jurisdiction that describes an offense analogous to the offenses listed in (e)(i) through (vii) of this subsection.

(f) The presumption established in (d) of this subsection may be rebutted only after a written finding that the child was not conceived and subsequently born as a result of a sexual assault committed by the parent requesting residential time and that:

(i) If the child was not the victim of the sex offense committed by the parent requesting residential time, (A) contact between the child and the offending parent is appropriate and poses minimal risk to the child, and (B) the offending

parent has successfully engaged in treatment for sex offenders or is engaged in and making progress in such treatment, if any was ordered by a court, and the treatment provider believes such contact is appropriate and poses minimal risk to the child; or

(ii) If the child was the victim of the sex offense committed by the parent requesting residential time, (A) contact between the child and the offending parent is appropriate and poses minimal risk to the child, (B) if the child is in or has been in therapy for victims of sexual abuse, the child's counselor believes such contact between the child and the offending parent is in the child's best interest, and (C) the offending parent has successfully engaged in treatment for sex offenders or is engaged in and making progress in such treatment, if any was ordered by a court, and the treatment provider believes such contact is appropriate and poses minimal risk to the child.

(g) The presumption established in (e) of this subsection may be rebutted only after a written finding that the child was not conceived and subsequently born as a result of a sexual assault committed by the parent requesting residential time and that:

(i) If the child was not the victim of the sex offense committed by the person who is residing with the parent requesting residential time, (A) contact between the child and the parent residing with the convicted or adjudicated person is appropriate and that parent is able to protect the child in the presence of the convicted or adjudicated person, and (B) the convicted or adjudicated person has successfully engaged in treatment for sex offenders or is engaged in and making progress in such treatment, if any was ordered by a court, and the treatment provider believes such contact is appropriate and poses minimal risk to the child; or

(ii) If the child was the victim of the sex offense committed by the person who is residing with the parent requesting residential time, (A) contact between the child and the parent in the presence of the convicted or adjudicated person is appropriate and poses minimal risk to the child, (B) if the child is in or has been in therapy for victims of sexual abuse, the child's counselor believes such contact between the child and the parent residing with the convicted or adjudicated person in the presence of the convicted or adjudicated person is in the child's best interest, and (C) the convicted or adjudicated person has successfully engaged in treatment for sex offenders or is engaged in and making progress in such treatment, if any was ordered by a court, and the treatment provider believes contact between the parent and child in the presence of the convicted or adjudicated person is appropriate and poses minimal risk to the child.

(h) If the court finds that the parent has met the burden of rebutting the presumption under (f) of this subsection, the court may allow a parent who has been convicted as an adult of a sex offense listed in (d)(i) through (ix) of this subsection to have residential time with the child supervised by a neutral and independent adult and pursuant to an adequate plan for supervision of such residential time. The court shall not approve of a supervisor for contact between the child and the parent unless the court finds, based on the evidence, that the supervisor is willing and capable of protecting the child from harm. The court shall revoke court approval of the supervisor upon finding, based on the evidence, that the supervisor has failed to protect the child or is no longer willing or capable of protecting the child.

(i) If the court finds that the parent has met the burden of rebutting the presumption under (g) of this subsection, the court may allow a parent residing with a person who has been adjudicated as a juvenile of a sex offense listed in (e)(i) through (ix) of this subsection to have residential time with the child in the presence of the person adjudicated as a juvenile, supervised by a neutral and independent adult and pursuant to an adequate plan for supervision of such residential time. The court shall not approve of a supervisor for contact between the child and the parent unless the court finds, based on the evidence, that the supervisor is willing and capable of protecting the child from harm. The court shall revoke court approval of the supervisor upon finding, based on the evidence, that the supervisor has failed to protect the child or is no longer willing or capable of protecting the child.

(j) If the court finds that the parent has met the burden of rebutting the presumption under (g) of this subsection, the court may allow a parent residing with a person who, as an adult, has been convicted of a sex offense listed in (e)(i) through (ix) of this subsection to have residential time with the child in the presence of the convicted person supervised by a neutral and independent adult and pursuant to an adequate plan for supervision of such residential time. The court shall not approve of a supervisor for contact between the child and the parent unless the court finds, based on the evidence, that the supervisor is willing and capable of protecting the child from harm. The court shall revoke court approval of the supervisor upon finding, based on the evidence, that the supervisor has failed to protect the child or is no longer willing or capable of protecting the child.

(k) A court shall not order unsupervised contact between the offending parent and a child of the offending parent who was sexually abused by that parent. A court may order unsupervised contact between the offending parent and a child who was not sexually abused by the parent after the presumption under (d) of this subsection has been rebutted and supervised residential time has occurred for at least two years with no further arrests or convictions of sex offenses involving children under chapter 9A.44 RCW, RCW 9A.64.020, or chapter 9.68A RCW and (i) the sex offense of the offending parent was not committed against a child of the offending parent, and (ii) the court finds that unsupervised contact between the child and the offending parent is appropriate and poses minimal risk to the child, after consideration of the testimony of a state-certified therapist, mental health counselor, or social worker with expertise in treating child sexual abuse victims who has supervised at least one period of residential time between the parent and the child, and after consideration of evidence of the offending parent's compliance with community supervision requirements, if any. If the offending parent was not ordered by a court to participate in treatment for sex offenders, then the parent shall obtain a psychosexual evaluation conducted by a certified sex offender treatment provider or a certified affiliate sex offender treatment provider indicating that the offender has the lowest likelihood of risk to reoffend before the court grants unsupervised contact between the parent and a child.

(l) A court may order unsupervised contact between the parent and a child which may occur in the presence of a juvenile adjudicated of a sex offense listed in (e)(i) through (ix) of this subsection who resides with the parent after the presumption under (e) of this subsection has been rebutted and supervised

residential time has occurred for at least two years during which time the adjudicated juvenile has had no further arrests, adjudications, or convictions of sex offenses involving children under chapter 9A.44 RCW, RCW 9A.64.020, or chapter 9.68A RCW, and (i) the court finds that unsupervised contact between the child and the parent that may occur in the presence of the adjudicated juvenile is appropriate and poses minimal risk to the child, after consideration of the testimony of a state-certified therapist, mental health counselor, or social worker with expertise in treatment of child sexual abuse victims who has supervised at least one period of residential time between the parent and the child in the presence of the adjudicated juvenile, and after consideration of evidence of the adjudicated juvenile's compliance with community supervision or parole requirements, if any. If the adjudicated juvenile was not ordered by a court to participate in treatment for sex offenders, then the adjudicated juvenile shall obtain a psychosexual evaluation conducted by a certified sex offender treatment provider or a certified affiliate sex offender treatment provider indicating that the adjudicated juvenile has the lowest likelihood of risk to reoffend before the court grants unsupervised contact between the parent and a child which may occur in the presence of the adjudicated juvenile who is residing with the parent.

(m)(i) The limitations imposed by the court under (a) or (b) of this subsection shall be reasonably calculated to protect the child from the physical, sexual, or emotional abuse or harm that could result if the child has contact with the parent requesting residential time. The limitations shall also be reasonably calculated to provide for the safety of the parent who may be at risk of physical, sexual, or emotional abuse or harm that could result if the parent has contact with the parent requesting residential time. The limitations the court may impose include, but are not limited to: Supervised contact between the child and the parent or completion of relevant counseling or treatment. If the court expressly finds based on the evidence that limitations on the residential time with the child will not adequately protect the child from the harm or abuse that could result if the child has contact with the parent requesting residential time, the court shall restrain the parent requesting residential time from all contact with the child.

(ii) The court shall not enter an order under (a) of this subsection allowing a parent to have contact with a child if the parent has been found by clear and convincing evidence in a civil action or by a preponderance of the evidence in a dependency action to have sexually abused the child, except upon recommendation by an evaluator or therapist for the child that the child is ready for contact with the parent and will not be harmed by the contact. The court shall not enter an order allowing a parent to have contact with the child in the offender's presence if the parent resides with a person who has been found by clear and convincing evidence in a civil action or by a preponderance of the evidence in a dependency action to have sexually abused a child, unless the court finds that the parent accepts that the person engaged in the harmful conduct and the parent is willing to and capable of protecting the child from harm from the person.

(iii) The court shall not enter an order under (a) of this subsection allowing a parent to have contact with a child if the parent has been found by clear and convincing evidence pursuant to section 1 of this act to have committed sexual

assault, as defined in section 1 of this act, against the child's parent, and that the child was born within three hundred twenty days of the sexual assault.

(iv) If the court limits residential time under (a) or (b) of this subsection to require supervised contact between the child and the parent, the court shall not approve of a supervisor for contact between a child and a parent who has engaged in physical, sexual, or a pattern of emotional abuse of the child unless the court finds based upon the evidence that the supervisor accepts that the harmful conduct occurred and is willing to and capable of protecting the child from harm. The court shall revoke court approval of the supervisor upon finding, based on the evidence, that the supervisor has failed to protect the child or is no longer willing to or capable of protecting the child.

(n) If the court expressly finds based on the evidence that contact between the parent and the child will not cause physical, sexual, or emotional abuse or harm to the child and that the probability that the parent's or other person's harmful or abusive conduct will recur is so remote that it would not be in the child's best interests to apply the limitations of (a), (b), and (m)(i) and (((~~(iii)~~))) (iv) of this subsection, or if the court expressly finds that the parent's conduct did not have an impact on the child, then the court need not apply the limitations of (a), (b), and (m)(i) and (((~~(iii)~~))) (iv) of this subsection. The weight given to the existence of a protection order issued under chapter 26.50 RCW as to domestic violence is within the discretion of the court. This subsection shall not apply when (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), and (m)(ii) of this subsection apply.

(3) A parent's involvement or conduct may have an adverse effect on the child's best interests, and the court may preclude or limit any provisions of the parenting plan, if any of the following factors exist:

(a) A parent's neglect or substantial nonperformance of parenting functions;

(b) A long-term emotional or physical impairment which interferes with the parent's performance of parenting functions as defined in RCW 26.09.004;

(c) A long-term impairment resulting from drug, alcohol, or other substance abuse that interferes with the performance of parenting functions;

(d) The absence or substantial impairment of emotional ties between the parent and the child;

(e) The abusive use of conflict by the parent which creates the danger of serious damage to the child's psychological development;

(f) A parent has withheld from the other parent access to the child for a protracted period without good cause; or

(g) Such other factors or conduct as the court expressly finds adverse to the best interests of the child.

(4) In cases involving allegations of limiting factors under subsection (2)(a)(ii) and (iii) of this section, both parties shall be screened to determine the appropriateness of a comprehensive assessment regarding the impact of the limiting factor on the child and the parties.

(5) In entering a permanent parenting plan, the court shall not draw any presumptions from the provisions of the temporary parenting plan.

(6) In determining whether any of the conduct described in this section has occurred, the court shall apply the civil rules of evidence, proof, and procedure.

(7) For the purposes of this section:

(a) "A parent's child" means that parent's natural child, adopted child, or stepchild; and

(b) "Social worker" means a person with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010.

Sec. 3. RCW 26.33.170 and 1999 c 173 s 1 are each amended to read as follows:

(1) An agency's, the department's, or a legal guardian's consent to adoption may be dispensed with if the court determines by clear, cogent and convincing evidence that the proposed adoption is in the best interests of the adoptee.

(2) An alleged father's, birth parent's, or parent's consent to adoption ((~~may~~)) shall be dispensed with if the court finds that the proposed adoption is in the best interests of the adoptee and:

(a) The alleged father, birth parent, or parent has been found guilty of rape under chapter 9A.44 RCW or incest under RCW 9A.64.020, where the adoptee was the victim of the rape or incest; or

(b) The alleged father, birth parent, or parent has been found guilty of rape under chapter 9A.44 RCW or incest under RCW 9A.64.020, or has been found by clear and convincing evidence to have committed a sexual assault, where the other parent of the adoptee was the victim of the rape ((~~or~~)), incest, or sexual assault and the adoptee was conceived as a result of the rape ((~~or~~)), incest, or sexual assault, unless the parent who is the victim indicates by affidavit or sworn testimony that consent to adoption by the person who committed the rape, incest, or sexual assault should occur.

(3) Nothing in this section shall be construed to eliminate the notice provisions of this chapter.

NEW SECTION. **Sec. 4.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the House April 21, 2017.
Passed by the Senate April 20, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 235

[Engrossed Substitute House Bill 1739]

CRIME VICTIMS' COMPENSATION PROGRAM--VARIOUS CHANGES

AN ACT Relating to the crime victims' compensation program; amending RCW 7.68.020, 7.68.030, 7.68.031, 7.68.062, 7.68.070, and 7.68.111; and reenacting and amending RCW 7.68.080.

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

Sec. 1. RCW 7.68.020 and 2011 c 346 s 101 are each amended to read as follows:

The following words and phrases as used in this chapter have the meanings set forth in this section unless the context otherwise requires.

(1) "Accredited school" means a school or course of instruction which is:

(a) Approved by the state superintendent of public instruction, the state board of education, or the state board for community and technical colleges; or

(b) Regulated or licensed as to course content by any agency of the state or under any occupational licensing act of the state, or recognized by the

apprenticeship council under an agreement registered with the apprenticeship council pursuant to chapter 49.04 RCW.

(2) "Average monthly wage" means the average annual wage as determined under RCW 50.04.355 as now or hereafter amended divided by twelve.

(3) "Beneficiary" means a husband, wife, registered domestic partner, or child of a victim in whom shall vest a right to receive payment under this chapter, except that a husband or wife of an injured victim, living separate and apart in a state of abandonment, regardless of the party responsible therefor, for more than one year at the time of the injury or subsequently, shall not be a beneficiary. A spouse who has lived separate and apart from the other spouse for the period of two years and who has not, during that time, received or attempted by process of law to collect funds for maintenance, shall be deemed living in a state of abandonment.

(4) "Child" means every natural born child, posthumous child, stepchild, child legally adopted prior to the injury, child born after the injury where conception occurred prior to the injury, and dependent child in the legal custody and control of the victim, all while under the age of eighteen years, or under the age of twenty-three years while permanently enrolled as a full-time student in an accredited school, and over the age of eighteen years if the child is a dependent as a result of a physical, mental, or sensory handicap.

(5) "Consumer price index" means the consumer price index compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items must be used.

(6) "Criminal act" means an act committed or attempted in this state which is: (a) Punishable as a federal offense that is comparable to a felony or gross misdemeanor in this state; (b) punishable as a felony or gross misdemeanor under the laws of this state; (c) an act committed outside the state of Washington against a resident of the state of Washington which would be compensable had it occurred inside this state and the crime occurred in a state which does not have a crime victims' compensation program, for which the victim is eligible as set forth in the Washington compensation law; or (d) trafficking as defined in RCW 9A.40.100. A "criminal act" does not include the following:

(i) The operation of a motor vehicle, motorcycle, train, boat, or aircraft in violation of law unless:

(A) The injury or death was intentionally inflicted;

(B) The operation thereof was part of the commission of another nonvehicular criminal act as defined in this section;

(C) The death or injury was the result of the operation of a motor vehicle after July 24, 1983, and one of the following applies:

(I) A preponderance of the evidence establishes that the death was the result of vehicular homicide under RCW 46.61.520((~~, or~~));

(II) The victim submits a copy of a certificate of probable cause filed by the prosecutor stating that a vehicular assault under RCW 46.61.522 occurred;

(III) Charges have been filed against the defendant for vehicular assault under RCW 46.61.522;

(IV) A conviction of vehicular assault under RCW 46.61.522((,)) has been obtained((.)); or

(V) In cases where a probable criminal defendant has died in perpetration of vehicular assault or, in cases where the perpetrator of the vehicular assault is unascertainable because he or she left the scene of the accident in violation of RCW 46.52.020 or, because of physical or mental infirmity or disability the perpetrator is incapable of standing trial for vehicular assault, the department may, by a preponderance of the evidence, establish that a vehicular assault had been committed and authorize benefits;

(D) The injury or death was caused by a driver in violation of RCW 46.61.502; or

(E) The injury or death was caused by a driver in violation of RCW 46.61.655(7)(a), failure to secure a load in the first degree;

(ii) Neither an acquittal in a criminal prosecution nor the absence of any such prosecution is admissible in any claim or proceeding under this chapter as evidence of the noncriminal character of the acts giving rise to such claim or proceeding, except as provided for in (d)(i)(C) of this subsection;

(iii) Evidence of a criminal conviction arising from acts which are the basis for a claim or proceeding under this chapter is admissible in such claim or proceeding for the limited purpose of proving the criminal character of the acts; and

(iv) Acts which, but for the insanity or mental irresponsibility of the perpetrator, would constitute criminal conduct are deemed to be criminal conduct within the meaning of this chapter.

((~~(6)~~)) (7) "Department" means the department of labor and industries.

((~~(7)~~)) (8) "Financial support for lost wages" means a partial replacement of lost wages due to a temporary or permanent total disability.

((~~(8)~~)) (9) "Gainfully employed" means engaging on a regular and continuous basis in a lawful activity from which a person derives a livelihood.

((~~(9)~~)) (10) "Injury" means a sudden and tangible happening, of a traumatic nature, producing an immediate or prompt result, and occurring from without, and such physical conditions as result therefrom.

((~~(10)~~)) (11) "Invalid" means one who is physically or mentally incapacitated from earning wages.

((~~(11)~~)) (12) "Permanent total disability" means loss of both legs, or arms, or one leg and one arm, total loss of eyesight, paralysis, or other condition permanently incapacitating the victim from performing any work at any gainful occupation.

((~~(12)~~)) (13) "Private insurance" means any source of recompense provided by contract available as a result of the claimed injury or death at the time of such injury or death, or which becomes available any time thereafter.

((~~(13)~~)) (14) "Public insurance" means any source of recompense provided by statute, state or federal, available as a result of the claimed injury or death at the time of such injury or death, or which becomes available any time thereafter.

((~~(14)~~)) (15) "Temporary total disability" means any condition that temporarily incapacitates a victim from performing any type of gainful employment as certified by the victim's attending physician.

((~~(15)~~)) (16) "Victim" means a person who suffers bodily injury or death as a proximate result of a criminal act of another person, the victim's own good

faith and reasonable effort to prevent a criminal act, or his or her good faith effort to apprehend a person reasonably suspected of engaging in a criminal act. For the purposes of receiving benefits pursuant to this chapter, "victim" is interchangeable with "employee" or "worker" as defined in chapter 51.08 RCW as now or hereafter amended.

Sec. 2. RCW 7.68.030 and 2011 c 346 s 206 are each amended to read as follows:

(1) It shall be the duty of the director to establish and administer a program of benefits to innocent victims of criminal acts within the terms and limitations of this chapter. The director may apply for and, subject to appropriation, expend federal funds under Public Law 98-473 and any other federal program providing financial assistance to state crime victim compensation programs. The federal funds shall be deposited in the state general fund and may be expended only for purposes authorized by applicable federal law.

(2) The director shall:

(a) Establish and adopt rules governing the administration of this chapter in accordance with chapter 34.05 RCW;

(b) Regulate the proof of accident and extent thereof, the proof of death, and the proof of relationship and the extent of dependency;

(c) Supervise the medical, surgical, and hospital treatment to the intent that it may be in all cases efficient and up to the recognized standard of modern surgery;

(d) Issue proper receipts for moneys received and certificates for benefits accrued or accruing;

(e) Designate a medical director who is licensed under chapter 18.57 or 18.71 RCW;

(f) Supervise the providing of prompt and efficient care and treatment, including care provided by physician assistants governed by the provisions of chapters 18.57A and 18.71A RCW, acting under a supervising physician, including chiropractic care, and including care provided by licensed advanced registered nurse practitioners, to victims at the least cost consistent with promptness and efficiency, without discrimination or favoritism, and with as great uniformity as the various and diverse surrounding circumstances and locations of industries will permit and to that end shall, from time to time, establish and adopt and supervise the administration of printed forms, electronic communications, rules, regulations, and practices for the furnishing of such care and treatment. The medical coverage decisions of the department do not constitute a "rule" as used in RCW 34.05.010(16), nor are such decisions subject to the rule-making provisions of chapter 34.05 RCW except that criteria for establishing medical coverage decisions shall be adopted by rule. The department may recommend to a victim particular health care services and providers where specialized treatment is indicated or where cost-effective payment levels or rates are obtained by the department, and the department may enter into contracts for goods and services including, but not limited to, durable medical equipment so long as statewide access to quality service is maintained for injured victims;

(g) In consultation with interested persons, establish and, in his or her discretion, periodically change as may be necessary, and make available a fee schedule of the maximum charges to be made by any physician, surgeon,

chiropractor, hospital, druggist, licensed advanced registered nurse practitioner, and physician assistants as defined in chapters 18.57A and 18.71A RCW, acting under a supervising physician or other agency or person rendering services to victims. The department shall coordinate with other state purchasers of health care services to establish as much consistency and uniformity in billing and coding practices as possible, taking into account the unique requirements and differences between programs. No service covered under this title, including services provided to victims, whether aliens or other victims, who are not residing in the United States at the time of receiving the services, shall be charged or paid at a rate or rates exceeding those specified in such fee schedule, and no contract providing for greater fees shall be valid as to the excess. The establishment of such a schedule, exclusive of conversion factors, does not constitute "agency action" as used in RCW 34.05.010(3), nor does such a fee schedule constitute a "rule" as used in RCW 34.05.010(16). Payments for providers' services under the fee schedule established pursuant to this subsection (2) may not be less than payments provided for comparable services under the workers' compensation program under Title 51 RCW, provided:

(i) If the department, using caseload estimates, projects a deficit in funding for the program by July 15th for the following fiscal year, the director shall notify the governor and the appropriate committees of the legislature and request funding sufficient to continue payments to not less than payments provided for comparable services under the workers' compensation program. If sufficient funding is not provided to continue payments to not less than payments provided for comparable services under the workers' compensation program, the director shall reduce the payments under the fee schedule for the following fiscal year based on caseload estimates and available funding, except payments may not be reduced to less than seventy percent of payments for comparable services under the workers' compensation program;

(ii) If an unforeseeable catastrophic event results in insufficient funding to continue payments to not less than payments provided for comparable services under the workers' compensation program, the director shall reduce the payments under the fee schedule to not less than seventy percent of payments provided for comparable services under the workers' compensation program, provided that the reduction may not be more than necessary to fund benefits under the program; and

(iii) Once sufficient funding is provided or otherwise available, the director shall increase the payments under the fee schedule to not less than payments provided for comparable services under the workers' compensation program;

(h) Make a record of the commencement of every disability and the termination thereof and, when bills are rendered for the care and treatment of injured victims, shall approve and pay those which conform to the adopted rules, regulations, established fee schedules, and practices of the director and may reject any bill or item thereof incurred in violation of the principles laid down in this section or the rules, regulations, or the established fee schedules and rules and regulations adopted under it.

(3) The director and his or her authorized assistants:

(a) Have power to issue subpoenas to enforce the attendance and testimony of witnesses and the production and examination of books, papers, photographs, tapes, and records before the department in connection with any claim made to

the department or any billing submitted to the department. The superior court has the power to enforce any such subpoena by proper proceedings;

(b)(i) May apply for and obtain a superior court order approving and authorizing a subpoena in advance of its issuance. The application may be made in the county where the subpoenaed person resides or is found, or the county where the subpoenaed records or documents are located, or in Thurston county. The application must (A) state that an order is sought pursuant to this subsection; (B) adequately specify the records, documents, or testimony; and (C) declare under oath that an investigation is being conducted for a lawfully authorized purpose related to an investigation within the department's authority and that the subpoenaed documents or testimony are reasonably related to an investigation within the department's authority.

(ii) Where the application under this subsection (3)(b) is made to the satisfaction of the court, the court must issue an order approving the subpoena. An order under this subsection constitutes authority of law for the agency to subpoena the records or testimony.

(iii) The director and his or her authorized assistants may seek approval and a court may issue an order under this subsection without prior notice to any person, including the person to whom the subpoena is directed and the person who is the subject of an investigation.

(4) In all hearings, actions, or proceedings before the department, any physician or licensed advanced registered nurse practitioner having theretofore examined or treated the claimant may be required to testify fully regarding such examination or treatment, and shall not be exempt from so testifying by reason of the relation of the physician or licensed advanced registered nurse practitioner to the patient.

Sec. 3. RCW 7.68.031 and 2013 c 125 s 1 are each amended to read as follows:

On all claims under this chapter, claimants' written or electronic notices, orders, or payments must be forwarded directly to the claimant until such time as there has been entered an order on the claim appealable to the ((~~department~~)) board of industrial insurance appeals. Claimants' written or electronic notices, orders, or payments may be forwarded to the claimant in care of a representative before an order has been entered if the claimant sets forth in writing the name and address of the representative to whom the claimant desires this information to be forwarded.

Sec. 4. RCW 7.68.062 and 2011 c 346 s 302 are each amended to read as follows:

(1)(a) Where a victim is eligible for compensation under this chapter he or she shall file with the department his or her application for such, together with the certificate of the ((~~physician or licensed advanced registered nurse practitioner~~)) treating provider who attended him or her. An application for compensation form developed by the department shall include a notice specifying the victim's right to receive health services from a ((~~physician or licensed advanced registered nurse practitioner~~)) treating provider utilizing his or her private or public insurance or if no insurance, of the victim's choice under RCW 7.68.095.

(b) The ((~~physician or licensed advanced registered nurse practitioner~~)) treating provider who attended the injured victim shall inform the injured victim of his or her rights under this chapter and lend all necessary assistance in making this application for compensation and such proof of other matters as required by the rules of the department without charge to the victim.

(2) If the application required by this section is filed on behalf of the victim by the ((~~physician~~)) treating provider who attended the victim, the ((~~physician~~)) treating provider may transmit the application to the department electronically.

Sec. 5. RCW 7.68.070 and 2011 c 346 s 401 are each amended to read as follows:

The eligibility for benefits under this chapter and the amount thereof will be governed insofar as is applicable by the provisions contained in this chapter.

(1) Each victim injured as a result of a criminal act, including criminal acts committed between July 1, 1981, and January 1, 1983, or the victim's family or beneficiary in case of death of the victim, are eligible for benefits in accordance with this chapter, subject to the limitations under RCW 7.68.015. Except for medical benefits authorized under RCW 7.68.080, no more than ((~~fifty~~)) forty thousand dollars shall be ((~~paid in total per claim, of which nonmedical benefits shall not exceed forty thousand dollars of the entire claim. Benefits may include a combination of burial expenses, financial support for lost wages, and medical expenses~~)) granted as a result of a single injury or death.

(a) Benefits payable for temporary total disability that results in financial support for lost wages shall not exceed fifteen thousand dollars.

(b) Benefits payable for a permanent total disability or fatality that results in financial support for lost wages shall not exceed forty thousand dollars. After at least twelve monthly payments have been paid, the department shall have the sole discretion to make a final lump sum payment of the balance remaining.

((~~(c) Benefits for disposition of remains or burial expenses shall not exceed five thousand seven hundred fifty dollars per claim.~~))

(2) If the victim was not gainfully employed at the time of the criminal act, no financial support for lost wages will be paid to the victim or any beneficiaries, unless the victim was gainfully employed for a total of at least twelve weeks in the six months preceding the date of the criminal act.

(3) No victim or beneficiary shall receive compensation for or during the day on which the injury was received.

(4) If a victim's employer continues to pay the victim's wages that he or she was earning at the time of the crime, the victim shall not receive any financial support for lost wages.

(5) When the director determines that a temporary total disability results in a loss of wages, the victim shall receive monthly subject to subsection (1) of this section, during the period of disability, sixty percent of the victim's monthly wage but no more than one hundred percent of the state's average monthly wage as defined in RCW 7.68.020. The minimum monthly payment shall be no less than five hundred dollars. Monthly wages shall be based upon employer wage statements, employment security records, or documents reported to and certified by the internal revenue service. Monthly wages must be determined using the actual documented monthly wage or averaging the total wages earned for up to twelve successive calendar months preceding the injury. In cases where the

victim's wages and hours are fixed, they shall be determined by multiplying the daily wage the victim was receiving at the time of the injury:

(a) By five, if the victim was normally employed one day a week;

(b) By nine, if the victim was normally employed two days a week;

(c) By thirteen, if the victim was normally employed three days a week;

(d) By eighteen, if the victim was normally employed four days a week;

(e) By twenty-two, if the victim was normally employed five days a week;

(f) By twenty-six, if the victim was normally employed six days a week; or

(g) By thirty, if the victim was normally employed seven days a week.

(6) When the director determines that a permanent total disability or death results in a loss of wages, the victim or eligible spouse shall receive the monthly payments established in this subsection, not to exceed forty thousand dollars or the limits established in this chapter.

(7) If the director determines that the victim is voluntarily retired and is no longer attached to the workforce, benefits shall not be paid under this section.

(8) In the case of death, if there is no eligible spouse, benefits shall be paid to the child or children of the deceased victim. If there is no spouse or children, no payments shall be made under this section. If the spouse remarries before this benefit is paid in full benefits shall be paid to the victim's child or children and the spouse shall not receive further payment. If there is no child or children no further payments will be made.

(9) The benefits for disposition of remains or burial expenses shall not exceed ((~~five~~)) six thousand ((~~seven~~)) one hundred ((~~fifty~~)) seventy dollars per claim ((~~and~~)). Beginning July 1, 2020, the department shall adjust the amount in this subsection (9) for inflation every three years based upon changes in the consumer price index during that time period. To receive reimbursement for expenses related to the disposition of remains or burial, the department must receive an itemized statement from a provider of services within ((~~twelve~~)) twenty-four months of the date ((~~upon which the death of the victim is officially recognized as a homicide~~)) of the claim allowance. If there is a delay in the recovery of remains or the release of remains for disposition or burial, an itemized statement from a provider of services must be received within ((~~twelve~~)) twenty-four months of the date of the release of the remains or of the date of the claim allowance, whichever is later.

(10) Any person who is responsible for the victim's injuries, or who would otherwise be unjustly enriched as a result of the victim's injuries, shall not be a beneficiary under this chapter.

(11) Crime victims' compensation is not available to pay for services covered under chapter 74.09 RCW or Title XIX of the federal social security act.

(12) A victim whose crime occurred in another state who qualifies for benefits under RCW 7.68.060(6) may receive appropriate mental health counseling to address distress arising from participation in the civil commitment proceedings. Fees for counseling shall be determined by the department in accordance with RCW 51.04.030, subject to the limitations of RCW 7.68.080.

(13) If the provisions of this title relative to compensation for injuries to or death of victims become invalid because of any adjudication, or are repealed, the period intervening between the occurrence of an injury or death, not previously compensated for under this title by lump payment or completed monthly payments, and such repeal or the rendition of the final adjudication of invalidity

shall not be computed as a part of the time limited by law for the commencement of any action relating to such injury or death.

(14) The benefits established in RCW 51.32.080 for permanent partial disability will not be provided to any crime victim or for any claim submitted on or after July 1, 2011.

Sec. 6. RCW 7.68.080 and 2011 1st sp.s. c 15 s 69 and 2011 c 346 s 501 are each reenacted and amended to read as follows:

(1) When the injury to any victim is so serious as to require the victim's being taken from the place of injury to a place of treatment, reasonable transportation costs to the nearest place of proper treatment shall be reimbursed by the department as part of the victim's total claim under RCW 7.68.070(1).

(2) In the case of alleged rape or molestation of a child, the reasonable costs of a colposcopy examination shall be reimbursed by the department. Costs for a colposcopy examination given under this subsection shall not be included as part of the victim's total claim under RCW 7.68.070(1).

(3) The director shall adopt rules for fees and charges for hospital, clinic, medical, and other health care services, including fees and costs for durable medical equipment, eyeglasses, hearing aids, and other medically necessary devices for crime victims under this chapter. The director shall set these service levels and fees at a level no lower than those established ((~~by the health care authority~~)) for comparable services under the workers' compensation program under Title ((~~74~~)) 51 RCW, except the director shall comply with the requirements of RCW 7.68.030(2)(g) (i) through (iii) when setting service levels and fees, including reducing levels and fees when required. In establishing fees for medical and other health care services, the director shall consider the director's duty to purchase health care in a prudent, cost-effective manner. The director shall establish rules adopted in accordance with chapter 34.05 RCW. Nothing in this chapter may be construed to require the payment of interest on any billing, fee, or charge.

(4) Whenever the director deems it necessary in order to resolve any medical issue, a victim shall submit to examination by a physician or physicians selected by the director, with the rendition of a report to the person ordering the examination. The department shall provide the physician performing an examination with all relevant medical records from the victim's claim file. The director, in his or her discretion, may charge the cost of such examination or examinations to the crime victims' compensation fund. If the examination is paid for by the victim, then the cost of said examination shall be reimbursed to the victim for reasonable costs connected with the examination as part of the victim's total claim under RCW 7.68.070(1).

(5) Victims of sexual assault are eligible to receive appropriate counseling. Fees for such counseling shall be determined by the department. Counseling services may include, if determined appropriate by the department, counseling of members of the victim's immediate family, other than the perpetrator of the assault.

(6) Immediate family members of a homicide victim may receive appropriate counseling to assist in dealing with the immediate, near-term consequences of the related effects of the homicide. Up to twelve counseling sessions may be received ((~~for one year~~)) after the crime victim's claim has been allowed. Fees for counseling shall be determined by the department in

accordance with and subject to this section. Payment of counseling benefits under this section may not be provided to the perpetrator of the homicide. The benefits under this subsection may be provided only with respect to homicides committed on or after July 1, 1992.

(7) Pursuant to RCW 7.68.070(12), a victim of a sex offense that occurred outside of Washington may be eligible to receive mental health counseling related to participation in proceedings to civilly commit a perpetrator.

(8) The crime victims' compensation program shall consider payment of benefits solely for the effects of the criminal act.

(9) The legislature finds and declares it to be in the public interest of the state of Washington that a proper regulatory and inspection program be instituted in connection with the provision of any services provided to crime victims pursuant to this chapter. In order to effectively accomplish such purpose and to assure that the victim receives such services as are paid for by the state of Washington, the acceptance by the victim of such services, and the request by a provider of services for reimbursement for providing such services, shall authorize the director of the department or the director's authorized representative to inspect and audit all records in connection with the provision of such services. In the conduct of such audits or investigations, the director or the director's authorized representatives may:

(a) Examine all records, or portions thereof, including patient records, for which services were rendered by a health care provider and reimbursed by the department, notwithstanding the provisions of any other statute which may make or purport to make such records privileged or confidential, except that no original patient records shall be removed from the premises of the health care provider, and that the disclosure of any records or information obtained under authority of this section by the department is prohibited and constitutes a violation of RCW 42.52.050, unless such disclosure is directly connected to the official duties of the department. The disclosure of patient information as required under this section shall not subject any physician, licensed advanced registered nurse practitioner, or other health care provider to any liability for breach of any confidential relationships between the provider and the patient. The director or the director's authorized representative shall destroy all copies of patient medical records in their possession upon completion of the audit, investigation, or proceedings;

(b) Approve or deny applications to participate as a provider of services furnished to crime victims pursuant to this title;

(c) Terminate or suspend eligibility to participate as a provider of services furnished to victims pursuant to this title; and

(d) Pursue collection of unpaid overpayments and/or penalties plus interest accrued from health care providers pursuant to RCW 51.32.240(6).

(10) When contracting for health care services and equipment, the department, upon request of a contractor, shall keep confidential financial and valuable trade information, which shall be exempt from public inspection and copying under chapter 42.56 RCW.

Sec. 7. RCW 7.68.111 and 2011 c 346 s 601 are each amended to read as follows:

(1)(a) If the victim or beneficiary in a claim prevails in an appeal by any party to the ((~~department~~)) board of industrial insurance appeals or the court, the

department shall comply with the ((~~department~~)) board of industrial insurance appeals or court's order with respect to the payment of compensation within the later of the following time periods:

(i) Sixty days after the compensation order has become final and is not subject to review or appeal; or

(ii) If the order has become final and is not subject to review or appeal and the department has, within the period specified in (a)(i) of this subsection, requested the filing by the victim or beneficiary of documents necessary to make payment of compensation, sixty days after all requested documents are filed with the department.

The department may extend the sixty-day time period for an additional thirty days for good cause.

(b) If the department fails to comply with (a) of this subsection, any person eligible for compensation under the order may institute proceedings for injunctive or other appropriate relief for enforcement of the order. These proceedings may be instituted in the superior court for the county in which the claimant resides, or, if the claimant is not then a resident of this state, in the superior court for Thurston county.

(2) In a proceeding under this section, the court shall enforce obedience to the order by proper means, enjoining compliance upon the person obligated to comply with the compensation order. The court may issue such writs and processes as are necessary to carry out its orders and may award a penalty of up to one thousand dollars to the person eligible for compensation under the order.

(3) A proceeding under this section does not preclude other methods of enforcement provided for in this chapter.

Passed by the House March 6, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 5, 2017.
Filed in Office of Secretary of State May 5, 2017.

CHAPTER 236

[Substitute House Bill 1445]

DUAL LANGUAGE PROGRAMS--K-12 AND EARLY LEARNING

AN ACT Relating to dual language in early learning and K-12 education; adding a new section to chapter 28A.630 RCW; adding a new section to chapter 28A.300 RCW; adding a new section to chapter 28A.180 RCW; adding a new section to chapter 43.215 RCW; creating new sections; and providing expiration dates.

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

NEW SECTION. **Sec. 1.** (1) The legislature finds that it should review and revise the K-12 educational program taking into consideration the needs of students as they evolve. In Washington state, immigrant students whose first language is not English represent a significant part of evolving and more diverse school demographics. The legislature finds that Washington's educator workforce in school districts has not evolved in a manner consistent with changing student demographics. Thus, more and more schools are without the capacity to meet the needs of English learners and without the capacity to communicate effectively with parents whose first language is not English.

(2) The legislature finds that:

(a) Between 1986 and 2016, the number of students served in the state's transitional bilingual instruction program increased from fifteen thousand twenty-four to one hundred eighteen thousand five hundred twenty-six, an increase of six hundred eighty-nine percent, and that two-thirds of the students were native Spanish speakers; the next ten most common languages were Russian, Vietnamese, Somali, Chinese, Arabic, Ukrainian, Tagalog, Korean, Marshallese, and Punjabi;

(b) In the 2015-16 school year, forty-six percent of instructors in the state's transitional bilingual instruction program were instructional aides, or paraeducators, not certificated teachers; and

(c) Eleven percent of students in the transitional bilingual instruction program received instruction in their native language in the 2015-16 school year, and research shows that non-English speaking students develop academic proficiency in English more quickly when they are provided instruction in their native language initially.

(3) The legislature showed its commitment to equity in education by passing legislation creating a seal of biliteracy, requiring world language for high school graduation, easing the transitions of English learners, encouraging training for staff in cultural competence, monitoring the racial and ethnic data of teachers, and funding the creation of K-12 dual language programs.

(4) However, the legislature finds it is necessary to better serve non-English speaking students by addressing and closing the significant language and instructional gaps that hinder English learners from meeting the state's rigorous educational standards.

(5) Thus, the legislature intends to establish a comprehensive approach to support English learners by creating grant programs to: (a) Expand dual language programs for elementary and secondary students; and (b) recruit bilingual individuals to become educators who are able to provide instruction in, and support for, dual language programs.

NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.630 RCW to read as follows:

(1)(a) The K-12 dual language grant program is created to grow capacity for high quality dual language learning in the common schools and in state-tribal compact schools.

(b) A dual language program is an instructional model that provides content-based instruction to students in two languages: English and a target language other than English spoken in the local community, for example Spanish, Somali, Vietnamese, Russian, Arabic, native languages, or indigenous languages. The goal of the program is for students to eventually become proficient and literate in both languages, while also meeting high academic standards in all subject areas. Typically, programs begin at kindergarten or first grade and continue through at least elementary school. Two-way dual language programs begin with a balanced number of native and nonnative speakers of the target language so that both groups of students serve in the role of language modeler and language learner at different times. One-way dual language programs serve only nonnative English speakers.

(2)(a) The office of the superintendent of public instruction shall develop and administer the grant program.

(b) Subject to the availability of amounts appropriated for this specific purpose, by October 1, 2017, the office of the superintendent of public instruction must award grants of up to two hundred thousand dollars each through a competitive process to school districts or state-tribal compact schools proposing to: (i) Establish a two-way dual language program or a one-way dual language program in a school with predominantly English learners; or (ii) expand a recently established two-way dual language program or a one-way dual language program in a school with predominantly English learners. When awarding a grant to a school district or a state-tribal compact school proposing to establish a dual language program in a target language other than Spanish, the office must provide a bonus of up to twenty thousand dollars.

(c) The office of the superintendent of public instruction must identify criteria for awarding the grants, evaluate applicants, and award grant money. The office must select grantees that represent sufficient geographic, demographic, and enrollment diversity to produce meaningful data for the report required in section 6 of this act. The application must require, among other things, that the applicant describe: (i) How the program will serve the applicant's English learner population; (ii) the number of classrooms that the applicant expects to add with the grant money; (iii) the planned use of the grant money; (iv) the applicant's plan for student enrollment and outreach to families who speak the target language; (v) the applicant's plan to recruit and support bilingual paraeducators, classified staff, parents, and high school students to become bilingual teachers in the district or state-tribal compact school; (vi) the applicant's commitment to, and plan for, sustaining a dual language program beyond the grant period; and (vii) whether the school district board of directors or the governing body of a state-tribal compact school has expressed support for dual language programs.

(d) The grant money must be used for dual language program start-up and expansion costs, such as staff and teacher training, teacher recruitment, development and implementation of a dual language learning model and curriculum, and other costs identified in the application as key for start-up. The grant money may not be used for ongoing program costs.

(3) The grant period is two years. At the end of the grant period, the grantees must work with the office of the superintendent of public instruction to draft the report required in section 6 of this act.

(4) The office of the superintendent of public instruction must notify school districts and state-tribal compact schools of the grant program established under this section and provide ample time for the application process.

(5) The superintendent of public instruction may adopt rules to implement this section.

(6) This section expires July 1, 2020.

NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.300 RCW to read as follows:

(1) Within existing resources, the office of the superintendent of public instruction shall facilitate dual language learning cohorts for school districts and state-tribal compact schools establishing or expanding dual language programs. The office must provide technical assistance and support to school districts and state-tribal compact schools implementing dual language programs, including

those establishing or expanding dual language programs under section 1 of this act.

(2) The superintendent of public instruction may adopt rules to implement this section.

NEW SECTION. **Sec. 4.** A new section is added to chapter 28A.180 RCW to read as follows:

In 2017, funds must be appropriated for the purposes in this section.

(1) The professional educator standards board, beginning in the 2017-2019 biennium, shall administer the bilingual educator initiative, which is a long-term program to recruit, prepare, and mentor bilingual high school students to become future bilingual teachers and counselors.

(2) Subject to the availability of amounts appropriated for this specific purpose, pilot projects must be implemented in one or two school districts east of the crest of the Cascade mountains and one or two school districts west of the crest of the Cascade mountains, where immigrant students are shown to be rapidly increasing. Districts selected by the professional educator standards board must partner with at least one two-year and one four-year college in planning and implementing the program. The professional educator standards board shall provide oversight.

(3) Participating school districts must implement programs, including: (a) An outreach plan that exposes the program to middle school students and recruits them to enroll in the program when they begin their ninth grade of high school; (b) activities in ninth and tenth grades that help build student agency, such as self-confidence and awareness, while helping students to develop academic mind-sets needed for high school and college success; the value and benefits of teaching and counseling as careers; and introduction to leadership, civic engagement, and community service; (c) credit-bearing curricula in grades eleven and twelve that include mentoring, shadowing, best practices in teaching in a multicultural world, efficacy and practice of dual language instruction, social and emotional learning, enhanced leadership, civic engagement, and community service activities.

(4) There must be a pipeline to college using two-year and four-year college faculty and consisting of continuation services for program participants, such as advising, tutoring, mentoring, financial assistance, and leadership.

(5) High school and college teachers and counselors must be recruited and compensated to serve as mentors and trainers for participating students.

(6) After obtaining a high school diploma, students qualify to receive conditional loans to cover the full cost of college tuition, fees, and books. To qualify for funds, students must meet program requirements as developed by their local implementation team, which consists of staff from their school district and the partnering two-year and four-year college faculty.

(7) In order to avoid loan repayment, students must (a) earn their baccalaureate degree and certification needed to serve as a teacher or professional guidance counselor; and (b) teach or serve as a counselor in their educational service district region for at least five years. Students who do not meet the repayment terms in this subsection are subject to repaying all or part of the financial aid they receive for college unless students are recipients of funding provided through programs such as the state need grant program or the college bound scholarship program.

(8) Grantees must work with the professional educator standards board to draft the report required in section 6 of this act.

(9) The professional educator standards board may adopt rules to implement this section.

NEW SECTION. **Sec. 5.** A new section is added to chapter 43.215 RCW to read as follows:

(1) The department of early learning must work with community partners to support outreach and education for parents and families around the benefits of native language development and retention, as well as the benefits of dual language learning. Native language means the language normally used by an individual or, in the case of a child or youth, the language normally used by the parents or family of the child or youth. Dual language learning means learning in two languages, generally English and a target language other than English spoken in the local community, for example Spanish, Somali, Vietnamese, Russian, Arabic, native languages, or indigenous languages where the goal is bilingualism.

(2) Within existing resources, the department must create training and professional development resources on dual language learning, such as supporting English learners, working in culturally and linguistically diverse communities, strategies for family engagement, and cultural responsiveness. The department must design the training modules to be culturally responsive.

(3) Within existing resources, the department must support dual language learning communities for teachers and coaches.

(4) The department may adopt rules to implement this section.

NEW SECTION. **Sec. 6.** (1) By December 1, 2019, subject to the availability of amounts appropriated for this specific purpose and in compliance with RCW 43.01.036, the office of the superintendent of public instruction and the professional educator standards board must submit a combined report to the appropriate committees of the legislature that:

(a) Details the successes, best practices, lessons learned, and outcomes of the grant programs described in this act; and

(b) Describes how the K-12 education system has met the goals of each grant program and expanded their capacities to support dual language models of instruction because of this act, that is, how many more children were educated in dual language classrooms as a result of the grants in this act.

(2) This section expires July 1, 2020.

NEW SECTION. **Sec. 7.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the House April 18, 2017.

Passed by the Senate April 12, 2017.

Approved by the Governor May 8, 2017.

Filed in Office of Secretary of State May 8, 2017.

CHAPTER 237

[Engrossed Substitute House Bill 1115]

PARAEDUCATORS

AN ACT Relating to paraeducators; amending RCW 28A.150.203, 28A.410.062, 28A.630.400, 28A.660.040, 28A.660.042, and 28B.50.891; adding a new section to chapter 28A.300 RCW; adding a new section to chapter 28A.410 RCW; adding a new chapter to Title 28A RCW; repealing RCW 28A.415.310; and providing expiration dates.

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

NEW SECTION. **Sec. 1.** INTENT. Paraeducators provide the majority of instruction in programs designed by the legislature to reduce the opportunity gap. By setting common statewide standards, requiring training in the standards, and offering career development for paraeducators, as well as training for teachers and principals who work with paraeducators, students in these programs have a better chance of succeeding.

NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Advanced paraeducator certificate" means a credential earned by a paraeducator who may have the following duties: Assisting in highly impacted classrooms, assisting in specialized instructional support and instructional technology applications, mentoring and coaching other paraeducators, and acting as a short-term emergency substitute teacher.

(2) "Board" means the paraeducator board established in section 3 of this act.

(3) "English language learner programs" means the English language learners program, the transitional bilingual instruction program, and the federal limited English proficiency program.

(4) "English language learner certificate" means a credential earned by a paraeducator working with students in English language learner programs.

(5) "Paraeducator" means a classified public school or school district employee who works under the supervision of a certificated or licensed staff member to support and assist in providing instructional and other services to students and their families. Paraeducators are not considered certificated instructional staff as that term and its meaning are used in this title.

(6) "Special education certificate" means a credential earned by a paraeducator working with students in special education programs.

NEW SECTION. **Sec. 3.** PARAEDUCATOR BOARD CREATED. (1)(a) The paraeducator board is created, consisting of nine members to be appointed to four-year terms.

(b) Vacancies on the board must be filled by appointment or reappointment as described in subsection (2) of this section to terms of four years.

(c) No person may serve as a member of the board for more than two consecutive full four-year terms.

(d) The governor must biennially appoint the chair of the board. No board member may serve as chair for more than four consecutive years.

(2) Appointments to the board must be made as follows, subject to confirmation by the senate:

(a) The superintendent of public instruction shall appoint a basic education paraeducator, a special education paraeducator, an English language learner

paraeducator, a teacher, a principal, and a representative of the office of the superintendent of public instruction;

(b) The Washington state parent teacher association shall appoint a parent whose child receives instructional support from a paraeducator;

(c) The state board for community and technical colleges shall appoint a representative of the community and technical college system; and

(d) The student achievement council shall appoint a representative of a four-year institution of higher education as defined in RCW 28B.10.016.

(3) The professional educator standards board shall administer the board.

(4) Each member of the board must be compensated in accordance with RCW 43.03.240 and must be reimbursed for travel expenses incurred in carrying out the duties of the board in accordance with RCW 43.03.050 and 43.03.060.

(5) Members of the board may create informal advisory groups as needed to inform the board's work.

(6) The governor may remove a member of the board for neglect of duty, misconduct, malfeasance or misfeasance in office, or for incompetency or unprofessional conduct as defined in chapter 18.130 RCW. In such a case, the governor shall file with the secretary of state a statement of the causes for and the order of removal from the board, and the secretary of state shall send a certified copy of the statement of causes and order of removal to the last known post office address of the member.

NEW SECTION. **Sec. 4.** POWERS AND DUTIES OF PARAEDUCATOR BOARD. (1) The paraeducator board has the following powers and duties:

(a) Based on the recommendations of the paraeducator work group established in chapter 136, Laws of 2014, adopt: (i) Minimum employment requirements for paraeducators, as described in section 5 of this act; and (ii) paraeducator standards of practice, as described in section 6 of this act;

(b) Establish requirements and policies for a general paraeducator certificate, as described in section 8 of this act;

(c) Based on the recommendations of the paraeducator work group established in chapter 136, Laws of 2014, establish requirements and policies for subject matter certificates in English language learner and special education, as described in section 9 of this act;

(d) Based on the recommendations of the paraeducator work group established in chapter 136, Laws of 2014, establish requirements and policies for an advanced paraeducator certificate, as described in section 10 of this act;

(e) By September 1, 2018, approve, and develop if necessary, courses required to meet the provisions of this chapter, where the courses are offered in a variety of means that will limit cost and improve access;

(f) Make policy recommendations, as necessary, for a paraeducator career ladder that will increase opportunities for paraeducator advancement through advanced education, professional learning, and increased instructional responsibility;

(g) Collaborate with the office of the superintendent of public instruction to adapt the electronic educator certification process to include paraeducator certificates; and

(h) Adopt rules under chapter 34.05 RCW that are necessary for the effective and efficient implementation of this chapter.

(2) The superintendent of public instruction shall act as the administrator of any such rules and have the power to issue any paraeducator certificates and revoke the same in accordance with board rules.

NEW SECTION. **Sec. 5.** PARAEDUCATOR MINIMUM EMPLOYMENT REQUIREMENTS. Effective September 1, 2018, the minimum employment requirements for paraeducators are as provided in this section. The paraeducator must:

(1) Be at least eighteen years of age and hold a high school diploma or its equivalent; and

(2)(a) Have received a passing grade on the education testing service paraeducator assessment; or

(b) Hold an associate of arts degree; or

(c) Have earned seventy-two quarter credits or forty-eight semester credits at an institution of higher education; or

(d) Have completed a registered apprenticeship program.

NEW SECTION. **Sec. 6.** PARAEDUCATOR STANDARDS OF PRACTICE. The board shall adopt state standards of practice for paraeducators that are based on the recommendations of the paraeducator work group established in chapter 136, Laws of 2014. These standards must include:

(1) Supporting instructional opportunities;

(2) Demonstrating professionalism and ethical practices;

(3) Supporting a positive and safe learning environment;

(4) Communicating effectively and participating in the team process; and

(5) Demonstrating cultural competency aligned with standards developed by the professional educator standards board under RCW 28A.410.270.

NEW SECTION. **Sec. 7.** FUNDAMENTAL COURSE OF STUDY. (1) Subject to the availability of amounts appropriated for this specific purpose, beginning September 1, 2019, school districts must provide a four-day fundamental course of study on the state standards of practice, as defined by the board, to paraeducators who have not completed the course, either in the district or in another district within the state. School districts must use best efforts to provide the fundamental course of study before the paraeducator begins to work with students and their families, and at a minimum by the deadlines provided in subsection (2) of this section.

(2) School districts must provide the fundamental course of study required in subsection (1) of this section as follows:

(a) For paraeducators hired on or before September 1st, by September 30th of that year, regardless of the size of the district; and

(b) For paraeducators hired after September 1st:

(i) For districts with ten thousand or more students, within four months of the date of hire; and

(ii) For districts with fewer than ten thousand students, no later than September 1st of the following year.

(3) School districts may collaborate with other school districts or educational service districts to meet the requirements of this section.

NEW SECTION. **Sec. 8.** GENERAL PARAEDUCATOR CERTIFICATE. (1)(a) Paraeducators may become eligible for a general paraeducator certificate by completing the four-day fundamental course of study, as required under

section 7 of this act, and an additional ten days of general courses, as defined by the board, on the state paraeducator standards of practice, described in section 6 of this act.

(b) Paraeducators are not required to meet the general paraeducator certificate requirements under this subsection (1) unless amounts are appropriated for the specific purposes of subsection (2) of this section and section 7 of this act.

(2) Subject to the availability of amounts appropriated for this specific purpose, beginning September 1, 2019, school districts must:

(a) Provide paraeducators with general courses on the state paraeducator standards of practice; and

(b) Ensure all paraeducators employed by the district meet the general certification requirements of this section within three years of completing the four-day fundamental course of study.

(3) The general paraeducator certificate does not expire.

NEW SECTION. **Sec. 9.** PARAEDUCATOR SUBJECT MATTER CERTIFICATES. (1) The board shall adopt requirements and policies for paraeducator subject matter certificates in special education and in English language learner that are based on the recommendations of the paraeducator work group established in chapter 136, Laws of 2014.

(2) The rules adopted by the board must include the following requirements:

(a) A subject matter certificate is not a prerequisite for a paraeducator working in any program;

(b) Paraeducators may become eligible for a subject matter certificate by completing twenty hours of professional development in the subject area of the certificate; and

(c) Subject matter certificates expire after five years.

NEW SECTION. **Sec. 10.** ADVANCED PARAEDUCATOR CERTIFICATE. (1) The board shall adopt requirements and policies for an advanced paraeducator certificate that are based on the recommendations of the paraeducator work group established in chapter 136, Laws of 2014.

(2) The rules adopted by the board must include the following requirements:

(a) An advanced paraeducator certificate is not a prerequisite for a paraeducator working in any program;

(b) Paraeducators may become eligible for an advanced paraeducator certificate by completing seventy-five hours of professional development in topics related to the duties of an advanced paraeducator; and

(c) Advanced paraeducator certificates expire after five years.

NEW SECTION. **Sec. 11.** PILOTS. (1) By September 1, 2018, and subject to the availability of amounts appropriated for this specific purpose, the board shall distribute grants to a diverse set of school districts that volunteer to pilot the state paraeducator standards of practice, the paraeducator certificates, and the courses described in this chapter.

(2) By September 1, 2019, the volunteer districts must report to the board with the outcomes of the pilot and any recommendations for implementing the paraeducator standards of practice, paraeducator certificates, and courses statewide. The outcomes reported must include:

(a) An analysis of the costs to the district to implement the state standards of practice by making available the required four-day fundamental course of study;

(b) The number of paraeducators who completed the course of study in the state standards of practice;

(c) The number of paraeducators who earned an advanced paraeducator certificate, or a special education or English language learner certificate;

(d) Any cost to the district and the paraeducator to earn a certificate; and

(e) The impact on the size and assignment of the paraeducator workforce as a result of the pilot.

(3) By November 1, 2019, and in compliance with RCW 43.01.036, the board shall submit a report to the appropriate committees of the legislature that summarizes the outcomes of the pilots and recommends any statutory changes necessary to improve the statewide standards of practice, paraeducator certificate requirements, and courses of study necessary to meet these standards and requirements, among other things.

(4) This section expires July 1, 2020.

NEW SECTION. **Sec. 12.** STUDY ON EFFECTIVENESS OF PARAEDUCATORS. (1) Subject to the availability of amounts appropriated for this specific purpose, the Washington state institute for public policy shall conduct a study on the effectiveness of paraeducators in improving student outcomes in Washington state. The study must examine variation in the use of paraeducators across public schools and school districts and analyze whether and the extent that any differences in students' academic progress can be attributed to the use of paraeducators. The office of the superintendent of public instruction and the education data center shall provide the data necessary to conduct the analysis. The study must also include a review of the national research literature on the effectiveness of paraeducators in improving student outcomes.

(2) By December 15, 2017, and in compliance with RCW 43.01.036, the institute must submit a final report to the appropriate committees of the legislature.

(3) This section expires July 1, 2020.

NEW SECTION. **Sec. 13.** A new section is added to chapter 28A.300 RCW to read as follows:

TEACHER AND ADMINISTRATOR PROFESSIONAL LEARNING.

(1) The superintendent of public instruction, in consultation with the paraeducator board created in section 3 of this act and the professional educator standards board, shall design a training program for teachers and administrators as it relates to their role working with paraeducators. Teacher training must include how to direct a paraeducator working with students in the paraeducators' classroom. Administrator training must include how to supervise and evaluate paraeducators.

(2) Subject to the availability of amounts appropriated for this specific purpose, the training program designed under subsection (1) of this section must be made available to public schools, school districts, and educational service districts.

NEW SECTION. **Sec. 14.** A new section is added to chapter 28A.410 RCW to read as follows:

TEACHER AND ADMINISTRATOR PREPARATION.

The professional educator standards board, in consultation with the paraeducator board created in section 3 of this act and the office of the superintendent of public instruction, shall incorporate into the content required to complete a professional educator standards board-approved teacher or administrator preparation program the following:

(1) For teachers, information on how to direct a paraeducator working with students in the paraeducators' classroom; and

(2) For administrators, information on how to supervise and evaluate paraeducators.

Sec. 15. RCW 28A.150.203 and 2009 c 548 s 102 are each amended to read as follows:

CLASSIFIED EMPLOYEE MEANS PARAEDUCATOR.

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

(1) "Basic education goal" means the student learning goals and the student knowledge and skills described under RCW 28A.150.210.

(2) "Certificated administrative staff" means all those persons who are chief executive officers, chief administrative officers, confidential employees, supervisors, principals, or assistant principals within the meaning of RCW 41.59.020(4).

(3) "Certificated employee" as used in this chapter and RCW 28A.195.010, 28A.405.100, 28A.405.210, 28A.405.240, 28A.405.250, 28A.405.300 through 28A.405.380, and chapter 41.59 RCW, means those persons who hold certificates as authorized by rule of the Washington professional educator standards board.

(4) "Certificated instructional staff" means those persons employed by a school district who are nonsupervisory certificated employees within the meaning of RCW 41.59.020(8), except for paraeducators.

(5) "Class size" means an instructional grouping of students where, on average, the ratio of students to teacher is the number specified.

(6) "Classified employee" means a person who is employed as a paraeducator and a person who does not hold a professional education certificate or is employed in a position that does not require such a certificate.

(7) "Classroom teacher" means a person who holds a professional education certificate and is employed in a position for which such certificate is required whose primary duty is the daily educational instruction of students. In exceptional cases, people of unusual competence but without certification may teach students so long as a certificated person exercises general supervision, but the hiring of such classified employees shall not occur during a labor dispute, and such classified employees shall not be hired to replace certificated employees during a labor dispute.

(8) "Instructional program of basic education" means the minimum program required to be provided by school districts and includes instructional hour requirements and other components under RCW 28A.150.220.

(9) "Program of basic education" means the overall program under RCW 28A.150.200 and deemed by the legislature to comply with the requirements of Article IX, section 1 of the state Constitution.

(10) "School day" means each day of the school year on which pupils enrolled in the common schools of a school district are engaged in academic and career and technical instruction planned by and under the direction of the school.

(11) "School year" includes the minimum number of school days required under RCW 28A.150.220 and begins on the first day of September and ends with the last day of August, except that any school district may elect to commence the annual school term in the month of August of any calendar year and in such case the operation of a school district for such period in August shall be credited by the superintendent of public instruction to the succeeding school year for the purpose of the allocation and distribution of state funds for the support of such school district.

(12) "Teacher planning period" means a period of a school day as determined by the administration and board of ((~~the~~)) directors of the district that may be used by teachers for instruction-related activities including but not limited to preparing instructional materials; reviewing student performance; recording student data; consulting with other teachers, instructional assistants, mentors, instructional coaches, administrators, and parents; or participating in professional development.

Sec. 16. RCW 28A.410.062 and 2011 1st sp.s. c 23 s 1 are each amended to read as follows:

PARAEDUCATOR CERTIFICATE FEES.

(1) The legislature finds that the current economic environment requires that the state, when appropriate, charge for some of the services provided directly to the users of those services. The office of the superintendent of public instruction is currently supported with state funds to process certification fees. In addition, the legislature finds that the processing of certifications should be moved to an online system that allows educators to manage their certifications and provides better information to policymakers. The legislature intends to assess a certification processing fee to eliminate state-funded support of the cost to issue educator certificates.

(2) In addition to the certification fee established under RCW 28A.410.060 for certificated instructional staff as defined in RCW 28A.150.203, the superintendent of public instruction shall charge an application processing fee for initial educator certificates and subsequent actions, and paraeducator certificates and subsequent actions. The superintendent of public instruction shall establish the amount of the fee by rule under chapter 34.05 RCW. The superintendent shall set the fee at a sufficient level to defray the costs of administering the educator certification program under RCW 28A.300.040(9) and the paraeducator certificate program under the chapter created in section 21 of this act. Revenue generated through the processing fee shall be deposited in the educator certification processing account.

(3) The educator certification processing account is established in the custody of the state treasurer. The superintendent of public instruction shall deposit in the account all moneys received from the fees collected in subsection (2) of this section. Moneys in the account may be spent only for the processing of educator certificates and subsequent actions and paraeducator certificates and subsequent actions. Disbursements from the account shall be on authorization of the superintendent of public instruction or the superintendent's designee. The

account is subject to the allotment procedure provided under chapter 43.88 RCW, but no appropriation is required for disbursements.

Sec. 17. RCW 28A.630.400 and 2011 1st sp.s. c 11 s 132 are each amended to read as follows:

PARAEDUCATOR ASSOCIATE OF ARTS.

(1) The professional educator standards board and the state board for community and technical colleges, in consultation with the superintendent of public instruction, the state apprenticeship training council, and community colleges, shall adopt rules as necessary under chapter 34.05 RCW to implement the paraeducator associate of arts degree.

(2) As used in this section, a "paraeducator" is an individual who has completed an associate of arts degree for a paraeducator. The paraeducator may be hired by a school district to assist certificated instructional staff in the direct instruction of children in small and large groups, individualized instruction, testing of children, recordkeeping, and preparation of materials. The paraeducator shall work under the direction of instructional certificated staff.

(3)(a) The training program for a paraeducator associate of arts degree shall include, but is not limited to, the general requirements for receipt of an associate of arts degree and training in the areas of introduction to childhood education, orientation to children with disabilities, fundamentals of childhood education, creative activities for children, instructional materials for children, fine art experiences for children, the psychology of learning, introduction to education, child health and safety, child development and guidance, first aid, and a practicum in a school setting.

(b) Subject to the availability of amounts appropriated for this specific purpose, by September 1, 2018, the training program for a paraeducator associate of arts degree must incorporate the state paraeducator standards of practice adopted by the paraeducator board under section 6 of this act.

(4) Consideration shall be given to transferability of credit earned in this program to teacher preparation programs at colleges and universities.

***Sec. 18.** RCW 28A.660.040 and 2010 c 235 s 504 are each amended to read as follows:

TEACHER ALTERNATIVE ROUTE PROGRAMS FOR PARAEDUCATORS.

Alternative route programs under this chapter shall operate one to four specific route programs. Successful completion of the program shall make a candidate eligible for residency teacher certification. The mentor of the teacher candidate at the school and the supervisor of the teacher candidate from the teacher preparation program must both agree that the teacher candidate has successfully completed the program.

(1) Alternative route programs operating route one programs shall enroll currently employed classified instructional employees with transferable associate degrees seeking residency teacher certification with ((~~endorsements in special education, bilingual education, or English as a second language~~)) an endorsement in subject matter shortage areas, as defined by the professional educator standards board. It is anticipated that candidates enrolled in this route will complete both their baccalaureate degree and requirements for residency certification in two years or less, including a

mentored internship to be completed in the final year. In addition, partnership programs shall uphold entry requirements for candidates that include:

(a) District or building validation of qualifications, including one year of successful student interaction and leadership as a classified instructional employee;

(b) Successful passage of the statewide basic skills exam; and

(c) Meeting the age, good moral character, and personal fitness requirements adopted by rule for teachers.

(2) Alternative route programs operating route two programs shall enroll currently employed classified staff with baccalaureate degrees seeking residency teacher certification in subject matter shortage areas and areas with shortages due to geographic location. Candidates enrolled in this route must complete a mentored internship complemented by flexibly scheduled training and coursework offered at a local site, such as a school or educational service district, or online or via videoconference over the K-20 network, in collaboration with the partnership program's higher education partner. In addition, partnership grant programs shall uphold entry requirements for candidates that include:

(a) District or building validation of qualifications, including one year of successful student interaction and leadership as classified staff;

(b) A baccalaureate degree from a regionally accredited institution of higher education. The individual's college or university grade point average may be considered as a selection factor;

(c) Successful completion of the subject matter assessment required by RCW 28A.410.220(3);

(d) Meeting the age, good moral character, and personal fitness requirements adopted by rule for teachers; and

(e) Successful passage of the statewide basic skills exam.

(3) Alternative route programs seeking funds to operate route three programs shall enroll individuals with baccalaureate degrees, who are not employed in the district at the time of application. When selecting candidates for certification through route three, districts and approved preparation program providers shall give priority to individuals who are seeking residency teacher certification in subject matter shortage areas or shortages due to geographic locations. Cohorts of candidates for this route shall attend an intensive summer teaching academy, followed by a full year employed by a district in a mentored internship, followed, if necessary, by a second summer teaching academy. In addition, partnership programs shall uphold entry requirements for candidates that include:

(a) A baccalaureate degree from a regionally accredited institution of higher education. The individual's grade point average may be considered as a selection factor;

(b) Successful completion of the subject matter assessment required by RCW 28A.410.220(3);

(c) External validation of qualifications, including demonstrated successful experience with students or children, such as reference letters and letters of support from previous employers;

(d) Meeting the age, good moral character, and personal fitness requirements adopted by rule for teachers; and

(e) Successful passage of statewide basic skills exam.

(4) Alternative route programs operating route four programs shall enroll individuals with baccalaureate degrees, who are employed in the district at the time of application, or who hold conditional teaching certificates or emergency substitute certificates. Cohorts of candidates for this route shall attend an intensive summer teaching academy, followed by a full year employed by a district in a mentored internship. If employed on a conditional certificate, the intern may serve as the teacher of record, supported by a well-trained mentor. In addition, partnership programs shall uphold entry requirements for candidates that include:

(a) A baccalaureate degree from a regionally accredited institution of higher education. The individual's grade point average may be considered as a selection factor;

(b) Successful completion of the subject matter assessment required by RCW 28A.410.220(3);

(c) External validation of qualifications, including demonstrated successful experience with students or children, such as reference letters and letters of support from previous employers;

(d) Meeting the age, good moral character, and personal fitness requirements adopted by rule for teachers; and

(e) Successful passage of statewide basic skills exam.

(5) Applicants for alternative route programs who are eligible veterans or national guard members and who meet the entry requirements for the alternative route program for which application is made shall be given preference in admission.

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

Sec. 19. RCW 28A.660.042 and 2007 c 396 s 6 are each amended to read as follows:

PIPELINE FOR PARAEDUCATORS SCHOLARSHIP.

(1) The pipeline for paraeducators conditional scholarship program is created. Participation is limited to paraeducators without a college degree who have at least three years of classroom experience. It is anticipated that candidates enrolled in this program will complete their associate of arts degree at a community and technical college in two years or less and become eligible for ((~~a mathematics, special education, or English as a second language endorsement~~)) an endorsement in a subject matter shortage area, as defined by the professional educator standards board, via route one in the alternative routes to teacher certification program provided in this chapter.

(2) Entry requirements for candidates include district or building validation of qualifications, including three years of successful student interaction and leadership as a classified instructional employee.

Sec. 20. RCW 28B.50.891 and 2014 c 136 s 4 are each amended to read as follows:

PARAEDUCATOR APPRENTICESHIP AND CERTIFICATE.

Beginning with the 2015-16 academic year, any community or technical college that offers an apprenticeship program or certificate program for paraeducators must provide candidates the opportunity to earn transferable course credits within the program. The programs must also incorporate the standards for cultural competence, including multicultural education and

principles of language acquisition, developed by the professional educator standards board under RCW 28A.410.270. Subject to the availability of amounts appropriated for this specific purpose, by September 1, 2018, the paraeducator apprenticeship and certificate programs must also incorporate the state paraeducator standards of practice adopted by the paraeducator board under section 6 of this act.

NEW SECTION. **Sec. 21.** Sections 1 through 12 of this act constitute a new chapter in Title 28A RCW.

NEW SECTION. **Sec. 22.** RCW 28A.415.310 (Paraprofessional training program) and 1993 c 336 s 408 are each repealed.

Passed by the House April 17, 2017.

Passed by the Senate April 12, 2017.

Approved by the Governor May 8, 2017, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 8, 2017.

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

"I am returning herewith, without my approval as to Section 18, Engrossed Substitute House Bill No. 1115 entitled:

"AN ACT Relating to paraeducators."

This measure is an outgrowth of nearly five years of discussion and consideration of the Paraeducator Work Group.

It is also one of the late Senator Andy Hill's many legacies.

The bill creates the nine-member Paraeducator Board to provide professional development for this group of education employees who assist teachers in the classroom. It requires paraeducators to meet certain minimum employment standards, among other things. This will provide an opportunity for the state's 36,000 paraeducators to develop in their profession and become a teacher through alternative routes, if they so choose.

However, I am vetoing Section 18, which modifies a section of statute that was repealed by another bill this session.

Thanks to the sponsor, Representative Bergquist, and the members of the work group whose great work led to this legislation.

For these reasons I have vetoed Section 18 of Engrossed Substitute House Bill No. 1115.

With the exception of Section 18, Engrossed Substitute House Bill No. 1115 is approved."

CHAPTER 238

[Substitute House Bill 1038]

DOMESTIC WINERY LICENSE--TASTING ROOMS--NUMBER

AN ACT Relating to increasing the number of tasting rooms allowed under a domestic winery license; and amending RCW 66.24.170.

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

Sec. 1. RCW 66.24.170 and 2016 c 235 s 1 are each amended to read as follows:

(1) There is a license for domestic wineries; fee to be computed only on the liters manufactured: Less than two hundred fifty thousand liters per year, one

hundred dollars per year; and two hundred fifty thousand liters or more per year, four hundred dollars per year.

(2) The license allows for the manufacture of wine in Washington state from grapes or other agricultural products.

(3) Any domestic winery licensed under this section may also act as a retailer of wine of its own production. Any domestic winery licensed under this section may act as a distributor of its own production. Notwithstanding any language in this title to the contrary, a domestic winery may use a common carrier to deliver up to one hundred cases of its own production, in the aggregate, per month to licensed Washington retailers. A domestic winery may not arrange for any such common carrier shipments to licensed retailers of wine not of its own production. Except as provided in this section, any winery operating as a distributor and/or retailer under this subsection must comply with the applicable laws and rules relating to distributors and/or retailers, except that a winery operating as a distributor may maintain a warehouse off the premises of the winery for the distribution of wine of its own production provided that: (a) The warehouse has been approved by the board under RCW 66.24.010; and (b) the number of warehouses off the premises of the winery does not exceed one.

(4) A domestic winery licensed under this section, at locations separate from any of its production or manufacturing sites, may serve samples of its own products, with or without charge, may sell wine of its own production at retail, and may sell for off-premises consumption wines of its own production in kegs or sanitary containers meeting the applicable requirements of federal law brought to the premises by the purchaser or furnished by the licensee and filled at the tap at the time of sale, provided that: (a) Each additional location has been approved by the board under RCW 66.24.010; (b) the total number of additional locations does not exceed ((~~two~~)) four; (c) a winery may not act as a distributor at any such additional location; and (d) any person selling or serving wine at an additional location for on-premises consumption must obtain a class 12 or class 13 alcohol server permit. Each additional location is deemed to be part of the winery license for the purpose of this title. At additional locations operated by multiple wineries under this section, if the board cannot connect a violation of RCW 66.44.200 or 66.44.270 to a single licensee, the board may hold all licensees operating the additional location jointly liable. Nothing in this subsection may be construed to prevent a domestic winery from holding multiple domestic winery licenses.

(5)(a) A domestic winery licensed under this section may apply to the board for an endorsement to sell wine of its own production at retail for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is seventy-five dollars. An endorsement issued pursuant to this subsection does not count toward the ((~~two~~)) four additional retail locations limit specified in this section.

(b) For each month during which a domestic winery will sell wine at a qualifying farmers market, the winery must provide the board or its designee a list of the dates, times, and locations at which bottled wine may be offered for sale. This list must be received by the board before the winery may offer wine for sale at a qualifying farmers market.

(c) The wine sold at qualifying farmers markets must be made entirely from grapes grown in a recognized Washington appellation or from other agricultural products grown in this state.

(d) Each approved location in a qualifying farmers market is deemed to be part of the winery license for the purpose of this title. The approved locations under an endorsement granted under this subsection include tasting or sampling privileges subject to the conditions pursuant to RCW 66.24.175. The winery may not store wine at a farmers market beyond the hours that the winery offers bottled wine for sale. The winery may not act as a distributor from a farmers market location.

(e) Before a winery may sell bottled wine at a qualifying farmers market, the farmers market must apply to the board for authorization for any winery with an endorsement approved under this subsection to sell bottled wine at retail at the farmers market. This application shall include, at a minimum: (i) A map of the farmers market showing all booths, stalls, or other designated locations at which an approved winery may sell bottled wine; and (ii) the name and contact information for the on-site market managers who may be contacted by the board or its designee to verify the locations at which bottled wine may be sold. Before authorizing a qualifying farmers market to allow an approved winery to sell bottled wine at retail at its farmers market location, the board must notify the persons or entities of such application for authorization pursuant to RCW 66.24.010 (8) and (9). An authorization granted under this subsection (5)(e) may be withdrawn by the board for any violation of this title or any rules adopted under this title.

(f) The board may adopt rules establishing the application and approval process under this section and such additional rules as may be necessary to implement this section.

(g) For the purposes of this subsection:

(i) "Qualifying farmers market" means an entity that sponsors a regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in this state directly to the consumer under conditions that meet the following minimum requirements:

(A) There are at least five participating vendors who are farmers selling their own agricultural products;

(B) The total combined gross annual sales of vendors who are farmers exceeds the total combined gross annual sales of vendors who are processors or resellers. However, if a farmers market does not satisfy this subsection (5)(g)(i)(B), a farmers market is still considered a "qualifying farmers market" if the total combined gross annual sales of farmers and processors at the farmers market is one million dollars or more;

(C) The total combined gross annual sales of vendors who are farmers, processors, or resellers exceeds the total combined gross annual sales of vendors who are not farmers, processors, or resellers;

(D) The sale of imported items and secondhand items by any vendor is prohibited; and

(E) No vendor is a franchisee.

(ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.

(iii) "Processor" means a natural person who sells processed food that he or she has personally prepared on land he or she owns or leases in this state or in another state's county that borders this state.

(iv) "Reseller" means a natural person who buys agricultural products from a farmer and resells the products directly to the consumer.

(6) Wine produced in Washington state by a domestic winery licensee may be shipped out-of-state for the purpose of making it into sparkling wine and then returned to such licensee for resale. Such wine is deemed wine manufactured in the state of Washington for the purposes of RCW 66.24.206, and shall not require a special license.

(7) During an event held by a nonprofit holding a special occasion license issued under RCW 66.24.380, a domestic winery licensed under this section may take orders, either in writing or electronically, and accept payment for wines of its own production under the following conditions:

(a) Wine produced by the domestic winery may be served for on-premises consumption by the special occasion licensee;

(b) The domestic winery delivers wine to the consumer on a date after the conclusion of the special occasion event;

(c) The domestic winery delivers wine to the consumer at a location different from the location at which the special occasion event is held;

(d) The domestic winery complies with all requirements in chapter 66.20 RCW for direct sale of wine to consumers;

(e) The wine is not sold for resale; and

(f) The domestic winery is entitled to all proceeds from the sale and delivery of its wine to a consumer after the conclusion of the special occasion event, but may enter into an agreement to share a portion of the proceeds of these sales with the special occasion licensee licensed under RCW 66.24.380.

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CHAPTER 239

[Engrossed Substitute House Bill 1136]

OIL SPILL CONTINGENCY PLANNING--SHORT-LINE RAILROADS--NONFUEL OILS

AN ACT Relating to exempting short-line railroads that haul nonfuel oils from oil spill contingency planning requirements; and amending RCW 90.56.210.

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

Sec. 1. RCW 90.56.210 and 2015 c 274 s 5 are each amended to read as follows:

(1) Each onshore and offshore facility shall have a contingency plan for the containment and cleanup of oil spills from the facility into the waters of the state and for the protection of fisheries and wildlife, shellfish beds, natural resources, and public and private property from such spills. The department shall by rule adopt and periodically revise standards for the preparation of contingency plans. The department shall require contingency plans, at a minimum, to meet the following standards:

(a) Include full details of the method of response to spills of various sizes from any facility which is covered by the plan;

(b) Be designed to be capable in terms of personnel, materials, and equipment, of promptly and properly, to the maximum extent practicable, as defined by the department removing oil and minimizing any damage to the environment resulting from a worst case spill;

(c) Provide a clear, precise, and detailed description of how the plan relates to and is integrated into relevant contingency plans which have been prepared by cooperatives, ports, regional entities, the state, and the federal government;

(d) Provide procedures for early detection of oil spills and timely notification of such spills to appropriate federal, state, and local authorities under applicable state and federal law;

(e) State the number, training preparedness, and fitness of all dedicated, prepositioned personnel assigned to direct and implement the plan;

(f) Incorporate periodic training and drill programs to evaluate whether personnel and equipment provided under the plan are in a state of operational readiness at all times;

(g) Describe important features of the surrounding environment, including fish and wildlife habitat, shellfish beds, environmentally and archaeologically sensitive areas, and public facilities. The departments of ecology, fish and wildlife, and natural resources, and the department of archaeology and historic preservation, upon request, shall provide information that they have available to assist in preparing this description. The description of archaeologically sensitive areas shall not be required to be included in a contingency plan until it is reviewed and updated pursuant to subsection (9) of this section;

(h) State the means of protecting and mitigating effects on the environment, including fish, shellfish, marine mammals, and other wildlife, and ensure that implementation of the plan does not pose unacceptable risks to the public or the environment;

(i) Provide arrangements for the prepositioning of oil spill containment and cleanup equipment and trained personnel at strategic locations from which they can be deployed to the spill site to promptly and properly remove the spilled oil;

(j) Provide arrangements for enlisting the use of qualified and trained cleanup personnel to implement the plan;

(k) Provide for disposal of recovered spilled oil in accordance with local, state, and federal laws;

(l) Until a spill prevention plan has been submitted pursuant to RCW 90.56.200, state the measures that have been taken to reduce the likelihood that a spill will occur, including but not limited to, design and operation of a facility, training of personnel, number of personnel, and backup systems designed to prevent a spill;

(m) State the amount and type of equipment available to respond to a spill, where the equipment is located, and the extent to which other contingency plans rely on the same equipment; and

(n) If the department has adopted rules permitting the use of dispersants, the circumstances, if any, and the manner for the application of the dispersants in conformance with the department's rules.

(2)(a) The following shall submit contingency plans to the department within six months after the department adopts rules establishing standards for contingency plans under subsection (1) of this section:

(i) Onshore facilities capable of storing one million gallons or more of oil; and

(ii) Offshore facilities.

(b) Contingency plans for all other onshore and offshore facilities shall be submitted to the department within eighteen months after the department has adopted rules under subsection (1) of this section. The department may adopt a schedule for submission of plans within the eighteen-month period.

(3)(a) The department by rule shall determine the contingency plan requirements for railroads transporting oil in bulk.

(b) For class III railroads transporting oil in bulk that is not crude oil in an amount of forty-nine or more tank car loads per year, the rules adopted under this subsection may not require contingency plans to include:

(i) Contracted access to oil spill response equipment; or

(ii) The completion of more than a total of one basic table-top drill every three years to test the contingency plans.

(c) For class III railroads transporting oil in bulk that is not crude oil in an amount less than forty-nine tank car loads per year, rules adopted under this subsection may only require railroads to submit a basic contingency plan to the department. A basic contingency plan filed under this subsection (3)(c) must be limited to requiring the class III railroads to:

(i) Keep documentation of the basic contingency plan on file with the department at the plan holder's principal place of business and at dispatcher field offices of the railroad;

(ii) Identify and include contact information for the chain of command and other personnel, including employees or spill response contractors, who will be involved in the railroad's response in the event of a spill;

(iii) Include information related to the relevant accident insurance carried by the railroad and provide a certificate of insurance upon request;

(iv) Develop a field document for use by personnel involved in oil handling operations that includes time-critical information regarding basic contingency plan procedures to be used in the initial response to a spill or a threatened spill; and

(v) Annually review the plan for accuracy.

(d) Federal oil spill response plans created pursuant to 33 U.S.C. Sec. 1321 may be submitted in lieu of contingency plans ((~~until state rules are adopted~~)) by a class III railroad transporting oil in bulk that is not crude oil.

(e) For the purposes of this section, "class III railroad" has the same meaning as defined by the United States surface transportation board as of January 1, 2017.

(4)(a) The owner or operator of a facility shall submit the contingency plan for the facility.

(b) A person who has contracted with a facility to provide containment and cleanup services and who meets the standards established pursuant to RCW 90.56.240, may submit the plan for any facility for which the person is contractually obligated to provide services. Subject to conditions imposed by the department, the person may submit a single plan for more than one facility.

(5) A contingency plan prepared for an agency of the federal government or another state that satisfies the requirements of this section and rules adopted by the department may be accepted by the department as a contingency plan under this section. The department shall ensure that to the greatest extent possible, requirements for contingency plans under this section are consistent with the requirements for contingency plans under federal law.

(6) In reviewing the contingency plans required by this section, the department shall consider at least the following factors:

(a) The adequacy of containment and cleanup equipment, personnel, communications equipment, notification procedures and call down lists, response time, and logistical arrangements for coordination and implementation of response efforts to remove oil spills promptly and properly and to protect the environment;

(b) The nature and amount of vessel traffic within the area covered by the plan;

(c) The volume and type of oil being transported within the area covered by the plan;

(d) The existence of navigational hazards within the area covered by the plan;

(e) The history and circumstances surrounding prior spills of oil within the area covered by the plan;

(f) The sensitivity of fisheries, shellfish beds, and wildlife and other natural resources within the area covered by the plan;

(g) Relevant information on previous spills contained in on-scene coordinator reports prepared by the department; and

(h) The extent to which reasonable, cost-effective measures to prevent a likelihood that a spill will occur have been incorporated into the plan.

(7) The department shall approve a contingency plan only if it determines that the plan meets the requirements of this section and that, if implemented, the plan is capable, in terms of personnel, materials, and equipment, of removing oil promptly and properly and minimizing any damage to the environment.

(8) The approval of the contingency plan shall be valid for five years. Upon approval of a contingency plan, the department shall provide to the person submitting the plan a statement indicating that the plan has been approved, the facilities or vessels covered by the plan, and other information the department determines should be included.

(9) An owner or operator of a facility shall notify the department in writing immediately of any significant change of which it is aware affecting its contingency plan, including changes in any factor set forth in this section or in rules adopted by the department. The department may require the owner or operator to update a contingency plan as a result of these changes.

(10) The department by rule shall require contingency plans to be reviewed, updated, if necessary, and resubmitted to the department at least once every five years.

(11) Approval of a contingency plan by the department does not constitute an express assurance regarding the adequacy of the plan nor constitute a defense to liability imposed under this chapter or other state law.

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CHAPTER 240

[Substitute House Bill 1183]
CREATIVE DISTRICTS

AN ACT Relating to authorizing specified local governments to designate a portion of their territory as a creative district subject to certification by the Washington state arts commission; adding new sections to chapter 43.46 RCW; and creating a new section.

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

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

(a) A creative district is a designated, geographical, mixed-use area of a community in which a high concentration of cultural facilities, creative businesses, or arts-related businesses serve as a collective anchor of public attraction;

(b) In certain cases, multiple vacant properties in close proximity may exist within a community that would be suitable for redevelopment as a creative district;

(c) Creative districts are a highly adaptable economic development tool that is able to take a community's unique conditions, assets, needs, and opportunities into account and thereby address the needs of large, small, rural, and urban areas;

(d) Creative districts may be home to both nonprofit and for-profit creative industries and organizations;

(e) The arts and culture transcend boundaries of race, age, gender, language, and social status; and

(f) Creative districts promote and improve communities in particular and the state more generally in many ways. Specifically, such districts:

(i) Attract artists and creative entrepreneurs to a community and thereby infuse the community with energy and innovation and enhance the economic and civic capital of the community;

(ii) Create a hub of economic activity that helps an area become an appealing place to live, visit, and conduct business, complements adjacent businesses, creates new economic opportunities and jobs in both the cultural sector and other local industries, and attracts new businesses and assists in the recruitment of employees;

(iii) Establish marketable tourism assets that highlight the distinct identity of communities, attract in-state, out-of-state, and international visitors, and become especially attractive destinations for cultural, recreational, and business travelers;

(iv) Revitalize and beautify neighborhoods, cities, and larger regions, reverse urban decay, promote the preservation of historic buildings, and facilitate a healthy mixture of business and residential activity that contributes to reduced vacancy rates and enhanced property values;

(v) Provide a focal point for celebrating and strengthening a community's unique cultural identity, providing communities with opportunities to highlight existing cultural amenities as well as mechanisms to recruit and establish new artists, creative industries, and organizations;

(vi) Provide artists with a creative area in which they can live and work, with living spaces that enable them to work in artistic fields and find affordable housing close to their place of employment; and

(vii) Enhance property values. Successful creative districts combine improvements to public spaces such as parks, waterfronts, and pedestrian corridors, alongside property development. The redevelopment of abandoned properties and historic sites and recruiting businesses to occupy vacant spaces can also contribute to reduced vacancy rates and enhanced property values.

(2) It is the intent of the legislature that the state provide leadership, technical support, and the infrastructure to local communities desirous of creating their own creative districts by, among other things, certifying districts, offering available incentives to encourage business development, exploring new incentives that are directly related to creative enterprises, facilitating local access to state assistance, enhancing the visibility of creative districts, providing technical assistance and planning help, ensuring broad and equitable program benefits, and fostering a supportive climate for the arts and culture, thereby contributing to the development of healthy communities across the state and improving the quality of life of the state's residents.

NEW SECTION. **Sec. 2.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Commission" means the Washington state arts commission.

(2) "Coordinator" means the employee of the Washington state arts commission who is responsible for performing the specific tasks under section 5 of this act.

(3) "Creative district" means a land area designated by a local government in accordance with section 3 of this act that contains either a hub of cultural facilities, creative industries, or arts-related businesses, or multiple vacant properties in close proximity that would be suitable for redevelopment as a creative district.

(4) "Local government" means a city, county, or town.

(5) "State-certified creative district" means a creative district whose application for certification has been approved by the commission.

NEW SECTION. **Sec. 3.** (1) A local government may designate a creative district within its territorial boundaries subject to certification as a state-certified creative district by the commission. Two or more local governments may jointly apply for certification of a creative district that extends across a common boundary.

(2) In order to receive certification as a state-certified creative district, a creative district must:

(a) Be a geographically contiguous area;

(b) Be distinguished by physical, artistic, or cultural resources that play a vital role in the quality and life of a community, including its economic and cultural development;

(c) Be the site of a concentration of artistic or cultural activity, a major arts or cultural institution or facility, arts and entertainment businesses, an area with arts and cultural activities, or artistic or cultural production;

(d) Be engaged in the promotional, preservation, and educational aspects of the arts and culture of the community and contribute to the public through interpretive, educational, or recreational uses; and

(e) Satisfy any additional criteria required by the commission that in its discretion will further the purposes of sections 2 through 5 of this act. Any additional eligibility criteria must be posted by the commission on its public web site.

(3) The commission may grant certification to a creative district that does not qualify for certification under subsection (2) of this section if the land area proposed for certification contains multiple vacant properties in close proximity that would be suitable, as determined by the commission, for redevelopment as a creative district.

NEW SECTION. **Sec. 4.** (1) Subject to the availability of amounts appropriated for this specific purpose, the commission may create a process for review of applications submitted by local governments or federally recognized Indian tribes for certification of state-certified creative districts. The application must be submitted on a standard form developed and approved by the commission.

(2) After reviewing an application for certification, the commission must approve or reject the application or return it to the applicant with a request for changes or additional information. The commission may request that an applicant provide relevant information supporting an application. Rejected applicants may reapply at any time in coordination with program guidelines.

(3) Certification must be based upon the criteria specified in section 3 of this act.

(4) If the commission approves an application for certification, it must notify the applicant in writing and must specify the terms and conditions of the commission's approval, including the terms and conditions set forth in the application and as modified by written agreement between the applicant and the commission.

(5) Upon approval by the commission of an application for certification, a creative district becomes a state-certified creative district with all of the attendant benefits under sections 2 through 5 of this act.

(6) The commission may revoke a certification previously granted for failure by a local government to comply with the requirements of this section or an agreement executed pursuant to this section.

(7) In addition to any powers explicitly granted to the commission under sections 2 through 5 of this act, the commission is granted such additional powers as are necessary to carry out the purposes of sections 2 through 5 of this act. Where authorized by law, such powers may include offering incentives to state-certified creative districts to encourage business development, exploring new incentives that are directly related to creative enterprises, facilitating local access to state economic development assistance, enhancing the visibility of state-certified creative districts, providing state-certified creative districts with technical assistance and planning aid, ensuring broad and equitable program benefits, and fostering a supportive climate for the arts and culture within the state.

(8) The creation of a district under this section may not be used to prohibit any particular business or the development of residential real property within the

boundaries of the district or to impose a burden on the operation or use of any particular business or parcel of residential real property located within the boundaries of the district.

NEW SECTION. **Sec. 5.** Subject to the availability of amounts appropriated for this specific purpose, the commission may appoint a coordinator. The coordinator must:

(1) Review applications for certification and make a recommendation to the commission for action;

(2) Administer and promote the application process for the certification of creative districts;

(3) With the approval of the commission, develop standards and policies for the certification of state-certified creative districts. Any approved standards and policies must be posted on the commission's public web site;

(4) Require periodic written reports from any state-certified creative district for the purpose of reviewing the activities of the district, including the compliance of the district with the policies and standards developed under this section and with the conditions of an approved application for certification;

(5) Identify available public and private resources, including any applicable economic development incentives and other tools, that support and enhance the development and maintenance of creative districts and, with the assistance of the commission, ensure that such programs and services are accessible to creative districts; and

(6) With the approval of the commission, develop such additional procedures as may be necessary to administer this section. Any approved procedures must be posted on the commission's public web site.

NEW SECTION. **Sec. 6.** Sections 2 through 5 of this act are each added to chapter 43.46 RCW.

Passed by the House April 17, 2017.
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CHAPTER 241

[Substitute House Bill 1275]

FISH PASSAGE BARRIER REMOVAL PROJECTS--FOREST PRACTICES RULES--PERMITS

AN ACT Relating to including fish passage barrier removal projects that comply with the forest practices rules in the streamlined permit process provided in RCW 77.55.181; and amending RCW 77.55.181.

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

Sec. 1. RCW 77.55.181 and 2014 c 120 s 1 are each amended to read as follows:

(1)(a) In order to receive the permit review and approval process created in this section, a fish habitat enhancement project must meet the criteria under this section and must be a project to accomplish one or more of the following tasks:

(i) Elimination of human-made or caused fish passage barriers, including:

(A) Culvert repair and replacement; and

(B) Fish passage barrier removal projects that comply with the forest practices rules, as the term "forest practices rules" is defined in RCW 76.09.020;

(ii) Restoration of an eroded or unstable stream bank employing the principle of bioengineering, including limited use of rock as a stabilization only at the toe of the bank, and with primary emphasis on using native vegetation to control the erosive forces of flowing water; or

(iii) Placement of woody debris or other instream structures that benefit naturally reproducing fish stocks.

(b) The department shall develop size or scale threshold tests to determine if projects accomplishing any of these tasks should be evaluated under the process created in this section or under other project review and approval processes. A project proposal shall not be reviewed under the process created in this section if the department determines that the scale of the project raises concerns regarding public health and safety.

(c) A fish habitat enhancement project must be approved in one of the following ways in order to receive the permit review and approval process created in this section:

(i) By the department pursuant to chapter 77.95 or 77.100 RCW;

(ii) By the sponsor of a watershed restoration plan as provided in chapter 89.08 RCW;

(iii) By the department as a department-sponsored fish habitat enhancement or restoration project;

(iv) Through the review and approval process for the jobs for the environment program;

(v) Through the review and approval process for conservation district-sponsored projects, where the project complies with design standards established by the conservation commission through interagency agreement with the United States fish and wildlife service and the natural resource conservation service;

(vi) Through a formal grant program established by the legislature or the department for fish habitat enhancement or restoration;

(vii) Through the department of transportation's environmental retrofit program as a stand-alone fish passage barrier correction project;

(viii) Through a local, state, or federally approved fish barrier removal grant program designed to assist local governments in implementing stand-alone fish passage barrier corrections;

(ix) By a city or county for a stand-alone fish passage barrier correction project funded by the city or county; ((~~and~~))

(x) Through the approval process established for forest practices hydraulic projects in chapter 76.09 RCW; or

(xi) Through other formal review and approval processes established by the legislature.

(2) Fish habitat enhancement projects meeting the criteria of subsection (1) of this section are expected to result in beneficial impacts to the environment. Decisions pertaining to fish habitat enhancement projects meeting the criteria of subsection (1) of this section and being reviewed and approved according to the provisions of this section are not subject to the requirements of RCW 43.21C.030(2)(c).

(3)(a) A permit is required for projects that meet the criteria of subsection (1) of this section and are being reviewed and approved under this section. An

applicant shall use a joint aquatic resource permit application form developed by the office of regulatory assistance to apply for approval under this chapter. On the same day, the applicant shall provide copies of the completed application form to the department and to each appropriate local government. Applicants for a forest practices hydraulic project that are not otherwise required to submit a joint aquatic resource permit application must submit a copy of their forest practices application to the appropriate local government on the same day that they submit the forest practices application to the department of natural resources.

(b) Local governments shall accept the application identified in this section as notice of the proposed project. ((~~The department~~)) A local government shall ((~~provide~~)) be provided with a fifteen-day comment period during which it ((~~will receive~~)) may transmit comments regarding environmental impacts to the department or, for forest practices hydraulic projects, to the department of natural resources.

(c) ((~~Within forty-five days~~)) Except for forest practices hydraulic projects, the department shall either issue a permit, with or without conditions, deny approval, or make a determination that the review and approval process created by this section is not appropriate for the proposed project within forty-five days. The department shall base this determination on identification during the comment period of adverse impacts that cannot be mitigated by the conditioning of a permit. Permitting decisions over forest practices hydraulic approvals must be made consistent with chapter 76.09 RCW.

(d) If the department determines that the review and approval process created by this section is not appropriate for the proposed project, the department shall notify the applicant and the appropriate local governments of its determination. The applicant may reapply for approval of the project under other review and approval processes.

(e) Any person aggrieved by the approval, denial, conditioning, or modification of a permit other than a forest practices hydraulic project under this section may appeal the decision as provided in RCW 77.55.021(8). Appeals of a forest practices hydraulic project may be made as provided in chapter 76.09 RCW.

(4) No local government may require permits or charge fees for fish habitat enhancement projects that meet the criteria of subsection (1) of this section and that are reviewed and approved according to the provisions of this section.

(5) No civil liability may be imposed by any court on the state or its officers and employees for any adverse impacts resulting from a fish enhancement project permitted by the department or the department of natural resources under the criteria of this section except upon proof of gross negligence or willful or wanton misconduct.

Passed by the House April 17, 2017.

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CHAPTER 242

[Substitute House Bill 1314]

HEALTH CARE AUTHORITY AUDITING PRACTICES

AN ACT Relating to health care authority auditing practices; and adding a new section to chapter 74.09 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 74.09 RCW to read as follows:

(1) Audits of the records of health care providers performed under this chapter are subject to the following:

(a) The authority must provide at least thirty calendar days' notice before scheduling any on-site audit, unless there is evidence of danger to public health and safety or fraudulent activities;

(b) The authority must make a good faith effort to establish a mutually agreed upon time and date for the on-site audit;

(c) The authority must allow providers, at their request, to submit records requested as a result of an audit in electronic format, including compact disc, digital versatile disc, or other electronic formats deemed appropriate by the authority, or by facsimile transmission;

(d) The authority shall make reasonable efforts to avoid reviewing claims that are currently being audited by the authority, that have already been audited by the authority, or that are currently being audited by another governmental entity;

(e) A finding of overpayment to a provider in a program operated or administered by the authority may not be based on extrapolation unless there is a determination of sustained high level of payment error involving the provider or when documented educational intervention has failed to correct the level of payment error. Any finding that is based upon extrapolation, and the related sampling, must be established to be statistically fair and reasonable in order to be valid. The sampling methodology used must be validated by a statistician or person with equivalent experience as having a confidence level of ninety-five percent or greater;

(f) The authority must provide a detailed explanation in writing to a provider for any adverse determination that would result in partial or full recoupment of a payment to the provider. The written notification shall, at a minimum, include the following: (i) The reason for the adverse determination; (ii) the specific criteria on which the adverse determination was based; (iii) an explanation of the provider's appeal rights; and (iv) if applicable, the appropriate procedure to submit a claims adjustment in accordance with subsection (3) of this section;

(g) The authority may not recoup overpayments until all informal and formal appeals processes have been completed;

(h) The authority must offer a provider with an adverse determination the option of repaying the amount owed according to a negotiated repayment plan of up to twelve months;

(i) The authority must produce a preliminary report or draft audit findings within one hundred twenty days from the receipt of all requested information as identified in writing by the authority; and

(j) In the event that the authority seeks to recoup funds from a provider who is no longer a contractor with the medical assistance program, the authority must provide a description of the claim, including the patient name, date of service, and procedure. A provider is not required to obtain a court order to receive such information.

(2) Any contractor that conducts audits of the medical assistance program on behalf of the authority must comply with the requirements in this subsection and must:

(a) In any appeal by a health care provider, employ or contract with a medical or dental professional who practices within the same specialty, is board certified, and experienced in the treatment, billing, and coding procedures used by the provider being audited to make findings and determinations;

(b) Compile, on an annual basis, metrics specified by the authority. The authority shall publish the metrics on its web site. The metrics must, at a minimum, include:

(i) The number and type of claims reviewed;

(ii) The number of records requested;

(iii) The number of overpayments and underpayments identified by the contractor;

(iv) The aggregate dollar amount associated with identified overpayments and underpayments;

(v) The duration of audits from initiation until time of completion;

(vi) The number of adverse determinations and the overturn rates of those determinations at each stage of the informal and formal appeal process;

(vii) The number of informal and formal appeals filed by providers categorized by disposition status;

(viii) The contractor's compensation structure and dollar amount of compensation; and

(ix) A copy of the authority's contract with the contractor.

(3) The authority shall develop and implement a procedure by which an improper payment identified by an audit may be resubmitted as a claims adjustment.

(4) The authority shall provide educational and training programs annually for providers. The training topics must include a summary of audit results, a description of common issues, problems and mistakes identified through audits and reviews, and opportunities for improvement.

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CHAPTER 243

[House Bill 1352]

SMALL BUSINESS OWNERS--AGENCY ENFORCEMENT ACTIONS--RIGHTS AND PROJECTIONS--REVIEW

AN ACT Relating to the licensing and regulatory requirements of small business owners; creating new sections; and providing an expiration date.

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

NEW SECTION. **Sec. 1.** The legislature finds that the licensing and regulation of businesses and professions requires periodic inspections, audits, interviews, site visits, or other oversight measures to verify that licensing, permit, and other regulatory requirements are met. The legislature further finds that unnecessary costs and delays may occur when small business owners must seek outside counsel or other professional assistance to prepare for and participate in review and enforcement actions such as audits and inspections of their records, facilities, or job sites. The legislature also reaffirms its prior findings that small businesses are likely to bear a disproportionate share of regulatory costs and burdens, and that greater coordination on regulatory matters among agencies is a way to promote economic vitality and increase state program efficiency.

Therefore, the legislature intends to identify what due process or other rights and protections, if any, exist under state law for a small business owner selected for audit, inspection, or other agency enforcement action related to the 2013 "Inventory of Regulations" prepared by the state auditor's office. The legislature further intends to identify how those rights and protections are communicated to the business owner either prior to, or at the time of, an agency visit.

NEW SECTION. **Sec. 2.** (1) The attorney general shall review chapter 34.05 RCW, the administrative procedure act, as well as related administrative rules, similar statutes, and case law, to identify the current rights and protections afforded to small business owners selected for agency enforcement actions including, but not limited to, inspections, audits, site visits, or record review.

(2) The department of agriculture, department of ecology, employment security department, department of labor and industries, department of revenue, and state fire marshal shall each review provisions of their governing statutes, administrative rules, policy statements, guidance, and directives to identify the current rights and protections afforded to small business owners that are selected for inspection, audit, or other enforcement action by the agency. Not later than August 31, 2017, each agency named in this subsection must provide the attorney general with:

(a) A list of the governing statutes, administrative rules, policy statements, guidance, and directives identified as sources for rights or protections, along with a copy or electronic link to relevant documents;

(b) A copy or electronic link to any statement of rights, protections, or similar materials provided by the agency to small business owners prior to or at the time of an audit, inspection, or other enforcement action against such a small business; and

(c) A copy or electronic link to any statement of rights, protections, or similar materials provided by the agency to small business owners regarding the agency's adjudicative proceedings, administrative review, or appeal process.

(3) The attorney general must compile his or her findings into a report to the relevant committees of the legislature by November 30, 2017. The report must include:

(a) The information and materials submitted pursuant to subsection (2) of this section;

(b) An identification of the information provided by agencies to small business owners selected for an enforcement action, the type of enforcement action for which the information is provided, and the stage of the process at which the information is provided to the owner; and

(c) Recommendations by the attorney general for statutory, rule, policy, or other changes to identify, clarify, and harmonize, where practical, the rights and protections afforded to small business owners selected for agency enforcement actions, as well as methods to improve the notice of rights provided to small business owners selected for agency audits, inspections, and other enforcement actions.

(4) The attorney general shall provide each agency named in subsection (2) of this section with a copy of his or her recommendations by October 30, 2017. Each agency may provide written comments regarding those recommendations to the attorney general by November 13, 2017, for his or her consideration.

(5) For the purposes of this section, "small business" has the same definition as in RCW 34.05.110(9)(a).

(6) This section does not apply to any criminal investigations or prosecutions.

NEW SECTION. **Sec. 3.** This act expires December 31, 2017.

Passed by the House February 27, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 244

[Substitute House Bill 1353]

ELK MANAGEMENT PILOT PROJECT

AN ACT Relating to commissioning an elk management pilot project that focuses initially on the Colockum elk herd; adding a new section to chapter 77.36 RCW; creating a new section; and providing an expiration date.

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

NEW SECTION. **Sec. 1.** (1) The legislature finds that the Colockum elk herd in central Washington is the fifth largest elk herd in the state and is currently managed for the state by the department of fish and wildlife.

(2) The legislature further finds that the Colockum elk herd has been the subject of a great deal of planning by the department of fish and wildlife. The herd is subject to an existing herd management plan that attempts to ensure a healthy, productive population, manage the herd for a variety of purposes, and allow for a sustainable yield within the population. Proper management of the Colockum elk herd is important, since the herd is a resource that provides significant recreational, aesthetic, cultural, and economic benefits to recreationalists, local communities, and native Americans.

(3) The legislature further finds that the department of fish and wildlife has studied the Colockum elk herd as recently as 2012. This study led to a greater understanding of the challenges facing the herd and resulted in recommendations as to management approaches to address those challenges.

(4) The legislature further finds that despite the active management and research by the department of fish and wildlife, there are still undesirable consequences of the Colockum elk herd's size, location, and behaviors. These consequences manifest as significant agricultural crop damage within the herd's range and unacceptably threatens to degrade highway safety levels on Interstate 90 and other roadways within the range of the herd due to collisions between herd members and vehicles.

(5) The legislature further finds that the unwanted consequences of the current Colockum elk herd management protocol are not isolated to the range of the Colockum herd. Other elk herds in the state are also the subject of similar management outcomes.

(6) The legislature further finds that the department of fish and wildlife should use the Colockum elk herd as the subject of a pilot project that explores the benefits of more active management. The department must work with the Yakama Nation to obtain input from the tribe on the tribe's recommendations. The pilot project should be limited in time and geography to ensure that overall herd health is not disrupted; however, it should be robust enough to offer scientifically rigorous results.

NEW SECTION. **Sec. 2.** A new section is added to chapter 77.36 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the department must conduct an elk management pilot project to explore the viability of various wildlife management actions to reduce elk highway collisions and elk damage to private crop lands. The pilot project must initially focus on achieving a reduction in highway collisions on interstate highways, and crop damage on properties, within the range of the Colockum herd. The department must invite the Yakama Nation to participate in all aspects of the project.

(2) The department must work with the department of transportation to explore the viability of various wildlife management actions to reduce elk highway collisions, initially focusing on reducing traffic collisions along interstate highways within the range of the herd.

(3) Direct wildlife management efforts must be employed in the pilot project implemented under this section, including:

(a) Increased use of special depredation hunts and general hunting opportunity within the Colockum herd. Total hunting depredations under the pilot project must be limited to three hundred elk per calendar year and these efforts must be designed and implemented in a manner that does not conflict with the primary goals of the current elk herd management plan for the Colockum herd;

(b) Feeding elk within the pilot project area by persons other than the department is prohibited, although in no event may this prohibition affect a person who sets out feed with the intent to feed domestic animals or livestock, even though such feed may be inadvertently consumed by elk or other wildlife; and

(c) The use of managed livestock grazing to attract elk away from roads and private property.

(4) Consistent with RCW 43.01.036, the department and the department of transportation must report the results of the pilot project to the appropriate

committees of the legislature by October 31, 2020. Along with results, the departments must report on how the information gleaned from the pilot project will be used to manage the Colockum elk herd and other similarly situated elk herds in the state.

(5) This section expires July 1, 2021.

Passed by the House April 18, 2017.
Passed by the Senate April 6, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 245

[Substitute House Bill 1464]

COOPERATIVE PUBLIC ACCESS AGREEMENTS--PAYMENTS--OUTDOOR RECREATION IMMUNITY

AN ACT Relating to the development of cooperative agreements to expand recreational access on privately owned lands; and amending RCW 4.24.210.

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

Sec. 1. RCW 4.24.210 and 2012 c 15 s 1 are each amended to read as follows:

(1) Except as otherwise provided in subsection (3) or (4) of this section, any public or private landowners, hydroelectric project owners, or others in lawful possession and control of any lands whether designated resource, rural, or urban, or water areas or channels and lands adjacent to such areas or channels, who allow members of the public to use them for the purposes of outdoor recreation, which term includes, but is not limited to, the cutting, gathering, and removing of firewood by private persons for their personal use without purchasing the firewood from the landowner, hunting, fishing, camping, picnicking, swimming, hiking, bicycling, skateboarding or other nonmotorized wheel-based activities, aviation activities including, but not limited to, the operation of airplanes, ultra-light airplanes, hang gliders, parachutes, and paragliders, rock climbing, the riding of horses or other animals, clam digging, pleasure driving of off-road vehicles, snowmobiles, and other vehicles, boating, kayaking, canoeing, rafting, nature study, winter or water sports, viewing or enjoying historical, archaeological, scenic, or scientific sites, without charging a fee of any kind therefor, shall not be liable for unintentional injuries to such users.

(2) Except as otherwise provided in subsection (3) or (4) of this section, any public or private landowner or others in lawful possession and control of any lands whether rural or urban, or water areas or channels and lands adjacent to such areas or channels, who offer or allow such land to be used for purposes of a fish or wildlife cooperative project, or allow access to such land for cleanup of litter or other solid waste, shall not be liable for unintentional injuries to any volunteer group or to any other users.

(3) Any public or private landowner, or others in lawful possession and control of the land, may charge an administrative fee of up to twenty-five dollars for the cutting, gathering, and removing of firewood from the land.

(4)(a) Nothing in this section shall prevent the liability of a landowner or others in lawful possession and control for injuries sustained to users by reason

of a known dangerous artificial latent condition for which warning signs have not been conspicuously posted.

(i) A fixed anchor used in rock climbing and put in place by someone other than a landowner is not a known dangerous artificial latent condition and a landowner under subsection (1) of this section shall not be liable for unintentional injuries resulting from the condition or use of such an anchor.

(ii) Releasing water or flows and making waterways or channels available for kayaking, canoeing, or rafting purposes pursuant to and in substantial compliance with a hydroelectric license issued by the federal energy regulatory commission, and making adjacent lands available for purposes of allowing viewing of such activities, does not create a known dangerous artificial latent condition and hydroelectric project owners under subsection (1) of this section shall not be liable for unintentional injuries to the recreational users and observers resulting from such releases and activities.

(b) Nothing in RCW 4.24.200 and this section limits or expands in any way the doctrine of attractive nuisance.

(c) Usage by members of the public, volunteer groups, or other users is permissive and does not support any claim of adverse possession.

(5) For purposes of this section, the following are not fees:

(a) A license or permit issued for statewide use under authority of chapter 79A.05 RCW or Title 77 RCW;

(b) A pass or permit issued under RCW 79A.80.020, 79A.80.030, or 79A.80.040; ((~~and~~))

(c) A daily charge not to exceed twenty dollars per person, per day, for access to a publicly owned ORV sports park, as defined in RCW 46.09.310, or other public facility accessed by a highway, street, or nonhighway road for the purposes of off-road vehicle use; and

(d) Payments to landowners for public access from state, local, or nonprofit organizations established under department of fish and wildlife cooperative public access agreements if the landowner does not charge a fee to access the land subject to the cooperative agreement.

Passed by the House April 17, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 246

[Engrossed Substitute House Bill 1465]

WOLF DEPREDATION--REPORTS--PUBLIC RECORDS ACT EXEMPTION

AN ACT Relating to exempting from public disclosure certain information regarding reports on wolf depredations; amending RCW 42.56.430 and 77.12.885; adding a new section to chapter 42.56 RCW; and providing an expiration date.

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

Sec. 1. RCW 42.56.430 and 2008 c 252 s 1 are each amended to read as follows:

The following information relating to fish and wildlife is exempt from disclosure under this chapter:

(1) Commercial fishing catch data from logbooks required to be provided to the department of fish and wildlife under RCW 77.12.047, when the data identifies specific catch location, timing, or methodology and the release of which would result in unfair competitive disadvantage to the commercial fisher providing the catch data, however, this information may be released to government agencies concerned with the management of fish and wildlife resources;

(2) Sensitive fish and wildlife data. Sensitive fish and wildlife data may be released to the following entities and their agents for fish, wildlife, land management purposes, or scientific research needs: Government agencies, public utilities, and accredited colleges and universities. Sensitive fish and wildlife data may be released to tribal governments. Sensitive fish and wildlife data may also be released to the owner, lessee, or right-of-way or easement holder of the private land to which the data pertains. The release of sensitive fish and wildlife data may be subject to a confidentiality agreement, except upon release of sensitive fish and wildlife data to the owner, lessee, or right-of-way or easement holder of private land who initially provided the data. Sensitive fish and wildlife data does not include data related to reports of predatory wildlife as specified in RCW 77.12.885. Sensitive fish and wildlife data must meet at least one of the following criteria of this subsection as applied by the department of fish and wildlife:

(a) The nesting sites or specific locations of endangered species designated under RCW 77.12.020, or threatened or sensitive species classified by rule of the department of fish and wildlife;

(b) Radio frequencies used in, or locational data generated by, telemetry studies; or

(c) Other location data that could compromise the viability of a specific fish or wildlife population, and where at least one of the following criteria are met:

(i) The species has a known commercial or black market value;

(ii) There is a history of malicious take of that species and the species behavior or ecology renders it especially vulnerable;

(iii) There is a known demand to visit, take, or disturb the species; or

(iv) The species has an extremely limited distribution and concentration;

(3) The following information regarding any damage prevention cooperative agreement, or nonlethal preventative measures deployed to minimize wolf interactions with pets and livestock:

(a) The name, telephone number, residential address, and other personally identifying information of any person who has a current damage prevention cooperative agreement with the department, including a pet or livestock owner, and his or her employees or immediate family members, who agrees to deploy, or is responsible for the deployment of, nonlethal, preventative measures; and

(b) The legal description or name of any residential property, ranch, or farm, that is owned, leased, or used by any person included in (a) of this subsection;

(4) The following information regarding a reported depredation by wolves on pets or livestock:

(a) The name, telephone number, residential address, and other personally identifying information of:

(i) Any person who reported the depredation;

(ii) Any pet or livestock owner, and his or her employees or immediate family members, whose pet or livestock was the subject of a reported depredation; and

(iii) Any department of fish and wildlife employee, range rider contractor, or trapper contractor who directly:

(A) Responds to a depredation; or

(B) Assists in the lethal removal of a wolf; and

(b) The legal description, location coordinates, or name that identifies any residential property, or ranch or farm that contains a residence, that is owned, leased, or used by any person included in (a) of this subsection;

(5) The personally identifying information of persons who acquire recreational licenses under RCW 77.32.010 or commercial licenses under chapter 77.65 or 77.70 RCW, except name, address of contact used by the department, and type of license, endorsement, or tag; however, the department of fish and wildlife may disclose personally identifying information to:

(a) Government agencies concerned with the management of fish and wildlife resources;

(b) The department of social and health services, child support division, and to the department of licensing in order to implement RCW 77.32.014 and 46.20.291; and

(c) Law enforcement agencies for the purpose of firearm possession enforcement under RCW 9.41.040; and

((~~(4)~~)) (6) Information that the department of fish and wildlife has received or accessed but may not disclose due to confidentiality requirements in the Magnuson-Stevens fishery conservation and management reauthorization act of 2006 (16 U.S.C. Sec. 1861(h)(3) and (i), and Sec. 1881a(b)).

Sec. 2. RCW 77.12.885 and 2007 c 293 s 2 are each amended to read as follows:

Except for the personal information on reported depredations by wolves that is exempted from disclosure as provided in RCW 42.56.430, the department shall post on its internet web site all reported predatory wildlife interactions, including reported human safety confrontations or sightings as well as the known details of reported depredations by predatory wildlife on humans, pets, or livestock, within ten days of receiving the report. The posted material must include, but is not limited to, the location and time, the known details, and a running summary of such reported interactions by identified specie and interaction type within each affected county. For the purposes of this section and RCW 42.56.430, "predatory wildlife" means grizzly bears, wolves, and cougars.

NEW SECTION. **Sec. 3.** A new section is added to chapter 42.56 RCW to read as follows:

By December 1, 2021, the public records exemptions accountability committee, in addition to its duties in RCW 42.56.140, must prepare and submit a report to the legislature that includes recommendations on whether the exemptions created in section 1, chapter . . ., Laws of 2017 (section 1 of this act) should be continued or allowed to expire. The report should focus on whether the exemption continues to serve the intent of the legislature in section 1, chapter . . ., Laws of 2017 (section 1 of this act) to provide protections of personal information during the period the state establishes and implements new policies

regarding wolf management. The committee must consider whether the development of wolf management policy, by the time of the report, has diminished risks of threats to personal safety so that the protection of personal information in section 1, chapter . . ., Laws of 2017 (section 1 of this act) is no longer an ongoing necessity.

NEW SECTION. **Sec. 4.** This act expires June 30, 2022.

Passed by the House April 20, 2017.
Passed by the Senate April 19, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 247

[Substitute House Bill 1605]
VESSEL IMPOUNDMENT

AN ACT Relating to vessel impoundment; and adding a new section to chapter 79A.60 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 79A.60 RCW to read as follows:

(1) Whenever the operator of a vessel is arrested for a violation of RCW 79A.60.040, the arresting officer, or another officer acting at the arresting officer's direction, has authority to impound the vessel as provided in this section.

(2) This section is not intended to limit or constrain the ability of local government from enacting and enforcing ordinances or other regulations relating to the impoundment of vessels for the purposes of enforcing RCW 79A.60.040.

(3) Unless vessel impound is required for evidentiary purposes, a law enforcement officer must seek a series of reasonable alternatives to impound before impounding the vessel. Reasonable alternatives to impound may include, but are not limited to:

(a) Working with the vessel's owner to locate a qualified operator who can take possession of the vessel within thirty minutes following the arrest of the vessel's operator and giving possession of the vessel to such a person;

(b) Leaving the vessel at a marina, dock, or moorage facility, provided that:

(i) The owner is present and willing to sign a liability waiver by which the owner agrees to waive any claims related to such an action against the law enforcement officer and the officer's agency and indemnify the officer and the agency against any claims related to such an action by any third party; and

(ii) The owner agrees to pay any applicable moorage charges or fees; and

(c) Towing the vessel to the closest boat ramp, marina, or similar type facility where the owner can meet the impounding officer within thirty minutes in order to:

(i) Moor the vessel by accepting any applicable moorage charges or fees; or

(ii) Take possession of the vessel if the owner was not present at the time of the arrest.

(4) For the purposes of this section, storing an impounded vessel may include, but is not limited to:

(a) Removing the vessel to and placing it in a secure or other type of moorage facility; or

(b) Placing the vessel in the custody of an operator licensed by the United States coast guard per 46 C.F.R. Sec. 11.482 to provide commercial assistance towing services in Washington state who must:

(i) Tow it to a storage facility operated by the towing entity for storage or to a moorage facility for storage; or

(ii) Tow it to a location designated by the operator or owner of the vessel.

(5) In exigent circumstances, an impounding officer may temporarily attach an impounded vessel to a mooring buoy or anchor the vessel to the bottom for up to twenty-four hours, after which time the impounding officer must move or cause the vessel to be moved to an appropriate facility for storage as outlined in subsection (4) of this section.

(6) If the impounding officer secures a vessel by placing it on its trailer, the officer, moorage facility representative, or commercial assistance towing service is authorized to detach the vessel's trailer from the vehicle to which it is attached, attach the trailer to an impounding vehicle, operate the vessel to load it on the trailer, and then tow the vessel on its trailer to the storage facility.

(7) All vessels must be handled appropriately and returned in substantially the same condition as they existed before being impounded, unless forfeited pursuant to subsection (12) of this section. Except as provided in subsection (12)(b) of this section, all personal property in the vessel must be kept intact and must be returned to the vessel's owner or agent during the normal business hours of the entity storing the vessel upon request, provided the vessel owner, or the owner's agent, is able to provide sufficient proof of his or her identity.

(8) No moorage facility or vessel towing service provider is required to accept an impounded or otherwise secured vessel under this section for towing or storage. An impounding officer intending to secure a vessel by means of storing it at a moorage facility must have the permission of the owner or operator of the moorage facility prior to leaving the vessel at the facility. The impounding officer shall identify an authorized person on the vessel impound authorization and inventory form to represent the vessel impound facility. The officer must provide a copy of the vessel impound authorization and inventory form to the designated person representing the vessel impound facility along with the addresses of the registered and legal owners of the vessel. The moorage facility may require that the impounding officer's agency take responsibility for the foreclosure process set forth in subsection (12) of this section before they consent to accept an impounded vessel.

(9)(a) An impounding officer impounding a vessel pursuant to this section shall notify the legal and registered owner or owners of the impoundment of the vessel. The notification must be in writing and sent within one business day after the impound by first-class mail, digital transmission, or facsimile to the last known address of the registered and legal owner or owners of the vessel, as identified by the department of licensing, and must inform the owner or owners of the identity of the person or agency authorizing the impound. The impounding officer may serve the operator with the vessel impound authorization and inventory form at the time of impound if the operator is a legal or registered owner of the vessel. Personal service of the vessel impound authorization and inventory form meets the notice requirement of this subsection with respect to

the legal or registered owner personally served. The notification must be provided on a vessel impound authorization and inventory form and include: (i) The name, address, and telephone number of the facility where the vessel is being held; (ii) the right of redemption and opportunity for a hearing to contest the validity of the impoundment; and (iii) the rate that is being charged for the storage of the vessel while impounded.

(b) A notice does not need to be sent to the legal or registered owner or owners of an impounded vessel if the vessel has been redeemed.

(c) The impounded vessel may not be redeemed by the operator within a twelve-hour period starting at the time of the operator's arrest. The vessel may be redeemed by or released to an owner or an agent of the owner that is not the operator within the twelve-hour period following arrest.

(10) A moorage facility that accepts a vessel impounded pursuant to this section for storage may charge the owner of the vessel up to one hundred twenty-five percent of the normal moorage rates of tenants or guests in addition to a fee for securing the impounded vessel. A moorage facility must store the vessel in the least costly boat slip or storage area available that is appropriate for the vessel size. An entity that provides emergency vessel towing services that accepts a vessel impounded pursuant to this section for towing or storage, or both, may charge its normal towing and storage fees. The costs of removal and storage of vessels under this section is a lien upon the vessel until paid, unless the impoundment is determined to be invalid. The registered owner of a vessel impounded pursuant to this section is responsible for paying all fees associated with the towing and storage of the vessel resulting from its impoundment, except as otherwise provided in subsection (15) of this section.

(11) Within fifteen days of impoundment of the vessel, or until the vessel is forfeited pursuant to subsection (12) of this section, the legal or registered owner of a vessel impounded and stored pursuant to this section may redeem the vessel by paying all towing and storage fees charged as allowed in subsection (10) of this section. Within fifteen days of impoundment of the vessel, or until the vessel is forfeited pursuant to subsection (12) of this section, any person who shows proof of ownership or written authorization from the impounded vessel's registered or legal owner or the vessel's insurer may view the vessel without charge during the normal business hours of the entity storing the vessel. The moorage facility may request that a representative of the impounding agency be present during redemption. If requested, the impounding agency must provide a representative as requested by the moorage facility.

(12) If an impounded vessel stored pursuant to this section is not redeemed by its registered or legal owner pursuant to subsection (11) of this section within fifteen days of its impoundment, the entity storing the vessel, or the agency of the impounding officer, if required by the moorage facility under subsection (8) of this section, may initiate foreclosure. Forfeiture by the vessel owner is complete twenty days after mailing of the notice required by this subsection, unless within that time the owner, or any lienholder or holder of a security interest, pays all fees associated with the towing and storage of the vessel resulting from its impoundment. However, foreclosure may not be completed while a hearing under subsection (15) of this section to contest the validity of the impoundment is pending in district or municipal court or while any appeal of a

decision of the district or municipal court on the validity of the impoundment is pending.

(a) In order to foreclose on the vessel, the foreclosing entity must mail notice of its intent. Such a notice must, at a minimum, state: (i) The intent of the foreclosing entity to foreclose on the vessel; (ii) that, when the foreclosure process is complete, the owner forfeits all ownership interest in the vessel; (iii) the right of the foreclosing entity to take possession of or dispose of the vessel upon completion of the foreclosure process; and (iv) that the owner, or other interested person or entity, may avoid forfeiture of the vessel by paying all fees associated with the towing and storage of the vessel resulting from its impoundment within twenty days of mailing of the notice. The notice must be mailed to the owner of the vessel at the address on file with the state with which the vessel is registered, or on file with the federal government, if the vessel is registered with the federal government, and any lienholder or secured interests on record. A notice need not be sent to the purported owner or any other person whose interest in the vessel is not recorded with a state or with the federal government.

(b) Upon completion of the foreclosure process, the registered and legal owners of the vessel forfeit any and all ownership interest in it and the entity administering the foreclosure process must dispose of it through sale. The proceeds of a sale under this section shall be applied first to payment of the amount of reasonable charges incurred by the entity for towing, storage, and sale, then to the owner or to satisfy any liens of record or security interests of record on the vessel in the order of their priority. If the sale is for a sum less than the applicable charges, the foreclosing entity is entitled to assert a claim for the deficiency against the vessel owner. Nothing in this section prevents any lien holder or secured party from asserting a claim for any deficiency owed the lien holder or secured party. If more than one thousand dollars remains after the satisfaction of amounts owed to the entity and to any owner or bona fide security interest, then the foreclosing entity must remit the moneys to the department of licensing for deposit in the derelict vessel removal account established in RCW 79.100.100. A copy of the forfeited vessel disposition report form identifying the vessel resulting in any surplus shall accompany the remitted funds. Transfer of ownership of the vessel after foreclosure must comply with RCW 79.100.150, when applicable. All personal property in the vessel not claimed prior to foreclosure must be turned over to the law enforcement agency that authorized the impoundment. The personal property must be disposed of pursuant to chapter 63.32 or 63.40 RCW, or as otherwise provided by law. Within fourteen days of the completion of the foreclosure process of a vessel pursuant to this subsection, the foreclosing entity shall send a forfeited vessel disposition report, together with a copy of the vessel impound authorization and inventory form and the notice of intent to foreclose, to the department of licensing so that the department may include documentation in the ownership records of the vessel. The vessel disposition information sent to the department of licensing on the forfeited vessel disposition report relieves the previous owner of the vessel from any civil or criminal liability for the operation of the vessel from the date of sale thereafter, and transfers full liability for the vessel to the party to whom the vessel is transferred by the foreclosing entity.

(13) Any individual or entity whose assistance has been requested by an impounding officer who in good faith provides trailering, towing, or secured or other type of moorage of a vessel impounded pursuant to this section is not liable for any damage to or theft of the vessel or its contents, or for damages for loss of use of the vessel resulting from any act or omission in providing assistance other than for acts or omissions constituting gross negligence or willful or wanton misconduct, or for any damages arising from any act or omission committed during the foreclosure process.

(14) If a law enforcement officer impounds and secures a vessel pursuant to this section, the impounding officer and the government agency employing the officer are not liable for any damage to or theft of the vessel or its contents, or for damages for loss of use of the vessel, or for any damages arising from any act or omission committed during the foreclosure process.

(15) Any legal or registered owner seeking to redeem an impounded vessel under this section has a right to a hearing in the district or municipal court for the jurisdiction in which the vessel was impounded to contest the validity of the impoundment. The district court has jurisdiction to determine the issues involving all impoundments including those authorized by the state or its agents, unless the impoundment was authorized by municipal agents. The municipal court has exclusive jurisdiction to determine the issues involving impoundments authorized by agents of the municipality. Any request for a hearing must be made in writing per the instructions provided on the uniform vessel impound authorization and inventory form and must be received by the appropriate court within ten business days of the date that the vessel impound authorization and inventory form was mailed to or served on the registered or legal owner or owners of the impounded vessel. If the hearing request is not received by the court within ten business days of the sending or personal service of the notice of impoundment pursuant to subsection (9) of this section, the right to a hearing is waived and the registered owner is liable for any towing, storage, or other impoundment charges permitted under this chapter. Upon receipt of a timely hearing request, the court shall proceed to hear and determine the validity of the impoundment.

(a) Within five days after the request for a hearing, the court shall notify the operator of the impound facility, the registered and legal owners of the vessel, and the officer or agency authorizing the impound in writing of the hearing date and time.

(b) At the hearing, the petitioner may produce any relevant evidence that is admissible under court rules to show that the impoundment, towing, or storage fees charged were not proper. The court may consider a written report made under oath by the officer who authorized the impoundment in lieu of the officer's personal appearance at the hearing.

(c) At the conclusion of the hearing, the court shall determine whether the impoundment was proper, whether the towing or storage fees charged were in compliance with the fees established in subsection (10) of this section, and who is responsible for payment of the fees. The court may not adjust fees or charges that are in compliance with subsection (10) of this section.

(d) If the impoundment is found proper, the impoundment, towing, and storage fees as permitted under this chapter together with court costs must be assessed against the petitioner.

(e) If the impoundment is determined to be in violation of this section, then the registered and legal owners of the vessel bear no impoundment, towing, or storage fees, any security must be returned or discharged as appropriate, and the agency that authorized the impoundment is liable for any towing, storage, or other impoundment fees permitted under this chapter. The court shall enter judgment in favor of the moorage facility or vessel towing contractor against the agency authorizing the impound for the impoundment, towing, and storage fees incurred. In addition, the court shall enter judgment in favor of the petitioner for the amount of the filing fee required by law for the impound hearing petition. If an impoundment is determined to be in violation of this section, the impounding officer and the government agency employing the officer are not liable for damage to or theft of the vessel or its contents, or damages for loss of use of the vessel, if the impounding officer had reasonable suspicion to believe that the operator of the vessel was operating the vessel while under the influence of intoxicating liquor or any drug, was in physical control of the vessel while under the influence of intoxicating liquor or any drug, or was operating the vessel in a reckless manner, or if the impounding officer otherwise acted reasonably under the circumstances in acting to impound and secure the vessel.

(f) If any judgment entered under this subsection is not paid within fifteen days of notice in writing of its entry, the court shall award reasonable attorneys' fees and costs against the defendant in any action to enforce the judgment. Notice of entry of judgment may be made by registered or certified mail, and proof of mailing may be made by affidavit of the party mailing the notice. Notice of the entry of the judgment must read essentially as follows:

> TO: . . . . . .
>
> YOU ARE HEREBY NOTIFIED JUDGMENT was entered against you in the . . . . . Court located at . . . . . in the sum of $. . . . ., in an action entitled . . . . . ., Case No. . . . . YOU ARE FURTHER NOTIFIED that attorneys' fees and costs will be awarded against you under RCW . . . if the judgment is not paid within 15 days of the date of this notice.
>
> DATED this . . . . day of . . . . . ., (year) . . . .
>
> Signature . . . . . .
>
> Typed name and address of party mailing notice

(16) By September 30, 2017, the department of licensing in collaboration with the commission shall create the following forms for use in the enforcement of this section:

(a) A vessel impound authorization and inventory form. This form must include sections for the impounding officer to record the addresses of the registered and legal owners of the vessel and the designated individual that will act on behalf of the impound facility; and

(b) A forfeited vessel disposition report form.

(17) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Impound" means to take and hold a vessel in legal custody.

(b) "Legal owner" means a person having a perfected security interest or a registered owner of a vessel unencumbered by a security interest.

(c) "Moorage facility" includes a private moorage facility as defined in RCW 88.26.010, a moorage facility as defined in RCW 53.08.310, or a moorage facility owned or operated by the agency of the arresting officer.

(d) "Registered owner" or "owner" means the person whose lawful right of possession of a vessel has most recently been recorded with the department of licensing.

(e) "Secure moorage" is in-water moorage or dry storage at a moorage facility in a location specifically designated for the moorage of vessels and in a location where access is controlled or security is provided.

(f) "Vessel" includes any vessel as defined in RCW 79A.60.010 and includes any associated trailer or towing device used to transport the vessel if it is included in the impoundment.

Passed by the House April 17, 2017.
Passed by the Senate April 7, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 248

[Engrossed Second Substitute House Bill 1711]

FOREST HEALTH TREATMENTS--PRIORITY--REVOLVING ACCOUNT

AN ACT Relating to prioritizing lands to receive forest health treatments; amending RCW 79.64.040 and 79.64.110; reenacting and amending RCW 43.30.325 and 43.79A.040; adding new sections to chapter 79.10 RCW; adding a new section to chapter 79.64 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 79.10 RCW to read as follows:

(1)(a) Subject to the availability of amounts appropriated for this specific purpose, the department shall, to the extent feasible given all applicable trust responsibilities, develop and implement a policy for prioritizing investments on forest health treatments to protect state lands and state forestlands, as those terms are defined in RCW 79.02.010, to: (i) Reduce wildfire hazards and losses from wildfire; (ii) reduce insect infestation and disease; and (iii) achieve cumulative impact of improved forest health and resilience at a landscape scale.

(b) The prioritization policy in (a) of this subsection must consider whether state lands and state forestlands are within an area that is subject to a forest health hazard warning or order pursuant to RCW 76.06.180.

(2)(a) The department's prioritization of state lands and state forestlands must be based on an evaluation of the economic and noneconomic value of:

(i) Timber or other commercial forest products removed during any mechanical treatments;

(ii) Timber or other commercial forest products likely to be spared from damage by wildfire;

(iii) Homes, structures, agricultural products, and public infrastructure likely to be spared from damage by wildfire;

(iv) Impacts to recreation and tourism; and

(v) Ecosystem services such as water quality, air quality, or carbon sequestration.

(b) The department's evaluation of economic values may rely on heuristic techniques.

(3) The definitions in this subsection apply throughout this section and sections 2 and 3 of this act unless the context clearly requires otherwise.

(a) "Forest health" has the same meaning as defined in RCW 76.06.020.

(b) "Forest health treatment" or "treatment" means actions taken by the department to restore forest health including, but not limited to, sublandscape assessment and project planning, site preparation, reforestation, mechanical treatments including timber harvest, road realignment for fire protection and aquatic improvements, and prescribed burning.

NEW SECTION. **Sec. 2.** A new section is added to chapter 79.10 RCW to read as follows:

(1)(a) Subject to the availability of amounts appropriated for this specific purpose, consistent with the prioritization policy developed pursuant to section 1 of this act, and to the extent feasible given all applicable trust responsibilities, the department must identify areas of state lands and state forestlands that would benefit from forest health treatments at the landscape level for the next twenty years, and ones that would benefit the most during the following six years, and prioritize and list specific lands for treatment during the subsequent biennium. The department shall update this list by November 15th of each even-numbered year.

(b) To expedite initial treatments under this act, for the 2017-2019 biennium the department may prioritize and, if funds are appropriated for this purpose, address lands for treatment that are currently identified by the department as pilot treatment projects.

(2) In order to develop a prioritized list that evaluates forest health treatments at a landscape scale, the department should consult with and take into account the land management plans and activities of nearby landowners, if available, including federal agencies, other state agencies, local governments, tribes, and private property owners, in addition to any statewide assessments done by the department. The department may include federally, locally, or privately managed lands on the list. The department may fund treatment on these lands provided that the treatments are funded with nontrust funds, and provided that the treatments produce a net benefit to the health of state lands and state forestlands.

(3) By December 1st of each even-numbered year, the department must submit a report to the legislature consistent with the requirements of RCW 43.01.036, to the office of financial management, and to the board of natural resources. The report must include:

(a) A brief summary of the department's progress towards treating the state lands and state forestlands included on the preceding biennium's prioritization list;

(b) A list of lands prioritized for forest health treatments in the next biennium, including state lands and state forestlands prioritized for treatment pursuant to subsection (1) of this section;

(c) Recommended funding amounts required to carry out the treatment activities for the next biennium, including a summary of potential nontimber

revenue sources that could finance specific forest health treatments pursuant to section 1 of this act, including but not limited to ecosystem services such as water and carbon sequestration as well as insurance and fire mitigation; and

(d) A summary of trends in forest health conditions.

NEW SECTION. **Sec. 3.** A new section is added to chapter 79.64 RCW to read as follows:

(1)(a) The forest health revolving account is created in the custody of the state treasurer. All receipts from the proceeds of forest health treatment sales as defined in this section and sections 1 and 2 of this act and all legislative transfers, gifts, grants, and federal funds must be deposited into the account. Expenditures from the account may be used only for the payment of costs, including management and administrative costs, incurred on forest health treatments necessary to improve forest health as defined in section 1 of this act. Only the commissioner or the commissioner's designee may authorize expenditures from the account. The board of natural resources has oversight of the account, and the commissioner must periodically report to the board of natural resources as to the status of the account, its disbursement, and receipts. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(b) The forest health revolving account is an interest-bearing account and the interest must be credited to the account.

(2) Beginning calendar year 2018, the fund balance attributable to the receipts from the proceeds of forest health treatment sales is subject to the following:

(a) Any unobligated amounts up to ten million dollars at the end of the calendar year are not subject to disbursements to trust beneficiaries, the resource management account, or the forest development account.

(b) Any unobligated amounts exceeding ten million dollars at the end of the calendar year must be disbursed to the appropriate trust beneficiaries as determined by the board of natural resources and these disbursements are not subject to the deductions for the resource management cost account described in RCW 79.64.040 or the forest development account described in RCW 79.64.110.

(c) If the board of natural resources determines that the department has permanently discontinued using the forest health revolving account for the forest health treatments under sections 1 and 2 of this act, the board must disburse all remaining fund balance attributable to the proceeds of forest health treatment sales to the appropriate trust beneficiaries, and these disbursements are not subject to the deductions for the resource management cost account described in RCW 79.64.040 or the forest development account described in RCW 79.64.110.

(3)(a) Except as provided in (b) and (c) of this subsection, expenditures on state lands and state forestlands for forest health treatments by the department from the forest health revolving account must be consistent with the prioritization policy under section 1 of this act and the prioritization list created under section 2 of this act.

(b) The department is not bound to adhere to the list submitted to the legislature under section 1 of this act in the event that emerging information or

changed circumstances support a reprioritization of lands consistent with the policy created under section 1 of this act.

(c) The department is not required to apply the prioritization policy of section 1 of this act where doing so would be incompatible with the conditions of funding provided by the federal government or another organization that is contributing funds to forest health treatments involving the department.

Sec. 4. RCW 43.30.325 and 2003 c 334 s 125 and 2003 c 313 s 9 are each reenacted and amended to read as follows:

(1) The department shall deposit daily all moneys and fees collected or received by the commissioner and the department in the discharge of official duties as follows:

(a) The department shall pay moneys received as advance payments, deposits, and security from successful bidders under RCW 79.15.100 and 79.11.150 to the state treasurer for deposit under (b) of this subsection. Moneys received from unsuccessful bidders shall be returned as provided in RCW 79.11.150;

(b) The department shall pay all moneys received on behalf of a trust fund or account to the state treasurer for deposit in the trust fund or account after making the deduction authorized under RCW ((~~79.22.040~~)) 79.64.110, 79.22.050, 79.64.040, and 79.15.520, except as provided in section 3 of this act;

(c) The natural resources deposit fund is hereby created. The state treasurer is the custodian of the fund. All moneys or sums which remain in the custody of the commissioner of public lands awaiting disposition or where the final disposition is not known shall be deposited into the natural resources deposit fund. Disbursement from the fund shall be on the authorization of the commissioner or the commissioner's designee, without necessity of appropriation;

(d) If it is required by law that the department repay moneys disbursed under (a) and (b) of this subsection the state treasurer shall transfer such moneys, without necessity of appropriation, to the department upon demand by the department from those trusts and accounts originally receiving the moneys.

(2) Money shall not be deemed to have been paid to the state upon any sale or lease of land until it has been paid to the state treasurer.

Sec. 5. RCW 79.64.040 and 2015 3rd sp.s. c 4 s 972 are each amended to read as follows:

(1) The board shall determine the amount deemed necessary in order to achieve the purposes of this chapter and shall provide by rule for the deduction of this amount from the moneys received from all leases, sales, contracts, licenses, permits, easements, and rights-of-way issued by the department and affecting state lands and aquatic lands, except as provided in section 3 of this act, provided that no deduction shall be made from the proceeds from agricultural college lands.

(2) Moneys received as deposits from successful bidders, advance payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150 prior to December 1, 1981, which have not been subjected to deduction under this section are not subject to deduction under this section.

(3) Except as otherwise provided in subsection (5) of this section, the deductions authorized under this section shall not exceed twenty-five percent of

the moneys received by the department in connection with any one transaction pertaining to state lands and aquatic lands other than second-class tide and shore lands and the beds of navigable waters, and fifty percent of the moneys received by the department pertaining to second-class tide and shore lands and the beds of navigable waters.

(4) In the event that the department sells logs using the contract harvesting process described in RCW 79.15.500 through 79.15.530, the moneys received subject to this section are the net proceeds from the contract harvesting sale.

(5) During the 2013-2015 fiscal biennium, the twenty-five percent limitation on deductions set in subsection (3) of this section may be increased up to thirty percent by the board. During the 2015-2017 fiscal biennium, the board may increase the twenty-five percent limitation up to thirty-two percent.

Sec. 6. RCW 79.64.110 and 2015 3rd sp.s. c 4 s 973 are each amended to read as follows:

(1) Any moneys derived from the lease of state forestlands or from the sale of valuable materials, oils, gases, coal, minerals, or fossils from those lands, except as provided in section 3 of this act, or the appraised value of these resources when transferred to a public agency under RCW 79.22.060, except as provided in RCW 79.22.060(4), must be distributed as follows:

(a) For state forestlands acquired through RCW 79.22.040 or by exchange for lands acquired through RCW 79.22.040:

(i) The expense incurred by the state for administration, reforestation, and protection, not to exceed twenty-five percent, which rate of percentage shall be determined by the board, must be returned to the forest development account created in RCW 79.64.100. During the 2015-2017 fiscal biennium, the board may increase the twenty-five percent limitation up to twenty-seven percent.

(ii) Any balance remaining must be paid to the county in which the land is located or, for counties participating in a land pool created under RCW 79.22.140, to each participating county proportionate to its contribution of asset value to the land pool as determined by the board. Payments made under this subsection are to be paid, distributed, and prorated, except as otherwise provided in this section, to the various funds in the same manner as general taxes are paid and distributed during the year of payment.

(iii) Any balance remaining, paid to a county with a population of less than sixteen thousand, must first be applied to the reduction of any indebtedness existing in the current expense fund of the county during the year of payment.

(iv) With regard to moneys remaining under this subsection (1)(a), within seven working days of receipt of these moneys, the department shall certify to the state treasurer the amounts to be distributed to the counties. The state treasurer shall distribute funds to the counties four times per month, with no more than ten days between each payment date.

(b) For state forestlands acquired through RCW 79.22.010 or by exchange for lands acquired through RCW 79.22.010, except as provided in RCW 79.64.120:

(i) Fifty percent shall be placed in the forest development account.

(ii) Fifty percent shall be prorated and distributed to the state general fund, to be dedicated for the benefit of the public schools, to the county in which the land is located or, for counties participating in a land pool created under RCW 79.22.140, to each participating county proportionate to its contribution of asset

value to the land pool as determined by the board, and according to the relative proportions of tax levies of all taxing districts in the county. The portion to be distributed to the state general fund shall be based on the regular school levy rate under RCW 84.52.065 and the levy rate for any maintenance and operation special school levies. With regard to the portion to be distributed to the counties, the department shall certify to the state treasurer the amounts to be distributed within seven working days of receipt of the money. The state treasurer shall distribute funds to the counties four times per month, with no more than ten days between each payment date. The money distributed to the county must be paid, distributed, and prorated to the various other funds in the same manner as general taxes are paid and distributed during the year of payment.

(2) A school district may transfer amounts deposited in its debt service fund pursuant to this section into its capital projects fund as authorized in RCW 28A.320.330.

Sec. 7. RCW 43.79A.040 and 2016 c 203 s 2, 2016 c 173 s 10, 2016 c 69 s 21, and 2016 c 39 s 7 are each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

(2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments must occur prior to distribution of earnings set forth in subsection (4) of this section.

(4)(a) Monthly, the state treasurer must distribute the earnings credited to the investment income account to the state general fund except under (b), (c), and (d) of this subsection.

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family leave insurance account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the future teachers

conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the multiagency permitting team account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state heritage center account, the reduced cigarette ignition propensity account, the center for childhood deafness and hearing loss account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, and the radiation perpetual maintenance fund.

(c) The following accounts and funds must receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right-of-way revolving fund, the advanced environmental mitigation revolving account, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. **Sec. 8.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 9.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the House April 19, 2017.

Passed by the Senate April 10, 2017.

Approved by the Governor May 8, 2017.

Filed in Office of Secretary of State May 8, 2017.

CHAPTER 249

[Engrossed Substitute House Bill 1714]

HOSPITALS--NURSE STAFFING PLANS

AN ACT Relating to nursing staffing practices at hospitals; amending RCW 70.41.420; adding a new section to chapter 70.41 RCW; creating new sections; prescribing penalties; and providing an expiration date.

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

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

(1) Research demonstrates that registered nurses play a critical role in improving patient safety and quality of care;

(2) Appropriate staffing of hospital personnel including registered nurses available for patient care assists in reducing errors, complications, and adverse patient care events and can improve staff safety and satisfaction and reduce incidences of workplace injuries;

(3) Health care professional, technical, and support staff comprise vital components of the patient care team, bringing their particular skills and services to ensuring quality patient care;

(4) Assuring sufficient staffing of hospital personnel, including registered nurses, is an urgent public policy priority in order to protect patients and support greater retention of registered nurses and safer working conditions; and

(5) Steps should be taken to promote evidence-based nurse staffing and increase transparency of health care data and decision making based on the data.

Sec. 2. RCW 70.41.420 and 2008 c 47 s 3 are each amended to read as follows:

(1) By September 1, 2008, each hospital shall establish a nurse staffing committee, either by creating a new committee or assigning the functions of a nurse staffing committee to an existing committee. At least one-half of the members of the nurse staffing committee shall be registered nurses currently providing direct patient care and up to one-half of the members shall be determined by the hospital administration. The selection of the registered nurses providing direct patient care shall be according to the collective bargaining agreement if there is one in effect at the hospital. If there is no applicable collective bargaining agreement, the members of the nurse staffing committee who are registered nurses providing direct patient care shall be selected by their peers.

(2) Participation in the nurse staffing committee by a hospital employee shall be on scheduled work time and compensated at the appropriate rate of pay. Nurse staffing committee members shall be relieved of all other work duties during meetings of the committee.

(3) Primary responsibilities of the nurse staffing committee shall include:

(a) Development and oversight of an annual patient care unit and shift-based nurse staffing plan, based on the needs of patients, to be used as the primary component of the staffing budget. Factors to be considered in the development of the plan should include, but are not limited to:

(i) Census, including total numbers of patients on the unit on each shift and activity such as patient discharges, admissions, and transfers;

(ii) Level of intensity of all patients and nature of the care to be delivered on each shift;

(iii) Skill mix;

(iv) Level of experience and specialty certification or training of nursing personnel providing care;

(v) The need for specialized or intensive equipment;

(vi) The architecture and geography of the patient care unit, including but not limited to placement of patient rooms, treatment areas, nursing stations, medication preparation areas, and equipment; ((~~and~~))

(vii) Staffing guidelines adopted or published by national nursing professional associations, specialty nursing organizations, and other health professional organizations;

(viii) Availability of other personnel supporting nursing services on the unit; and

(ix) Strategies to enable registered nurses to take meal and rest breaks as required by law or the terms of an applicable collective bargaining agreement, if any, between the hospital and a representative of the nursing staff;

(b) Semiannual review of the staffing plan against patient need and known evidence-based staffing information, including the nursing sensitive quality indicators collected by the hospital;

(c) Review, assessment, and response to staffing variations or concerns presented to the committee.

(4) In addition to the factors listed in subsection (3)(a) of this section, hospital finances and resources ((~~may~~)) must be taken into account in the development of the nurse staffing plan.

(5) The staffing plan must not diminish other standards contained in state or federal law and rules, or the terms of an applicable collective bargaining agreement, if any, between the hospital and a representative of the nursing staff.

(6) The committee will produce the hospital's annual nurse staffing plan. If this staffing plan is not adopted by the hospital, the chief executive officer shall provide a written explanation of the reasons why the plan was not adopted to the committee. The chief executive officer must then either: (a) Identify those elements of the proposed plan being changed prior to adoption of the plan by the hospital or (b) prepare an alternate annual staffing plan that must be adopted by the hospital. Beginning January 1, 2019, each hospital shall submit its staffing plan to the department and thereafter on an annual basis and at any time in between that the plan is updated.

(7) Beginning January 1, 2019, each hospital shall implement the staffing plan and assign nursing personnel to each patient care unit in accordance with the plan.

(a) A registered nurse may report to the staffing committee any variations where the nurse personnel assignment in a patient care unit is not in accordance with the adopted staffing plan and may make a complaint to the committee based on the variations.

(b) Shift-to-shift adjustments in staffing levels required by the plan may be made by the appropriate hospital personnel overseeing patient care operations. If a registered nurse on a patient care unit objects to a shift-to-shift adjustment, the registered nurse may submit the complaint to the staffing committee.

(c) Staffing committees shall develop a process to examine and respond to data submitted under (a) and (b) of this subsection, including the ability to

determine if a specific complaint is resolved or dismissing a complaint based on unsubstantiated data.

(8) Each hospital shall post, in a public area on each patient care unit, the nurse staffing plan and the nurse staffing schedule for that shift on that unit, as well as the relevant clinical staffing for that shift. The staffing plan and current staffing levels must also be made available to patients and visitors upon request.

((~~(8)~~)) (9) A hospital may not retaliate against or engage in any form of intimidation of:

(a) An employee for performing any duties or responsibilities in connection with the nurse staffing committee; or

(b) An employee, patient, or other individual who notifies the nurse staffing committee or the hospital administration of his or her concerns on nurse staffing.

((~~(9)~~)) (10) This section is not intended to create unreasonable burdens on critical access hospitals under 42 U.S.C. Sec. 1395i-4. Critical access hospitals may develop flexible approaches to accomplish the requirements of this section that may include but are not limited to having nurse staffing committees work by telephone or ((~~electronic mail~~)) email.

NEW SECTION. **Sec. 3.** A new section is added to chapter 70.41 RCW to read as follows:

(1)(a) The department shall investigate a complaint submitted under this section for violation of RCW 70.41.420 following receipt of a complaint with documented evidence of failure to:

(i) Form or establish a staffing committee;

(ii) Conduct a semiannual review of a nurse staffing plan;

(iii) Submit a nurse staffing plan on an annual basis and any updates; or

(iv)(A) Follow the nursing personnel assignments in a patient care unit in violation of RCW 70.41.420(7)(a) or shift-to-shift adjustments in staffing levels in violation of RCW 70.41.420(7)(b).

(B) The department may only investigate a complaint under this subsection (1)(a)(iv) after making an assessment that the submitted evidence indicates a continuing pattern of unresolved violations of RCW 70.41.420(7) (a) or (b), that were submitted to the nurse staffing committee excluding complaints determined by the nurse staffing committee to be resolved or dismissed. The submitted evidence must include the aggregate data contained in the complaints submitted to the hospital's nurse staffing committee that indicate a continuing pattern of unresolved violations for a minimum sixty-day continuous period leading up to receipt of the complaint by the department.

(C) The department may not investigate a complaint under this subsection (1)(a)(iv) in the event of unforeseeable emergency circumstances or if the hospital, after consultation with the nurse staffing committee, documents it has made reasonable efforts to obtain staffing to meet required assignments but has been unable to do so.

(b) After an investigation conducted under (a) of this subsection, if the department determines that there has been a violation, the department shall require the hospital to submit a corrective plan of action within forty-five days of the presentation of findings from the department to the hospital.

(2) In the event that a hospital fails to submit or submits but fails to follow such a corrective plan of action in response to a violation or violations found by the department based on a complaint filed pursuant to subsection (1) of this

section, the department may impose, for all violations asserted against a hospital at any time, a civil penalty of one hundred dollars per day until the hospital submits or begins to follow a corrective plan of action or takes other action agreed to by the department.

(3) The department shall maintain for public inspection records of any civil penalties, administrative actions, or license suspensions or revocations imposed on hospitals under this section.

(4) For purposes of this section, "unforeseeable emergency circumstance" means:

(a) Any unforeseen national, state, or municipal emergency;

(b) When a hospital disaster plan is activated;

(c) Any unforeseen disaster or other catastrophic event that substantially affects or increases the need for health care services; or

(d) When a hospital is diverting patients to another hospital or hospitals for treatment or the hospital is receiving patients who are from another hospital or hospitals.

(5) Nothing in this section shall be construed to preclude the ability to otherwise submit a complaint to the department for failure to follow RCW 70.41.420.

(6) The department shall submit a report to the legislature on December 31, 2020. This report shall include the number of complaints submitted to the department under this section, the disposition of these complaints, the number of investigations conducted, the associated costs for complaint investigations, and recommendations for any needed statutory changes. The department shall also project, based on experience, the impact, if any, on hospital licensing fees over the next four years. Prior to the submission of the report, the secretary shall convene a stakeholder group consisting of the Washington state hospital association, the Washington state nurses association, service employees international union healthcare 1199NW, and united food and commercial workers 21. The stakeholder group shall review the report prior to its submission to review findings and jointly develop any legislative recommendations to be included in the report.

(7) No fees shall be increased to implement this act prior to July 1, 2021.

NEW SECTION. **Sec. 4.** This act expires June 1, 2023.

NEW SECTION. **Sec. 5.** This act may be known and cited as the Washington state patient safety act.

Passed by the House April 20, 2017.
Passed by the Senate April 19, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 250

[House Bill 1718]

PRIVATE WINE AUCTIONS--SPECIAL PERMIT

AN ACT Relating to creating a special permit for certain wine auctions; and reenacting and amending RCW 66.20.010.

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

Sec. 1. RCW 66.20.010 and 2016 c 235 s 6 and 2016 c 129 s 1 are each reenacted and amended to read as follows:

Upon application in the prescribed form being made to any employee authorized by the board to issue permits, accompanied by payment of the prescribed fee, and upon the employee being satisfied that the applicant should be granted a permit under this title, the employee must issue to the applicant under such regulations and at such fee as may be prescribed by the board a permit of the class applied for, as follows:

(1) Where the application is for a special permit by a physician or dentist, or by any person in charge of an institution regularly conducted as a hospital or sanitorium for the care of persons in ill health, or as a home devoted exclusively to the care of aged people, a special liquor purchase permit, except that the governor may waive the requirement for a special liquor purchase permit under this subsection pursuant to an order issued under RCW 43.06.220(2);

(2) Where the application is for a special permit by a person engaged within the state in mechanical or manufacturing business or in scientific pursuits requiring alcohol for use therein, or by any private individual, a special permit to purchase alcohol for the purpose named in the permit, except that the governor may waive the requirement for a special liquor purchase permit under this subsection pursuant to an order issued under RCW 43.06.220(2);

(3) Where the application is for a special permit to consume liquor at a banquet, at a specified date and place, a special permit to purchase liquor for consumption at such banquet, to such applicants as may be fixed by the board;

(4) Where the application is for a special permit to consume liquor on the premises of a business not licensed under this title, a special permit to purchase liquor for consumption thereon for such periods of time and to such applicants as may be fixed by the board;

(5) Where the application is for a special permit by a manufacturer to import or purchase within the state alcohol, malt, and other materials containing alcohol to be used in the manufacture of liquor, or other products, a special permit;

(6) Where the application is for a special permit by a person operating a drug store to purchase liquor at retail prices only, to be thereafter sold by such person on the prescription of a physician, a special liquor purchase permit, except that the governor may waive the requirement for a special liquor purchase permit under this subsection pursuant to an order issued under RCW 43.06.220(2);

(7) Where the application is for a special permit by an authorized representative of a military installation operated by or for any of the armed forces within the geographical boundaries of the state of Washington, a special permit to purchase liquor for use on such military installation;

(8) Where the application is for a special permit by a vendor that manufactures or sells a product which cannot be effectively presented to potential buyers without serving it with liquor or by a manufacturer, importer, or distributor, or representative thereof, to serve liquor without charge to delegates and guests at a convention of a trade association composed of licensees of the board, when the said liquor is served in a hospitality room or from a booth in a board-approved suppliers' display room at the convention, and when the liquor so served is for consumption in the said hospitality room or display room during the convention, anything in this title to the contrary notwithstanding. Any such

spirituous liquor must be purchased from a spirits retailer or distributor, and any such liquor is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

(9) Where the application is for a special permit by a manufacturer, importer, or distributor, or representative thereof, to donate liquor for a reception, breakfast, luncheon, or dinner for delegates and guests at a convention of a trade association composed of licensees of the board, when the liquor so donated is for consumption at the said reception, breakfast, luncheon, or dinner during the convention, anything in this title to the contrary notwithstanding. Any such spirituous liquor must be purchased from a spirits retailer or distributor, and any such liquor is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

(10) Where the application is for a special permit by a manufacturer, importer, or distributor, or representative thereof, to donate and/or serve liquor without charge to delegates and guests at an international trade fair, show, or exposition held under the auspices of a federal, state, or local governmental entity or organized and promoted by a nonprofit organization, anything in this title to the contrary notwithstanding. Any such spirituous liquor must be purchased from a liquor spirits retailer or distributor, and any such liquor is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

(11) Where the application is for an annual special permit by a person operating a bed and breakfast lodging facility to donate or serve wine or beer without charge to overnight guests of the facility if the wine or beer is for consumption on the premises of the facility. "Bed and breakfast lodging facility," as used in this subsection, means a facility offering from one to eight lodging units and breakfast to travelers and guests;

(12) Where the application is for a special permit to allow tasting of alcohol by persons at least eighteen years of age under the following circumstances:

(a) The application is from a community or technical college as defined in RCW 28B.50.030, a regional university, or a state university;

(b) The person who is permitted to taste under this subsection is enrolled as a student in a required or elective class that is part of a culinary, sommelier, wine business, enology, viticulture, wine technology, beer technology, or spirituous technology-related degree program;

(c) The alcohol served to any person in the degree-related programs under (b) of this subsection is tasted but not consumed for the purposes of educational training as part of the class curriculum with the approval of the educational provider;

(d) The service and tasting of alcoholic beverages is supervised by a faculty or staff member of the educational provider who is twenty-one years of age or older. The supervising faculty or staff member shall possess a class 12 or 13 alcohol server permit under the provisions of RCW 66.20.310;

(e) The enrolled student permitted to taste the alcoholic beverages does not purchase the alcoholic beverages; and

(f) The permit fee for the special permit provided for in this subsection (12) must be waived by the board;

(13) Where the application is for a special permit by a distillery or craft distillery for an event not open to the general public to be held or conducted at a specific place, including at the licensed premise of the applying distillery or craft

distillery, upon a specific date for the purpose of tasting and selling spirits of its own production. The distillery or craft distillery must obtain a permit for a fee of ten dollars per event. An application for the permit must be submitted for private banquet permits prior to the event and, once issued, must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use. No licensee may receive more than twelve permits under this subsection (13) each year;

(14) Where the application is for a special permit by a manufacturer of wine for an event not open to the general public to be held or conducted at a specific place upon a specific date for the purpose of tasting and selling wine of its own production. The winery must obtain a permit for a fee of ten dollars per event. An application for the permit must be submitted at least ten days before the event and once issued, must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use. No more than twelve events per year may be held by a single manufacturer under this subsection;

(15) Where the application is for a special permit by a manufacturer of beer for an event not open to the general public to be held or conducted at a specific place upon a specific date for the purpose of tasting and selling beer of its own production. The brewery or microbrewery must obtain a permit for a fee of ten dollars per event. An application for the permit must be submitted at least ten days before the event and, once issued, must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use. No more than twelve events per year may be held by a single manufacturer under this subsection;

(16) Where the application is for a special permit by an individual or business to sell a private collection of wine or spirits to an individual or business. The seller must obtain a permit at least five business days before the sale, for a fee of twenty-five dollars per sale. The seller must provide an inventory of products sold and the agreed price on a form provided by the board. The seller shall submit the report and taxes due to the board no later than twenty calendar days after the sale. A permit may be issued under this section to allow the sale of a private collection to licensees, but may not be issued to a licensee to sell to a private individual or business which is not otherwise authorized under the license held by the seller. If the liquor is purchased by a licensee, all sales are subject to taxes assessed as on liquor acquired from any other source. The board may adopt rules to implement this section.

(17)(a) A special permit, where the application is for a special permit by a nonprofit organization to sell wine through an auction, not open to the public, to be conducted at a specific place, upon a specific date, and to allow wine tastings at the auction of the wine to be auctioned.

(b) A permit holder under this subsection (17) may at the specified event:

(i) Sell wine by auction for off-premises consumption; and

(ii) Allow tastings of samples of the wine to be auctioned at the event.

(c) An application is required for a permit under this subsection (17). The application must be submitted prior to the event and once issued must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use.

(d) Wine from more than one winery may be sold at the auction; however, each winery selling wine at the auction must be listed on the permit application. Only a single application form may be required for each auction, regardless of the number of wineries that are selling wine at the auction. The total fee per event for a permit issued under this subsection (17) is twenty-five dollars multiplied by the number of wineries that are selling wine at the auction.

(e) For the purposes of this subsection (17), "nonprofit organization" means an entity incorporated as a nonprofit organization under Washington state law.

(f) The board may adopt rules to implement this section.

Passed by the House February 16, 2017.
Passed by the Senate April 19, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 251

[Substitute House Bill 1747]

CURRENT USE PROGRAMS--WITHDRAWAL--NOTICE

AN ACT Relating to the withdrawal of land from a designated classification; and amending RCW 84.34.070.

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

Sec. 1. RCW 84.34.070 and 2014 c 137 s 8 are each amended to read as follows:

(1)(a) When land has once been classified under this chapter, it must remain under such classification and must not be applied to other use except as provided by subsection (2) of this section for at least ten years from the date of classification. It must continue under such classification until and unless withdrawn from classification after notice of request for withdrawal is made by the owner. ((~~During any year after eight years of~~)) After the initial ten-year classification period ((~~have~~)) has elapsed, notice of request for withdrawal of all or a portion of the land may be given by the owner to the assessor or assessors of the county or counties in which the land is situated. If a portion of a parcel is removed from classification, the remaining portion must meet the same requirements as did the entire parcel when the land was originally granted classification under this chapter unless the remaining parcel has different income criteria. Within seven days the assessor must transmit one copy of the notice to the legislative body that originally approved the application. The assessor or assessors, as the case may be, must((~~, when two assessment years have elapsed following the date of receipt of the notice,~~)) withdraw the land from the classification and the land is subject to the additional tax and applicable interest due under RCW 84.34.108. Agreement to tax according to use is not considered to be a contract and can be abrogated at any time by the legislature in which event no additional tax or penalty may be imposed.

(b) If the assessor gives written notice of removal as provided in RCW 84.34.108(1)(d)(i) of all or a portion of land classified under this chapter before the owner gives a notice of request for withdrawal in (a) of this subsection, the provisions of RCW 84.34.108 apply.

(2)(a) The following reclassifications are not considered withdrawals or removals and are not subject to additional tax under RCW 84.34.108:

(i) Reclassification between lands under RCW 84.34.020 (2) and (3);

(ii) Reclassification of land classified under RCW 84.34.020 (2) or (3) or designated under chapter 84.33 RCW to open space land under RCW 84.34.020(1);

(iii) Reclassification of land classified under RCW 84.34.020 (2) or (3) to forestland designated under chapter 84.33 RCW; and

(iv) Reclassification of land classified as open space land under RCW 84.34.020(1)(c) and reclassified to farm and agricultural land under RCW 84.34.020(2) if the land had been previously classified as farm and agricultural land under RCW 84.34.020(2).

(b) Designation as forestland under RCW 84.33.130(1) as a result of a merger adopted under RCW 84.34.400 is not considered a withdrawal or removal and is not subject to additional tax under RCW 84.34.108.

((~~(c) Any owner of land classified under RCW 84.34.020(3) who has provided the assessor with a notice of request to [for] withdrawal under subsection (1) of this section within two years of the date of merger as described in RCW 84.34.400, will have their land removed as designated forestland under the provisions of chapter 84.33 RCW when two assessment years have elapsed following the receipt of this notice.~~))

(3) Applications for reclassification are subject to applicable provisions of RCW 84.34.037, 84.34.035, 84.34.041, and chapter 84.33 RCW.

(4) The income criteria for land classified under RCW 84.34.020(2) (b) and (c) may be deferred for land being reclassified from land classified under RCW 84.34.020 (1)(c) or (3), or chapter 84.33 RCW into RCW 84.34.020(2) (b) or (c) for a period of up to five years from the date of reclassification.

Passed by the House March 6, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 252

[Substitute House Bill 1902]

TAVERN LICENSES--CATERER'S ENDORSEMENT

AN ACT Relating to tavern licenses; and amending RCW 66.24.330.

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

Sec. 1. RCW 66.24.330 and 2003 c 167 s 7 are each amended to read as follows:

(1) There ((~~shall be~~)) is a beer and wine retailer's license to be designated as a tavern license to sell beer, including strong beer, or wine, or both, at retail, for consumption on the premises. Such licenses may be issued only to a person operating a tavern that may be frequented only by persons twenty-one years of age and older.

(2) The annual fee for ((~~such~~)) the license ((~~shall be~~)) is two hundred dollars for the beer license, two hundred dollars for the wine license, or four hundred dollars for a combination beer and wine license. Licensees who have a fee

increase of more than one hundred dollars as a result of this change shall have their fees increased fifty percent of the amount the first renewal year and the remaining amount beginning with the second renewal period. New licensees obtaining a license after July 1, 1998, ((~~shall~~)) must pay the full amount of four hundred dollars.

(3)(a) The board may issue a caterer's endorsement to this license to allow the licensee to remove from the liquor stocks at the licensed premises, only those types of liquor that are authorized under the on-premises license privileges for sale and service at event locations at a specified date and, except as provided in subsection (4) of this section, place not currently licensed by the board. If the event is open to the public, it must be sponsored by a society or organization as defined by RCW 66.24.375. If attendance at the event is limited to members or invited guests of the sponsoring individual, society, or organization, the requirement that the sponsor must be a society or organization as defined by RCW 66.24.375 is waived. Cost of the endorsement is three hundred fifty dollars.

(b) The holder of this license with a catering endorsement must, if requested by the board, notify the board or its designee of the date, time, place, and location of any catered event. Upon request, the licensee must provide to the board all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.

(c) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on the premises of another not licensed by the board so long as there is a written agreement between the licensee and the other party to provide for ongoing catering services, the agreement contains no exclusivity clauses regarding the alcoholic beverages to be served, and the agreement is filed with the board.

(d) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on other premises operated by the licensee so long as the other premises are owned or controlled by a leasehold interest by that licensee. A duplicate license may be issued for each additional premises. A license fee of twenty dollars is required for such duplicate licenses.

(4) Licensees under this section that hold a caterer's endorsement are allowed to use this endorsement on a domestic winery premises and may store liquor at such premises under conditions established by the board under the following conditions:

(a) Agreements between the domestic winery and the retail licensee must be in writing, contain no exclusivity clauses regarding the alcoholic beverages to be served, and be filed with the board; and

(b) The domestic winery and the retail licensee may be separately contracted and compensated by the persons sponsoring the event for their respective services.

(5) The holder of this license or its manager may furnish beer or wine to the licensee's employees free of charge as may be required for use in connection with instruction on beer and wine. The instruction may include the history, nature, values, and characteristics of beer or wine, the use of wine lists, and the methods of presenting, serving, storing, and handling beer or wine. The tavern licensee must use the beer or wine it obtains under its license for the sampling as

part of the instruction. The instruction must be given on the premises of the tavern licensee.

(6) Any person serving liquor at a catered event on behalf of a licensee with a caterer's endorsement under this section must be an employee of the licensee and must possess a class 12 alcohol server permit as required under RCW 66.20.310.

(7) The board may issue rules as necessary to implement the requirements of this section.

Passed by the House March 7, 2017.
Passed by the Senate April 19, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 253

[Engrossed House Bill 1924]

SMALL FOREST LANDOWNERS--FARM LABOR CONTRACTORS--BURNING PERMIT REPORT

AN ACT Relating to small forest landowners; amending RCW 19.30.010; creating a new section; and providing an expiration date.

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

Sec. 1. RCW 19.30.010 and 1985 c 280 s 1 are each amended to read as follows:

((~~As used in this chapter:~~)) The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Person" includes any individual, firm, partnership, association, corporation, or unit or agency of state or local government.

(2) "Farm labor contractor" means any person, or his or her agent or subcontractor, who, for a fee, performs any farm labor contracting activity. "Farm labor contractor" does not include a person performing farm labor contracting activity solely for a small forest landowner as defined in RCW 76.09.450 who receives services of no more than two agricultural employees at any given time.

(3) "Farm labor contracting activity" means recruiting, soliciting, employing, supplying, transporting, or hiring agricultural employees.

(4) "Agricultural employer" means any person engaged in agricultural activity, including the growing, producing, or harvesting of farm or nursery products, or engaged in the forestation or reforestation of lands, which includes but is not limited to the planting, transplanting, tubing, precommercial thinning, and thinning of trees and seedlings, the clearing, piling, and disposal of brush and slash, the harvest of Christmas trees, and other related activities.

(5) "Agricultural employee" means any person who renders personal services to, or under the direction of, an agricultural employer in connection with the employer's agricultural activity.

(6) This chapter shall not apply to employees of the employment security department acting in their official capacity or their agents, nor to any common carrier or full time regular employees thereof while transporting agricultural employees, nor to any person who performs any of the services enumerated in

subsection (3) of this section only within the scope of his or her regular employment for one agricultural employer on whose behalf he or she is so acting, unless he or she is receiving a commission or fee, which commission or fee is determined by the number of workers recruited, or to a nonprofit corporation or organization which performs the same functions for its members. Such nonprofit corporation or organization shall be one in which:

(a) None of its directors, officers, or employees are deriving any profit beyond a reasonable salary for services performed in its behalf.

(b) Membership dues and fees are used solely for the maintenance of the association or corporation.

(7) "Fee" means:

(a) Any money or other valuable consideration paid or promised to be paid for services rendered or to be rendered by a farm labor contractor.

(b) Any valuable consideration received or to be received by a farm labor contractor for or in connection with any of the services described in subsection (3) of this section, and shall include the difference between any amount received or to be received by him, and the amount paid out by him for or in connection with the rendering of such services.

(8) "Director" as used in this chapter means the director of the department of labor and industries of the state of Washington.

NEW SECTION. **Sec. 2.** (1) The department of natural resources shall consult with the appropriate stakeholders and develop an analysis, with recommendations, as to whether the issuance of burning permits can be streamlined for small forest landowners, as that term is defined in RCW 76.09.450. The analysis must consider variable term burning permits, alternative fee structures, and other methods to incentivize small forest landowners to conduct forest health treatments.

(2) Consistent with RCW 43.01.036, the department of natural resources shall report the outcome of the analysis required by this section to the legislature by October 31, 2017. In the report, the department of natural resources must identify elements, consistent with the recommendations of the analysis, within its current authority to implement, a timeline for implementation of those elements, and any elements in its recommendations that would require a rule change, statutory amendment, or additional funding to implement.

(3) This section expires August 1, 2018.

Passed by the House April 13, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 254

[Senate Bill 5762]

MERCURY-CONTAINING LIGHTS STEWARDSHIP PROGRAMS--FEES--AUDITS

AN ACT Relating to financing of the mercury-containing light stewardship program; and amending RCW 70.275.050, 70.275.040, 70.275.130, and 43.131.422.

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

Sec. 1. RCW 70.275.050 and 2014 c 119 s 5 are each amended to read as follows:

(1) Each stewardship organization must recommend to the department an environmental handling charge to be added to the price of each mercury-containing light sold in or into the state of Washington for sale at retail. The environmental handling charge must be designed to provide revenue necessary and sufficient to cover all administrative and operational costs associated with the stewardship program described in the department-approved product stewardship plan for that organization, including the department's annual fee required by subsection (5) of this section, and a prudent reserve. The stewardship organization must consult with collectors, retailers, recyclers, and each of its participating producers in developing its recommended environmental handling charge. The environmental handling charge may, but is not required to, vary by the type of mercury-containing light. In developing its recommended environmental handling charge, the stewardship organization must take into consideration and report to the department:

(a) The anticipated number of mercury-containing lights that will be sold to covered entities in the state at retail during the relevant period;

(b) The number of unwanted mercury-containing lights delivered from covered entities expected to be recycled during the relevant period;

(c) The operational costs of the stewardship organization as described in RCW 70.275.030(2);

(d) The administrative costs of the stewardship organization including the department's annual fee, described in subsection (5) of this section; and

(e) The cost of other stewardship program elements including public outreach.

(2) The department must review, adjust if necessary, and approve the stewardship organization's recommended environmental handling charge within sixty days of submittal. In making its determination, the department shall review the product stewardship plan and may consult with the producers, the stewardship organization, retailers, collectors, recyclers, and other entities.

(3) No sooner than January 1, 2015:

(a) The mercury-containing light environmental handling charge must be added to the purchase price of all mercury-containing lights sold to Washington retailers for sale at retail, and each Washington retailer shall add the charge to the purchase price of all mercury-containing lights sold at retail in this state, and the producer shall remit the environmental handling charge to the stewardship organization in the manner provided for in the stewardship plan; or

(b) Each Washington retailer must add the mercury-containing light environmental handling charge to the purchase price of all mercury-containing lights sold at retail in this state, where the retailer, by voluntary binding agreement with the producer, arranges to remit the environmental handling charge to the stewardship organization on behalf of the producer in the manner provided for in the stewardship plan. Producers may not require retailers to opt for this provision via contract, marketing practice, or any other means. The stewardship organization must allow retailers to retain a portion of the environmental handling charge as reimbursement for any costs associated with the collection and remittance of the charge.

(4) At any time, a stewardship organization may submit to the department a recommendation for an adjusted environmental handling charge for the department's review, adjustment, if necessary, and approval under subsection (2) of this section to ensure that there is sufficient revenue to fund the cost of the program, current deficits, or projected needed reserves for the next year. The department must review the stewardship organization's recommended environmental handling charge and must adjust or approve the recommended charge within thirty days of submittal if the department determines that the charge is reasonably designed to meet the criteria described in subsection (1) of this section.

(5) Beginning March 1, 2015, and each year thereafter, each stewardship organization shall pay to the department an annual fee equivalent to ((~~five~~)) three thousand dollars for each participating producer to cover the department's administrative and enforcement costs. The amount paid under this section must be deposited into the product stewardship programs account created in RCW 70.275.130.

Sec. 2. RCW 70.275.040 and 2014 c 119 s 4 are each amended to read as follows:

(1) On June 1st of the year prior to implementation, each producer must ensure that a stewardship organization submits a proposed product stewardship plan on the producer's behalf to the department for approval. Plans approved by the department must be implemented by January 1st of the following calendar year.

(2) The department shall establish rules for plan content. Plans must include but are not limited to:

(a) All necessary information to inform the department about the plan operator and participating producers and their brands;

(b) The management and organization of the product stewardship program that will oversee the collection, transportation, and processing services;

(c) The identity of collection, transportation, and processing service providers, including a description of the consideration given to existing residential curbside collection infrastructure and mail-back systems as an appropriate collection mechanism;

(d) How the product stewardship program will seek to use businesses within the state, including transportation services, retailers, collection sites and services, existing curbside collection services, existing mail-back services, and processing facilities;

(e) A description of how the public will be informed about the product stewardship program, including how consumers will be provided with information describing collection opportunities for unwanted mercury-containing lights from covered entities and safe handling of mercury-containing lights, waste prevention, and recycling. The description must also include information to make consumers aware that an environmental handling charge has been added to the purchase price of mercury-containing lights sold at retail to fund the mercury-containing light stewardship programs in the state. The environmental handling charge may not be described as a department recycling fee or charge at the point of retail sale;

(f) A description of the financing system required under RCW 70.275.050;

(g) How mercury and other hazardous substances will be handled for collection through final disposition;

(h) A public review and comment process; and

(i) Any other information deemed necessary by the department to ensure an effective mercury light product stewardship program that is in compliance with all applicable laws and rules.

(3) All plans submitted to the department must be made available for public review on the department's web site and at the department's headquarters.

(4) At least two years from the start of the product stewardship program and once every four years thereafter, each stewardship organization operating a product stewardship program must update its product stewardship plan and submit the updated plan to the department for review and approval according to rules adopted by the department.

(5) By June 1, 2016, and each June 1st thereafter, each stewardship organization must submit an annual report to the department describing the results of implementing the stewardship organization's plan for the prior calendar year, including an independent financial audit once every two years. The department may adopt rules for reporting requirements. Financial information included in the annual report must include but is not limited to:

(a) The amount of the environmental handling charge assessed on mercury-containing lights and the revenue generated;

(b) Identification of confidential information pursuant to RCW 43.21A.160 submitted in the annual report; and

(c) The cost of the mercury-containing lights product stewardship program, including line item costs for:

(i) Program operations;

(ii) Communications, including media, printing and fulfillment, public relations, and other education and outreach projects;

(iii) Administration, including administrative personnel costs, travel, compliance and auditing, legal services, banking services, insurance, and other administrative services and supplies, and stewardship organization corporate expenses; and

(iv) Amount of unallocated reserve funds.

(6) Beginning in 2023 every stewardship organization must include in its annual report an analysis of the percent of total sales of lights sold at retail to covered entities in Washington that mercury-containing lights constitute, the estimated number of mercury-containing lights in use by covered entities in the state, and the projected number of unwanted mercury-containing lights to be recycled in future years.

(7) All plans and reports submitted to the department must be made available for public review, excluding sections determined to be confidential pursuant to RCW 43.21A.160, on the department's web site and at the department's headquarters.

Sec. 3. RCW 70.275.130 and 2010 c 130 s 13 are each amended to read as follows:

The product stewardship programs account is created in the custody of the state treasurer. All funds received from producers under this chapter and penalties collected under this chapter must be deposited in the account. Expenditures from the account may be used only for administering this chapter.

The department may not retain fees in excess of the estimated amount necessary to cover the agency's administrative costs over the coming year related to the mercury light stewardship program under this chapter. Beginning with the state fiscal year 2018, by October 1st after the closing of each state fiscal year, the department shall refund any fees collected in excess of its estimated administrative costs to any approved stewardship organization under this chapter. Only the director of the department or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

Sec. 4. RCW 43.131.422 and 2014 c 119 s 8 are each amended to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective July 1, 2026:

(1) RCW 70.275.010 (Findings—Purpose) and 2010 c 130 s 1;

(2) RCW 70.275.020 (Definitions) and 2014 c 119 s 2 & 2010 c 130 s 2;

(3) RCW 70.275.030 (Product stewardship program) and 2014 c 119 s 3 & 2010 c 130 s 3;

(4) RCW 70.275.040 (Submission of proposed product stewardship plans—Department to establish rules—Public review—Plan update—Annual report) and 2017 c . . . s 2 (section 2 of this act), 2014 c 119 s 4, & 2010 c 130 s 4;

(5) RCW 70.275.050 (Financing the mercury-containing light recycling program) and 2017 c . . . s 1 (section 1 of this act), 2014 c 119 s 5, & 2010 c 130 s 5;

(6) RCW 70.275.060 (Collection and management of mercury) and 2010 c 130 s 6;

(7) RCW 70.275.070 (Collectors of unwanted mercury-containing lights—Duties) and 2010 c 130 s 7;

(8) RCW 70.275.090 (Producers must participate in an approved product stewardship program) and 2010 c 130 s 9;

(9) RCW 70.275.100 (Written warning—Penalty—Appeal) and 2010 c 130 s 10;

(10) RCW 70.275.110 (Department's web site to list producers participating in product stewardship plan—Required participation in a product stewardship plan—Written warning—Penalty—Rules—Exemptions) and 2010 c 130 s 11;

(11) RCW 70.275.130 (Product stewardship programs account) and 2017 c . . . s 3 (section 3 of this act) & 2010 c 130 s 13;

(12) RCW 70.275.140 (Adoption of rules—Report to the legislature—Invitation to entities to comment on issues—Estimate of statewide recycling rate for mercury-containing lights—Mercury vapor barrier packaging) and 2010 c 130 s 14;

(13) RCW 70.275.150 (Application of chapter to the Washington utilities and transportation commission) and 2010 c 130 s 15;

(14) RCW 70.275.160 (Application of chapter to entities regulated under chapter 70.105 RCW) and 2010 c 130 s 16;

(15) RCW 70.275.900 (Chapter liberally construed) and 2010 c 130 s 17;

(16) RCW 70.275.901 (Severability—2010 c 130) and 2010 c 130 s 21; and

(17) RCW 70.275.170 and 2014 c 119 s 6.

Passed by the Senate April 20, 2017.
Passed by the House April 10, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 255

[Substitute House Bill 1944]

HUNTER EDUCATION--FIREARMS SKILLS--LAW ENFORCEMENT EXEMPTION

AN ACT Relating to exempting certain law enforcement officers from the hunter education training program; and amending RCW 77.32.155.

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

Sec. 1. RCW 77.32.155 and 2013 c 23 s 243 are each amended to read as follows:

(1)(a) When purchasing any hunting license, persons under the age of eighteen shall present certification of completion of a course of instruction of at least ten hours in the safe handling of firearms, safety, conservation, and sporting/hunting behavior. All persons purchasing any hunting license for the first time, if born after January 1, 1972, shall present such certification.

(b)(i) The director may establish a program for training persons in the safe handling of firearms, conservation, and sporting/hunting behavior and shall prescribe the type of instruction and the qualifications of the instructors. The director shall, as part of establishing the training program, exempt ((~~members of the United States military~~)) the following individuals from the firearms skills portion of any instruction course completed over the internet:

(A) Members of the United States military;

(B) Current or retired general authority Washington peace officers as defined in RCW 10.93.020;

(C) Current or retired limited authority Washington peace officers as defined in RCW 10.93.020, if the officer is or was duly authorized by his or her employer to carry a concealed pistol;

(D) Current or retired specially commissioned Washington peace officers as defined in RCW 10.93.020, if the officer is or was duly authorized by his or her commissioning agency to carry a concealed pistol; and

(E) Current or retired Washington peace officers as defined in RCW 43.101.010 who have met the requirements of RCW 43.101.095 or 43.101.157 and whose certification is in good standing or has not been revoked.

(ii) The director may cooperate with the national rifle association, organized sports/outdoor enthusiasts' groups, or other public or private organizations when establishing the training program.

(c) Upon the successful completion of a course established under this section, the trainee shall receive a hunter education certificate signed by an authorized instructor. The certificate is evidence of compliance with this section.

(d) The director may accept certificates from other states that persons have successfully completed firearm safety, hunter education, or similar courses as evidence of compliance with this section.

(2)(a) The director may authorize a once in a lifetime, one license year deferral of hunter education training for individuals who are accompanied by a

nondeferred Washington-licensed hunter who has held a Washington hunting license for the prior three years and is over eighteen years of age. The commission shall adopt rules for the administration of this subsection to avoid potential fraud and abuse.

(b) The director is authorized to collect an application fee, not to exceed twenty dollars, for obtaining the once in a lifetime, one license year deferral of hunter education training from the department. This fee must be deposited into the fish and wildlife enforcement reward account and must be used exclusively to administer the deferral program created in this subsection.

(c) For the purposes of this subsection, "accompanied" means to go along with another person while staying within a range of the other person that permits continual unaided visual and auditory communication.

(3) To encourage the participation of an adequate number of instructors for the training program, the commission shall develop nonmonetary incentives available to individuals who commit to serving as an instructor. The incentives may include additional hunting opportunities for instructors.

Passed by the House April 13, 2017.
Passed by the Senate April 7, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 256

[Engrossed House Bill 2073]

BEEF COMMISSION--POWERS AND DUTIES--BUDGETS--REPORTS

AN ACT Relating to the beef commission; amending RCW 16.67.035, 16.67.090, 16.67.091, and 16.67.110; and adding a new section to chapter 16.67 RCW.

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

Sec. 1. RCW 16.67.035 and 2011 c 103 s 34 are each amended to read as follows:

The legislature declares:

(1) That the history, economy, culture, and the future of Washington state's agriculture involves the beef industry. ((~~In order to develop and promote beef and beef products as part of an existing comprehensive scheme to regulate those products the legislature declares:~~

~~(1) That the Washington state beef commission is created;~~

~~(2) That it is vital to the continued economic well-being of the citizens of this state and their general welfare that its beef and beef products be properly promoted by (a) enabling the beef industry to help themselves in establishing orderly, fair, sound, efficient, and unhampered marketing, grading, and standardizing of beef and beef products they produce; and (b) working to stabilize the beef industry by increasing consumption of beef and beef products within the state, the nation, and internationally~~)) It is vital to the economy and to citizens' health that the beef industry continue to progress and thrive. The Washington state beef commission is part of an existing comprehensive system to regulate and promote beef and beef products.

(2) That the focus of the beef commission shall include the following responsibilities:

(a) The beef industry is to be promoted in a manner that showcases the varied aspects and segments of the industry;

(b) Research, education, and programs related to health and safety of beef are to be advanced in cooperation with the Washington state department of agriculture, Washington State University, other institutions of higher learning as appropriate, and other governmental or nongovernmental organizations doing research on trade or health issues;

(c) Support is to be provided to the beef industry in establishing orderly, fair, sound, efficient, and unhampered marketing, grading, and standardizing of beef and beef products; and

(d) Maintain efforts to increase consumption of beef and beef products within the state, the nation, and internationally;

(3) That beef producers operate within a regulatory environment that imposes burdens on them for the benefit of society and the citizens of the state and includes restrictions on marketing autonomy. Those restrictions may impair the beef producer's ability to compete in local, domestic, and foreign markets;

(4) That it is in the overriding public interest that support for the beef industry be clearly expressed, that adequate protection be given to agricultural commodities, uses, activities, and operations, and that beef and beef products be promoted individually, and as part of a comprehensive industry to:

(a) Enhance the reputation and image of Washington state's agriculture industry;

(b) Increase the sale and use of beef products in local, domestic, and foreign markets;

(c) Protect the public by educating the public in reference to ((~~the~~)) sustainable stewardship of cattle and the environment, quality, care, and methods used in the production of beef and beef products, and in reference to the various cuts and grades of beef and the uses to which each should be put;

(d) Increase the knowledge of the health-giving qualities and dietetic value of beef products; and

(e) Support and engage in programs or activities that benefit the care and well-being of the cattle, and the production, handling, processing, marketing, and uses of beef and beef products;

(5) That this chapter is enacted in the exercise of the police powers of this state for the purpose of protecting the health, peace, safety, and general welfare of the people of this state; and

(6) That the beef industry is a highly regulated industry and that this chapter and the rules adopted under it are only one aspect of the regulated industry. Other regulations and restraints applicable to the beef industry include the:

(a) Beef promotion and research act of 1985, U.S.C. Title 7, chapter 62;

(b) Beef promotion and research, 7 C.F.R., Part 1260;

(c) Agricultural marketing act, 7 U.S.C., section 1621;

(d) USDA meat grading, certification, and standards, 7 C.F.R., Part 54;

(e) Mandatory price reporting, 7 C.F.R., Part 57;

(f) Grazing permits, 43 C.F.R., Part 2920;

(g) Capper-Volstead act, U.S.C. Title 7, chapters 291 and 292;

(h) Livestock identification under chapter 16.57 RCW and rules;

(i) Organic products act under chapter 15.86 RCW and rules;

(j) Intrastate commerce in food, drugs, and cosmetics act under chapter 69.04 RCW and rules, including provisions of 21 C.F.R. relating to the general manufacturing practices, food labeling, food standards, food additives, and pesticide tolerances;

(k) Washington food processing act under chapter 69.07 RCW and rules;

(l) Washington food storage warehouses act under chapter 69.10 RCW and rules;

(m) Animal health under chapter 16.36 RCW and rules; and

(n) Weights and measures under chapter 19.94 RCW and rules.

Sec. 2. RCW 16.67.090 and 2011 c 336 s 436 are each amended to read as follows:

The powers and duties of the commission shall include the following:

(1) To administer and enforce the provisions of this chapter, and do all things reasonably necessary to effectuate the purposes of this chapter;

(2) To elect a chair and such other officers as it deems advisable;

(3) To employ and discharge at its discretion a manager, secretary, and such other personnel, including attorneys engaged in the private practice of law subject to the review of the attorney general, as the commission determines are necessary and proper to carry out the purposes of this chapter, and to prescribe their duties and powers and fix their compensation;

(4) To adopt, rescind, and amend rules, regulations, and orders for the exercise of its powers hereunder subject to the provisions of chapter 34.05 RCW, except that rule-making proceedings conducted under this chapter are exempt from compliance with RCW 34.05.310, the provisions of chapter 19.85 RCW, the regulatory fairness act, and the provisions of RCW 43.135.055 when adoption of the rule is determined by a referendum vote of the affected parties;

(5) To establish by resolution, a headquarters which shall continue as such unless and until so changed by the commission. All records, books, and minutes of the commission shall be kept at such headquarters;

(6) To require a bond of all commission members and employees of the commission in a position of trust in the amount the commission shall deem necessary. The premium for such bond or bonds shall be paid by the commission from assessments collected. Such bond shall not be necessary if any such commission member or employee is covered by any blanket bond covering officials or employees of the state of Washington;

(7) To establish a beef commission revolving fund, such fund to be deposited in a bank or banks or financial institution or institutions, approved for the deposit of state funds, in which all money received by the commission, except an amount of petty cash for each day's needs not to exceed one hundred dollars, shall be deposited each day or as often during the day as advisable; none of the provisions of RCW 43.01.050 as now or hereafter amended shall apply to money collected under this chapter;

(8) To prepare a <u>detailed and explanatory</u> budget or budgets covering anticipated income and expenses to be incurred in carrying out the provisions of this chapter during each fiscal year;

(9) To incur expense and enter into contracts and to create such liabilities as may be reasonable for the proper administration and enforcement of this chapter;

(10) To borrow money, not in excess of its estimate of its revenue from the current year's contributions;

(11) To keep or cause to be kept in accordance with accepted standards of good accounting practice, accurate records of all assessments, expenditures, moneys, and other financial transactions made and done pursuant to this chapter. Such records, books, and accounts shall be audited at least every five years subject to procedures and methods lawfully prescribed by the state auditor. Such books and accounts shall be closed as of the last day of each fiscal year. A copy of such audit shall be delivered within thirty days after completion thereof to the director, the state auditor, and the commission. On such years and in such event the state auditor is unable to audit the records, books, and accounts within six months following the close of the audit period it shall be mandatory that the commission employ a private auditor to make such audit;

(12) To sue and be sued as a commission, without individual liability for acts of the commission within the scope of the powers conferred upon it by this chapter;

(13) To cooperate with any other local, state, or national commission, organization, or agency, whether voluntary or established by state or federal law, including recognized livestock groups, engaged in work or activities similar to the work and activities of the commission created by this chapter and make contracts and agreements with such organizations or agencies for carrying on joint programs beneficial to the beef industry and sustainable stewardship of cattle;

(14) To accept grants, donations, contributions, or gifts from any governmental agency or private source for expenditures for any purpose consistent with the provisions of this chapter; and

(15) To operate jointly with beef commissions or similar agencies established by state laws in adjoining states.

Sec. 3. RCW 16.67.091 and 2003 c 396 s 34 are each amended to read as follows:

(1) The commission shall develop and submit to the director for approval any plans, programs, and projects concerning the following:

(a) The establishment, issuance, effectuation, and administration of appropriate programs or projects for the advertising and promotion of its affected commodities; ((~~and~~))

(b) The establishment, effectuation, and administration of research, education, and programs related to health and safety of cattle, beef, and beef products; and

(c) The establishment and effectuation of market research projects, market development projects, or ((~~both~~)) industry specific educational projects to the end that the marketing and utilization of its affected commodities may be encouraged, expanded, improved, or made more efficient.

(2) The director shall review the commission's advertising or promotion program to ensure that no false claims are being made concerning its affected commodities.

(3) The commission, prior to the beginning of its fiscal year, shall prepare and submit to the director for approval its research plan, its commodity-related education and training plan, and its budget on a fiscal period basis.

(4) The director shall ((~~strive to~~)) review and make a determination of all submissions described in this section in a timely manner.

Sec. 4. RCW 16.67.110 and 2000 c 146 s 4 are each amended to read as follows:

The commission shall provide for programs designed to support sustainable stewardship of cattle and the environment; increase the consumption of beef; develop more efficient methods for the production, processing, handling and marketing of beef; eliminate transportation rate inequalities on feed grains and supplements and other production supplies adversely affecting Washington producers; properly identify beef and beef products for consumers as to quality and origin. For these purposes the commission may:

(1) Provide for programs for advertising, sales promotion and education, locally, nationally or internationally, for maintaining present markets and/or creating new or larger markets for beef. Such programs shall be directed toward increasing the sale of beef and shall neither make use of false or unwarranted claims in behalf of beef nor disparage the quality, value, sale or use of any other agricultural commodity;

(2) Provide for research: (a) To develop and discover the health, food, therapeutic, and dietetic value of beef and beef products ((~~thereof~~)); and (b) to develop materials, education, and programs related to health and safety of beef and beef products and the sustainable stewardship of cattle and the environment;

(3) Make grants to research agencies for financing studies((~~, including funds for the purchase or acquisition of equipments and facilities, in problems of~~)) related to beef health, beef production, processing, handling, and marketing, which may include funds for the acquisition of equipment and facilities;

(4) Disseminate reliable information founded upon the research undertaken under this chapter or otherwise available;

(5) Provide for rate studies and participate in rate hearings connected with problems of beef production, processing, handling or marketing; and

(6) Provide for proper labeling of beef and beef products so that the purchaser and the consuming public of the state will be readily apprised of the quality of the product and how and where it was processed.

NEW SECTION. **Sec. 5.** A new section is added to chapter 16.67 RCW to read as follows:

(1) The budget required in RCW 16.67.090(8) must set forth the complete and detailed financial program of the commission, showing the revenues and expenditures of the commission. The budget must be explanatory, describing how the funding is used to administer and implement the commission's programs and priorities, and include the reasons for salient changes from the previous fiscal period in expenditure or revenue items. The budget must explain any major changes to financial policy and contain an outline of the proposed financial policies of the commission for the ensuing fiscal period and describe performance indicators that demonstrate measurable progress toward the commission's priorities.

(2) The budget must be sufficiently detailed to provide transparency for the commission's actions on behalf of the industry.

(3) The commission must submit to the legislature a concise yet detailed report of the commission's activities and expenditures after the completion of each fiscal year.

Passed by the House March 1, 2017.

Passed by the Senate March 30, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 257

[Engrossed Substitute House Bill 2126]

WOLF-LIVESTOCK MANAGEMENT--NONLETHAL METHODS--GRANTS

AN ACT Relating to creating a community-based approach to provide assistance with nonlethal management methods to reduce livestock depredations by wolves; reenacting and amending RCW 43.79A.040; and adding a new chapter to Title 16 RCW.

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

NEW SECTION. **Sec. 1.** The legislature finds that there is a need to provide resources to help livestock producers adapt their operations in light of the recovery of wolves on the landscape and a desire by many to increase use of nonlethal deterrence measures to reduce the probability of livestock depredations by wolves. The application of resources in support of these goals must respect livestock producers' values of independence, privacy, and local decision making. The legislature further recognizes that the recent recolonization of wolves places a relatively large time and monetary burden on livestock producers, and that livestock producers have unique and valuable knowledge, occupy an important place in their local communities and the state's social fabric, and are critical partners in creating sound natural resource policies.

NEW SECTION. **Sec. 2.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Department" means the department of agriculture.

(2) "Director" means the director of the department of agriculture.

(3) "Northeast Washington" means Okanogan, Ferry, Stevens, and Pend Oreille counties.

NEW SECTION. **Sec. 3.** (1) The northeast Washington wolf-livestock management grant is created within the department. Funds from the grant program must be used only for the deployment of nonlethal deterrence resources in any Washington county east of the crest of the Cascade mountain range that shares a border with Canada, including human presence, and locally owned and deliberately located equipment and tools.

(2)(a) A four-member advisory board is established to advise the department on the expenditure of the northeast Washington wolf-livestock management grant funds. Advisory board members must be knowledgeable about wolf depredation issues, and have a special interest in the use of nonlethal wolf management techniques. Board members are unpaid, are not state employees, and are not eligible for reimbursement for subsistence, lodging, or travel expenses incurred in the performance of their duties as board members. The director must appoint each member to the board for a term of two years. Board members may be reappointed for subsequent two-year terms. The following board members must be appointed by the director in consultation with each applicable conservation district and the legislators in the legislative district encompassing each county:

(i) One Ferry county conservation district board member;

(ii) One Stevens county conservation district board member;

(iii) One Pend Oreille conservation district board member; and

(iv) One Okanogan conservation district board member.

(b) If no board member qualifies under this section, the director must appoint a resident of the applicable county to serve on the board.

(c) Board members may not:

(i) Directly benefit, in whole or in part, from any contract entered into or grant awarded under this section; or

(ii) Directly accept any compensation, gratuity, or reward in connection with such a contract from any other person with a beneficial interest in the contract.

(3) The board must help direct funding for the deployment of nonlethal deterrence resources, including human presence, and locally owned and deliberately located equipment and tools. Funds may only be distributed to nonprofit community-based collaborative organizations that have advisory boards that include personnel from relevant agencies including, but not limited to, the United States forest service and the Washington department of fish and wildlife, or to individuals that are willing to receive technical assistance from the same agencies.

NEW SECTION. **Sec. 4.** (1) The northeast Washington wolf-livestock management account is created as a nonappropriated account in the custody of the state treasurer. All receipts, any legislative appropriations, private donations, or any other private or public source directed to the northeast Washington wolf-livestock management grant must be deposited into the account. Expenditures from the account may be used only for the deployment of nonlethal wolf deterrence resources as described in section 3 of this act. Only the director may authorize expenditures from the account in consultation with the advisory board created in section 3 of this act. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. Interest earned by deposits in the account must be retained in the account.

(2) The advisory board created in section 3 of this act may solicit and receive gifts and grants from public and private sources for the purposes of section 3 of this act.

Sec. 5. RCW 43.79A.040 and 2016 c 203 s 2, 2016 c 173 s 10, 2016 c 69 s 21, and 2016 c 39 s 7 are each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

(2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments

to financial institutions. Payments must occur prior to distribution of earnings set forth in subsection (4) of this section.

(4)(a) Monthly, the state treasurer must distribute the earnings credited to the investment income account to the state general fund except under (b), (c), and (d) of this subsection.

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family leave insurance account, the food animal veterinarian conditional scholarship account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state heritage center account, the reduced cigarette ignition propensity account, the center for childhood deafness and hearing loss account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, and the radiation perpetual maintenance fund.

(c) The following accounts and funds must receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right-of-way revolving fund, the advanced environmental mitigation revolving account, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that

deposits funds into a fund or account in the custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. **Sec. 6.** Sections 1 through 4 of this act constitute a new chapter in Title 16 RCW.

Passed by the House April 17, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 258

[Substitute Senate Bill 5301]

RESPONSIBLE BIDDER CRITERIA--WAGE LAWS COMPLIANCE

AN ACT Relating to the inclusion of willful violations of chapters 49.46, 49.48, and 49.52 RCW to the state's responsible bidder criteria; amending RCW 39.04.350 and 39.26.160; and creating a new section.

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

NEW SECTION. **Sec. 1.** The legislature finds that government contracts should not be awarded to those who knowingly and intentionally violate state laws. The legislature also finds that businesses that follow the law and pay their workers appropriately are placed at a competitive disadvantage to those who reduce costs by willfully violating the minimum wage act and wage payment act. In order to create a level playing field for businesses and avoid taxpayer contracts going to those that willfully violate the law and illegally withhold money from workers, the state should amend the state responsible bidder criteria to consider whether a company has willfully violated the state's wage payment laws over the previous three years.

Sec. 2. RCW 39.04.350 and 2010 c 276 s 2 are each amended to read as follows:

(1) Before award of a public works contract, a bidder must meet the following responsibility criteria to be considered a responsible bidder and qualified to be awarded a public works project. The bidder must:

(a) At the time of bid submittal, have a certificate of registration in compliance with chapter 18.27 RCW;

(b) Have a current state unified business identifier number;

(c) If applicable, have industrial insurance coverage for the bidder's employees working in Washington as required in Title 51 RCW; an employment security department number as required in Title 50 RCW; and a state excise tax registration number as required in Title 82 RCW;

(d) Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3);

(e) If bidding on a public works project subject to the apprenticeship utilization requirements in RCW 39.04.320, not have been found out of

compliance by the Washington state apprenticeship and training council for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes as outlined in their standards of apprenticeship under chapter 49.04 RCW for the one-year period immediately preceding the date of the bid solicitation; ((~~and~~))

(f) Until December 31, 2013, not have violated RCW 39.04.370 more than one time as determined by the department of labor and industries; and

(g) Within the three-year period immediately preceding the date of the bid solicitation, not have been determined by a final and binding citation and notice of assessment issued by the department of labor and industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW.

(2) Before award of a public works contract, a bidder shall submit to the contracting agency a signed statement in accordance with RCW 9A.72.085 verifying under penalty of perjury that the bidder is in compliance with the responsible bidder criteria requirement of subsection (1)(g) of this section. A contracting agency may award a contract in reasonable reliance upon such a sworn statement.

(3) In addition to the bidder responsibility criteria in subsection (1) of this section, the state or municipality may adopt relevant supplemental criteria for determining bidder responsibility applicable to a particular project which the bidder must meet.

(a) Supplemental criteria for determining bidder responsibility, including the basis for evaluation and the deadline for appealing a determination that a bidder is not responsible, must be provided in the invitation to bid or bidding documents.

(b) In a timely manner before the bid submittal deadline, a potential bidder may request that the state or municipality modify the supplemental criteria. The state or municipality must evaluate the information submitted by the potential bidder and respond before the bid submittal deadline. If the evaluation results in a change of the criteria, the state or municipality must issue an addendum to the bidding documents identifying the new criteria.

(c) If the bidder fails to supply information requested concerning responsibility within the time and manner specified in the bid documents, the state or municipality may base its determination of responsibility upon any available information related to the supplemental criteria or may find the bidder not responsible.

(d) If the state or municipality determines a bidder to be not responsible, the state or municipality must provide, in writing, the reasons for the determination. The bidder may appeal the determination within the time period specified in the bidding documents by presenting additional information to the state or municipality. The state or municipality must consider the additional information before issuing its final determination. If the final determination affirms that the bidder is not responsible, the state or municipality may not execute a contract with any other bidder until two business days after the bidder determined to be not responsible has received the final determination.

((~~(3)~~)) (4) The capital projects advisory review board created in RCW 39.10.220 shall develop suggested guidelines to assist the state and

municipalities in developing supplemental bidder responsibility criteria. The guidelines must be posted on the board's web site.

Sec. 3. RCW 39.26.160 and 2012 c 224 s 18 are each amended to read as follows:

(1)(a) After bids that are submitted in response to a competitive solicitation process are reviewed by the awarding agency, the awarding agency may:

(i) Reject all bids and rebid or cancel the competitive solicitation;

(ii) Request best and final offers from responsive and responsible bidders; or

(iii) Award the purchase or contract to the lowest responsive and responsible bidder.

(b) The agency may award one or more contracts from a competitive solicitation.

(2) In determining whether the bidder is a responsible bidder, the agency must consider the following elements:

(a) The ability, capacity, and skill of the bidder to perform the contract or provide the service required;

(b) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;

(c) Whether the bidder can perform the contract within the time specified;

(d) The quality of performance of previous contracts or services;

(e) The previous and existing compliance by the bidder with laws relating to the contract or services; ((~~and~~))

(f) Whether, within the three-year period immediately preceding the date of the bid solicitation, the bidder has been determined by a final and binding citation and notice of assessment issued by the department of labor and industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW; and

(g) Such other information as may be secured having a bearing on the decision to award the contract.

(3) In determining the lowest responsive and responsible bidder, an agency may consider best value criteria, including but not limited to:

(a) Whether the bid satisfies the needs of the state as specified in the solicitation documents;

(b) Whether the bid encourages diverse contractor participation;

(c) Whether the bid provides competitive pricing, economies, and efficiencies;

(d) Whether the bid considers human health and environmental impacts;

(e) Whether the bid appropriately weighs cost and noncost considerations; and

(f) Life-cycle cost.

(4) The solicitation document must clearly set forth the requirements and criteria that the agency will apply in evaluating bid submissions. Before award of a contract, a bidder shall submit to the contracting agency a signed statement in accordance with RCW 9A.72.085 verifying under penalty of perjury that the bidder is in compliance with the responsible bidder criteria requirement of subsection (2)(f) of this section. A contracting agency may award a contract in reasonable reliance upon such a sworn statement.

(5) The awarding agency may at its discretion reject the bid of any contractor who has failed to perform satisfactorily on a previous contract with the state.

(6) After reviewing all bid submissions, an agency may enter into negotiations with the lowest responsive and responsible bidder in order to determine if the bid may be improved. An agency may not use this negotiation opportunity to permit a bidder to change a nonresponsive bid into a responsive bid.

(7) The procuring agency must enter into the state's enterprise vendor ((~~[registration]~~)) registration and bid notification system the name of each bidder and an indication as to the successful bidder.

Passed by the Senate February 23, 2017.
Passed by the House April 7, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 259

[Engrossed Substitute Senate Bill 5470]

GEOTHERMAL RESOURCES EXPLORATION--DRILLING--PERMITS AND HEARINGS

AN ACT Relating to advancing the development of renewable energy by improving the permitting process for geothermal resources exploration; and amending RCW 78.60.010, 78.60.070, and 78.60.120.

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

Sec. 1. RCW 78.60.010 and 1974 ex.s. c 43 s 1 are each amended to read as follows:

The public has a direct interest in the safe, orderly, and nearly pollution-free development of the geothermal resources of the state, as ((~~hereinafter in RCW 79.76.030(1)~~)) defined in RCW 78.60.030. The legislature hereby declares that it is in the best interests of the state to further the development of geothermal resources for the benefit of all of the citizens of the state while at the same time fully providing for the protection of the environment. The development of geothermal resources shall be so conducted as to protect the rights of landowners, other owners of interests therein, and the general public. In providing for such development, it is the purpose of this chapter to provide for the orderly exploration, safe drilling, production, and proper abandonment of geothermal resources in the state of Washington.

Sec. 2. RCW 78.60.070 and 2007 c 338 s 1 are each amended to read as follows:

(1) Any person proposing to drill a well or redrill an abandoned well for geothermal resources shall file with the department a written application for a permit to commence such drilling or redrilling on a form prescribed by the department accompanied by a permit fee of two hundred dollars. The department shall forward a duplicate copy to the department of ecology within ten days of filing.

(2) Upon receipt of a proper application relating to drilling or redrilling the department shall set a date, time, and place for a public hearing on the application((~~, which hearing shall be in the county in which the drilling or~~

~~redrilling is proposed to be made, and shall instruct the applicant to publish notices of such application and hearing by such means and within such time as the department shall prescribe. The department shall require that the notice so prescribed shall be published twice in a newspaper of general circulation within the county in which the drilling or redrilling is proposed to be made and in such other appropriate information media as the department may direct~~)). The public hearing on the drilling application shall be in the county in which the drilling or redrilling is proposed to be made.

(3) Any person proposing to drill a core hole for the purpose of gathering geothermal data, including but not restricted to heat flow, temperature gradients, and rock conductivity, shall be required to obtain a single permit ((~~for each~~)) covering all core holes according to subsection (1) of this section, including a single permit fee ((~~for each core hole, but no notice need be published, and no hearing need be held. Such core holes that penetrate more than seven hundred and fifty feet into bedrock shall be deemed geothermal test wells and subject to the payment of a permit fee and to the requirement in subsection (2) of this section for public notices and hearing. In the event geothermal energy is discovered in a core hole, the hole shall be deemed a geothermal well and subject to the permit fee, notices, and hearing~~)). Such core holes as described by this subsection are not required to be the subject of a public hearing but are subject to all other provisions of this chapter, including a bond or other security as specified in RCW 78.60.130.

(4) All moneys paid to the department under this section shall be deposited with the state treasurer for credit to the general fund.

Sec. 3. RCW 78.60.120 and 1974 ex.s. c 43 s 12 are each amended to read as follows:

(1) Before any operation to plug and abandon or suspend the operation of any well is commenced, the owner or operator shall submit in writing a notification of abandonment or suspension of operations to the department for approval. No operation to abandon or suspend the operation of a well shall commence without approval by the department. The department shall respond to such notification in writing within ten working days following receipt of the notification.

(2) Failure to abandon or suspend operations in accordance with the method approved by the department shall constitute a violation of this chapter, and the department shall take appropriate action under the provisions of RCW ((~~79.76.270~~)) 78.60.270.

Passed by the Senate April 17, 2017.
Passed by the House April 10, 2017.
Approved by the Governor May 8, 2017.
Filed in Office of Secretary of State May 8, 2017.

CHAPTER 260

[Substitute Senate Bill 5589]

LICENSED DISTILLERIES--PRODUCT SAMPLES

AN ACT Relating to distillery promotional items and spirit sample sales; and amending RCW 66.24.140.

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

Sec. 1. RCW 66.24.140 and 2015 c 194 s 1 are each amended to read as follows:

(1) There is a license to distillers, including blending, rectifying, and bottling; fee two thousand dollars per annum, unless provided otherwise as follows:

(a) For distillers producing one hundred fifty thousand gallons or less of spirits with at least half of the raw materials used in the production grown in Washington, the license fee must be reduced to one hundred dollars per annum;

(b) The board must license stills used and to be used solely and only by a commercial chemist for laboratory purposes, and not for the manufacture of liquor for sale, at a fee of twenty dollars per annum;

(c) The board must license stills used and to be used solely and only for laboratory purposes in any school, college, or educational institution in the state, without fee; and

(d) The board must license stills that have been duly licensed as fruit and/or wine distilleries by the federal government, used and to be used solely as fruit and/or wine distilleries in the production of fruit brandy and wine spirits, at a fee of two hundred dollars per annum.

(2) Any distillery licensed under this section may:

(a) Sell spirits of its own production for consumption off the premises. A distillery selling spirits under this subsection must comply with the applicable laws and rules relating to retailers;

(b) Contract distilled spirits for, and sell contract distilled spirits to, holders of distillers' or manufacturers' licenses, including licenses issued under RCW 66.24.520, or for export; and

(c) Provide samples subject to the following conditions:

(i) For the purposes of this subsection, the maximum amount of alcohol per person per day is two ounces;

(ii) Provide free or for a charge one-half ounce or less samples of spirits of its own production to persons on the premises of the distillery. ((~~The maximum total per person per day is two ounces. Every person who participates in any manner in the service of samples must obtain a class 12 alcohol server permit.~~)) Spirits samples may be adulterated with nonalcoholic mixers, mixers with alcohol of the distiller's own production, water, and/or ice;

(iii) Sell adulterated samples of spirits of their own production, water, and/or ice to persons on the premises at the distillery; and

(iv) Every person who participates in any manner in the service of these samples must obtain a class 12 alcohol server permit.

Passed by the Senate April 20, 2017.

Passed by the House April 12, 2017.

Approved by the Governor May 8, 2017.

Filed in Office of Secretary of State May 8, 2017.

CHAPTER 261

[Substitute House Bill 1501]

DENIED FIREARM TRANSACTIONS

AN ACT Relating to protecting law enforcement and the public from persons who illegally attempt to obtain firearms; reenacting and amending RCW 42.56.240; adding a new section to chapter 9.41 RCW; adding new sections to chapter 36.28A RCW; and adding a new section to chapter 43.43 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 9.41 RCW to read as follows:

(1) A dealer shall report to the Washington association of sheriffs and police chiefs information on each instance where the dealer denies an application for the purchase or transfer of a firearm, whether under RCW 9.41.090 or 9.41.113, or the requirements of federal law, as the result of a background check or completed and submitted firearm purchase or transfer application that indicates the applicant is ineligible to possess a firearm under state or federal law. The dealer shall report the denied application information to the Washington association of sheriffs and police chiefs within five days of the denial in a format as prescribed by the Washington association of sheriffs and police chiefs. The reported information must include the identifying information of the applicant, the date of the application and denial of the application, and other information or documents as prescribed by the Washington association of sheriffs and police chiefs. In any case where the purchase or transfer of a firearm is initially denied by the dealer as the result of a background check that indicates the applicant is ineligible to possess a firearm, but the purchase or transfer is subsequently approved, the dealer shall report the subsequent approval to the Washington association of sheriffs and police chiefs within one day of the approval.

(2) Upon denying an application for the purchase or transfer of a firearm as a result of a background check or completed and submitted firearm purchase or transfer application that indicates the applicant is ineligible to possess a firearm under state or federal law, the dealer shall:

(a) Provide the applicant with a copy of a notice form generated and distributed by the Washington state patrol under section 3(5) of this act, informing denied applicants of their right to appeal the denial; and

(b) Retain the original records of the attempted purchase or transfer of a firearm for a period not less than six years.

NEW SECTION. **Sec. 2.** A new section is added to chapter 36.28A RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the Washington association of sheriffs and police chiefs must create and maintain an electronic portal for a dealer, as defined in RCW 9.41.010, to report the information as required pursuant to section 1 of this act pertaining to persons who have applied for the purchase or transfer of a firearm and were denied as the result of a background check or completed and submitted firearm purchase or transfer application that indicates the applicant is ineligible to possess a firearm under state or federal law.

(2) Upon receipt of information from a dealer pursuant to section 1 of this act that a person originally denied the purchase or transfer of a firearm as the

result of a background check that indicates the applicant is ineligible to possess a firearm has subsequently been approved for the purchase or transfer, the Washington association of sheriffs and police chiefs must purge any record of the person's denial in its possession and inform the Washington state patrol and any local law enforcement agency participating in the grant program created in section 6 of this act of the subsequent approval of the purchase or transfer.

(3) Information and records prepared, owned, used, or retained by the Washington state patrol or the Washington association of sheriffs and police chiefs pursuant to this act are exempt from public inspection and copying under chapter 42.56 RCW.

(4) The Washington association of sheriffs and police chiefs must destroy the information and data reported by a dealer pursuant to this act upon its satisfaction that the information and data is no longer necessary to carry out its duties pursuant to this act.

NEW SECTION. **Sec. 3.** A new section is added to chapter 43.43 RCW to read as follows:

(1) Upon receipt of the information from the Washington association of sheriffs and police chiefs pursuant to section 2 of this act, the Washington state patrol must incorporate the information into its electronic database accessible to law enforcement agencies and officers, including federally recognized Indian tribes, that have a connection to the Washington state patrol electronic database.

(2) Upon receipt of documentation that a person has appealed a background check denial, the Washington state patrol shall immediately remove the record of the person initially reported pursuant to section 2 of this act from its electronic database accessible to law enforcement agencies and officers. The Washington state patrol must keep a separate record of the person's information for a period of one year or until such time as the appeal has been resolved. Every twelve months, the Washington state patrol shall notify the person that the person must provide documentation that his or her appeal is still pending or the record of the person's background check denial will be put back in its electronic database accessible to law enforcement agencies and officers. At any time, upon receipt of documentation that a person's appeal has been granted, the Washington state patrol shall remove any record of the person's denied firearms purchase or transfer application from its electronic database accessible to law enforcement agencies and officers.

(3) Upon receipt of satisfactory proof that a person who was reported to the Washington state patrol pursuant to section 2 of this act is no longer ineligible to possess a firearm under state or federal law, the Washington state patrol must remove any record of the person's denied firearms purchase or transfer application from its electronic database accessible to law enforcement agencies and officers.

(4) Upon receipt of notification from the Washington association of sheriffs and police chiefs that a person originally denied the purchase or transfer of a firearm as the result of a background check or completed and submitted firearm purchase or transfer application that indicates the applicant is ineligible to possess a firearm under state or federal law has subsequently been approved for the purchase or transfer, the Washington state patrol must remove any record of the person's denied firearms purchase or transfer application from its electronic

database accessible to law enforcement agencies and officers within five business days.

(5) The Washington state patrol shall generate and distribute a notice form to all firearm dealers, to be provided by the dealers to applicants denied the purchase or transfer of a firearm as a result of a background check that indicates the applicant is ineligible to possess a firearm. The notice form must contain the following statements:

> State law requires that I transmit the following information to the Washington association of sheriffs and police chiefs as a result of your firearm purchase or transfer denial within two days of the denial:
>
> (a) Identifying information of the applicant;
>
> (b) The date of the application and denial of the application;
>
> (c) Other information as prescribed by the Washington association of sheriffs and police chiefs.
>
> If you believe this denial is in error, and you do not exercise your right to appeal, you may be subject to criminal investigation by the Washington state patrol and/or a local law enforcement agency.

The notice form shall also contain information directing the applicant to a web site describing the process of appealing a national instant criminal background check system denial through the federal bureau of investigation and refer the applicant to local law enforcement for information on a denial based on a state background check. The notice form shall also contain a phone number for a contact at the Washington state patrol to direct the person to resources regarding an individual's right to appeal a background check denial.

(6) The Washington state patrol may adopt rules as are necessary to carry out the purposes of this section.

NEW SECTION. **Sec. 4.** A new section is added to chapter 36.28A RCW to read as follows:

Subject to the availability of amounts appropriated for this specific purpose, the Washington association of sheriffs and police chiefs shall prepare an annual report on the number of denied firearms sales or transfers reported pursuant to this act. The report shall indicate the number of cases in which a person was denied a firearms sale or transfer, the number of cases where the denied sale or transfer was investigated for potential criminal prosecution, and the number of cases where an arrest was made, the case was referred for prosecution, and a conviction was obtained. The Washington state patrol shall submit the report to the appropriate committees of the legislature on or before December 31st of each year.

NEW SECTION. **Sec. 5.** A new section is added to chapter 36.28A RCW to read as follows:

(1)(a) Subject to the availability of amounts appropriated for this specific purpose, the Washington association of sheriffs and police chiefs shall create and operate a statewide automated protected person notification system to automatically notify a registered person via the registered person's choice of telephone or email when a respondent subject to a court order specified in (b) of this subsection has attempted to purchase or acquire a firearm and been denied

based on a background check or completed and submitted firearm purchase or transfer application that indicates the respondent is ineligible to possess a firearm under state or federal law. The system must permit a person to register for notification, or a registered person to update the person's registration information, for the statewide automated protected person notification system by calling a toll-free telephone number or by accessing a public web site.

(b) The notification requirements of this section apply to any court order issued under chapter 7.92 RCW and RCW 7.90.090, 9A.46.080, 10.14.080, 10.99.040, 10.99.045, 26.09.050, 26.09.060, 26.10.040, 26.10.115, 26.26.130, 26.26.590, 26.50.060, or 26.50.070, and any foreign protection order filed with a Washington court pursuant to chapter 26.52 RCW, where the order prohibits the respondent from possessing firearms or where by operation of law the respondent is ineligible to possess firearms during the term of the order. The notification requirements of this section apply even if the respondent has notified the Washington state patrol that he or she has appealed a background check denial under section 3 of this act.

(2) An appointed or elected official, public employee, or public agency as defined in RCW 4.24.470, or combination of units of government and its employees, as provided in RCW 36.28A.010, are immune from civil liability for damages for any release of information or the failure to release information related to the statewide automated protected person notification system in this section, so long as the release or failure to release was without gross negligence. The immunity provided under this subsection applies to the release of relevant and necessary information to other public officials, public employees, or public agencies, and to the general public.

(3) Information and records prepared, owned, used, or retained by the Washington association of sheriffs and police chiefs pursuant to this act, including information a person submits to register and participate in the statewide automated protected person notification system, are exempt from public inspection and copying under chapter 42.56 RCW.

NEW SECTION. **Sec. 6.** A new section is added to chapter 36.28A RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the Washington association of sheriffs and police chiefs shall establish a grant program for local law enforcement agencies to conduct criminal investigations regarding persons who illegally attempted to purchase or transfer a firearm within their jurisdiction.

(2) Each grant applicant must be required to submit reports to the Washington association of sheriffs and police chiefs that indicate the number of cases in which a person was denied a firearms sale or transfer, the number of cases where the denied sale or transfer was investigated for potential criminal prosecution, and the number of cases where an arrest was made, the case was referred for prosecution, and a conviction was obtained.

(3) Information and records prepared, owned, used, or retained by the Washington association of sheriffs and police chiefs pursuant to this act are exempt from public inspection and copying under chapter 42.56 RCW.

Sec. 7. RCW 42.56.240 and 2016 c 173 s 8 and 2016 c 163 s 2 are each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iv) A minor;

(v) The body of a deceased person;

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

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

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

(c) In a court action seeking the right to inspect or copy a body worn camera recording, a person who prevails against a law enforcement or corrections agency that withholds or discloses all or part of a body worn camera recording pursuant to (a) of this subsection is not entitled to fees, costs, or awards pursuant to RCW 42.56.550 unless it is shown that the law enforcement or corrections agency acted in bad faith or with gross negligence.

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

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

(ii) Provide the incident or case number;

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

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

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

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

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

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

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

(iii) In any case where an agency charges a requestor for the costs of redacting a body worn camera recording under this subsection (14)(f), the time spent on redaction of the recording shall not count towards the agency's allocation of, or limitation on, time or costs spent responding to public records requests under this chapter, as established pursuant to local ordinance, policy, procedure, or state law.

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

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

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

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

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

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

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

(16) Information and records prepared, owned, used, or retained by the Washington association of sheriffs and police chiefs and information and records prepared, owned, used, or retained by the Washington state patrol pursuant to this act.

NEW SECTION. **Sec. 8.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the House April 21, 2017.
Passed by the Senate April 20, 2017.
Approved by the Governor May 10, 2017.
Filed in Office of Secretary of State May 10, 2017.

CHAPTER 262

[Engrossed Second Substitute House Bill 1612]
SUICIDE PREVENTION--TASK FORCE--DENTAL TRAINING

AN ACT Relating to a public health educational platform for suicide prevention and strategies to reduce access to lethal means; amending RCW 43.70.445, 43.70.442, and 9.41.113; adding new sections to chapter 43.70 RCW; creating new sections; and providing an effective date.

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

NEW SECTION. **Sec. 1.** The legislature finds that over one thousand one hundred suicide deaths occur each year in Washington and these suicide deaths take an enormous toll on families and communities across the state. The legislature further finds that: Sixty-five percent of all suicides, and most suicide deaths and attempts for young people ages ten to eighteen, occur using firearms and prescription medications that are easily accessible in homes; firearms are the

most lethal method used in suicide and almost entirely account for more men dying by suicide than women; sixty-seven percent of all veteran deaths by suicide are by firearm; and nearly eighty percent of all deaths by firearms in Washington are suicides. The legislature further finds that there is a need for a robust public education campaign designed to raise awareness of suicide and to teach everyone the role that he or she can play in suicide prevention. The legislature further finds that important suicide prevention efforts include: Motivating households to improve safe storage practices to reduce deaths from firearms and prescription medications; decreasing barriers to prevent access to lethal means by allowing for temporary and voluntary transfers of firearms when individuals are at risk for suicide; increasing access to drug take-back sites; and making the public aware of suicide prevention steps, including recognizing warning signs, empathizing and listening, asking directly about suicide, removing dangers to ensure immediate safety, and getting help. The legislature intends by this act to create a public-private partnership fund to implement a suicide-safer home public education campaign in the coming years.

Sec. 2. RCW 43.70.445 and 2016 c 90 s 2 are each amended to read as follows:

(1)(a) Subject to the availability of amounts appropriated for this specific purpose, a ((~~safe~~)) suicide-safer homes task force is established to raise public awareness and increase suicide prevention education among new partners who are in key positions to help reduce suicide. The task force shall be administered and staffed by the University of Washington school of social work. To the extent possible, the task force membership should include representatives from geographically diverse and priority populations, including tribal populations.

(b) The ((~~safe~~)) suicide-safer homes task force ((~~shall consist of the members comprised of~~)) comprises a suicide prevention and firearms subcommittee and a suicide prevention and ((~~pharmacy~~)) health care subcommittee, as follows:

(i) The suicide prevention and firearms subcommittee shall consist of the following members and be cochaired by the University of Washington school of social work and a member identified in (b)(i)(A) of this subsection (1):

(A) A representative of the national rifle association and a representative of the second amendment foundation;

(B) Two representatives of suicide prevention organizations, selected by the cochairs of the subcommittee;

(C) Two representatives of the firearms industry, selected by the cochairs of the subcommittee;

(D) Two individuals who are suicide attempt survivors or who have experienced suicide loss, selected by the cochairs of the subcommittee;

(E) Two representatives of law enforcement agencies, selected by the cochairs of the subcommittee;

(F) One representative from the department of health;

(G) One representative from the department of veterans affairs, and one other individual representing veterans to be selected by the cochairs of the subcommittee; and

(H) No more than two other interested parties, selected by the cochairs of the subcommittee.

(ii) The suicide prevention and ((~~pharmacy~~)) health care subcommittee shall consist of the following members and be cochaired by the University of Washington school of social work and a member identified in (b)(ii)(A) of this subsection (1):

(A) Two representatives of the Washington state pharmacy association;

(B) Two representatives of retailers who operate pharmacies, selected by the cochairs of the subcommittee;

(C) One faculty member from the University of Washington school of pharmacy and one faculty member from the Washington State University school of pharmacy;

(D) One representative of the department of health;

(E) One representative of the pharmacy quality assurance commission;

(F) Two representatives of the Washington state poison control center;

(G) One representative of the department of veterans affairs, and one other individual representing veterans to be selected by the cochairs of the subcommittee; ((~~and~~))

(H) Three members representing health care professionals providing suicide prevention training in the state, selected by the cochairs of the subcommittee; and

(I) No more than two other interested parties, selected by the cochairs of the subcommittee.

(c) The University of Washington school of social work shall convene the initial meeting of the task force.

(2) The task force shall:

(a) Develop and prepare to disseminate online trainings on suicide awareness and prevention for firearms dealers and their employees and firearm range owners and their employees;

(b) In consultation with the department of fish and wildlife, review the firearm safety pamphlet produced by the department of fish and wildlife under RCW 9.41.310 and, by January 1, 2017, recommend changes to the pamphlet to incorporate information on suicide awareness and prevention;

(c) Develop and approve suicide awareness and prevention messages for posters and brochures that are tailored to be effective for firearms owners for distribution to firearms dealers and ((~~firearm[s]~~)) firearms ranges;

(d) Develop suicide awareness and prevention messages for posters and brochures for distribution to pharmacies;

(e) In consultation with the department of fish and wildlife, develop strategies for creating and disseminating suicide awareness and prevention information for hunting safety classes, including messages to parents that can be shared during online registration, in either follow-up ((~~electronic mail [email]~~)) email communications, or in writing, or both;

(f) Develop suicide awareness and prevention messages for training for the schools of pharmacy and provide input on trainings being developed for community pharmacists;

(g) ((~~Provide input to the department of health on the implementation of the safe homes project established in section 3 of this act;~~

~~(h)~~)) Create a web site that will be a clearinghouse for the newly created suicide awareness and prevention materials developed by the task force; ((~~and~~

((~~i~~)) (h) Conduct a survey of firearms dealers and firearms ranges in the state to determine the types and amounts of incentives that would be effective in encouraging those entities to participate in ((~~the safe~~)) suicide-safer homes projects ((~~created in section 3 of this act~~));

((~~(j)~~)) (i) Gather input on collateral educational materials that will help health care professionals in suicide prevention work; and

(j) Create, implement, and evaluate a suicide awareness and prevention pilot program in two counties, one rural and one urban, that have high suicide rates. The pilot program shall include:

(i) Developing and directing advocacy efforts with firearms dealers to pair suicide awareness and prevention training with distribution of safe storage devices;

(ii) Developing and directing advocacy efforts with pharmacies to pair suicide awareness and prevention training with distribution of medication disposal kits and safe storage devices;

(iii) Training health care providers on suicide awareness and prevention, paired with distribution of medication disposal kits and safe storage devices; and

(iv) Training local law enforcement officers on suicide awareness and prevention, paired with distribution of medication disposal kits and safe storage devices.

(3) The task force shall ((~~consult with~~)), in consultation with the department of health, develop and prioritize a list of projects to carry out the task force's purposes and submit the prioritized list to the department of health ((~~to develop timelines for the completion of the necessary tasks identified in subsection (2) of this section so that the department of health is able to implement the safe homes project under~~)) for funding from the suicide-safer homes project account created in section 3 of this act ((~~by January 1, 2018~~)).

(4) Beginning December 1, 2016, the task force shall annually report to the legislature on the status of its work. The task force shall submit a final report by December 1, 2019, that includes the findings of the suicide awareness and prevention pilot program evaluation under subsection (2) of this section and recommendations on possible continuation of the program. The task force shall submit its reports in accordance with RCW 43.01.036.

(5) This section expires July 1, 2020.

NEW SECTION. **Sec. 3.** A new section is added to chapter 43.70 RCW to read as follows:

(1) The suicide-safer homes project is created within the department of health for the purpose of accepting private funds for use by the suicide-safer homes task force created in RCW 43.70.445 in developing and providing suicide education and prevention materials, training, and outreach programs to help create suicide-safer homes. The secretary may accept gifts, grants, donations, or moneys from any source for deposit in the suicide-safer homes project account created in subsection (2) of this section.

(2) The suicide-safer homes project account is created in the custody of the state treasurer. The account shall consist of funds appropriated by the legislature for the suicide-safer homes project account and all receipts from gifts, grants, bequests, devises, or other funds from public and private sources to support the activities of the suicide-safer homes project. Only the secretary of the department of health, or the secretary's designee, may authorize expenditures

from the account to fund projects identified and prioritized by the suicide-safer homes task force. Funds deposited in the suicide-safer homes project account may be used for the development and production of suicide prevention materials and training programs, for providing financial incentives to encourage firearms dealers and others to participate in suicide prevention training, and to implement pilot programs involving community outreach on creating suicide-safer homes.

(3) The suicide-safer homes project account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

Sec. 4. RCW 43.70.442 and 2016 c 90 s 5 are each amended to read as follows:

(1)(a) Each of the following professionals certified or licensed under Title 18 RCW shall, at least once every six years, complete training in suicide assessment, treatment, and management that is approved, in rule, by the relevant disciplining authority:

(i) An adviser or counselor certified under chapter 18.19 RCW;

(ii) A chemical dependency professional licensed under chapter 18.205 RCW;

(iii) A marriage and family therapist licensed under chapter 18.225 RCW;

(iv) A mental health counselor licensed under chapter 18.225 RCW;

(v) An occupational therapy practitioner licensed under chapter 18.59 RCW;

(vi) A psychologist licensed under chapter 18.83 RCW;

(vii) An advanced social worker or independent clinical social worker licensed under chapter 18.225 RCW; and

(viii) A social worker associate—advanced or social worker associate—independent clinical licensed under chapter 18.225 RCW.

(b) The requirements in (a) of this subsection apply to a person holding a retired active license for one of the professions in (a) of this subsection.

(c) The training required by this subsection must be at least six hours in length, unless a disciplining authority has determined, under subsection (10)(b) of this section, that training that includes only screening and referral elements is appropriate for the profession in question, in which case the training must be at least three hours in length.

(d) Beginning July 1, 2017, the training required by this subsection must be on the model list developed under subsection (6) of this section. Nothing in this subsection (1)(d) affects the validity of training completed prior to July 1, 2017.

(2)(a) Except as provided in (b) of this subsection, a professional listed in subsection (1)(a) of this section must complete the first training required by this section by the end of the first full continuing education reporting period after January 1, 2014, or during the first full continuing education reporting period after initial licensure or certification, whichever occurs later.

(b) A professional listed in subsection (1)(a) of this section applying for initial licensure may delay completion of the first training required by this section for six years after initial licensure if he or she can demonstrate successful completion of the training required in subsection (1) of this section no more than six years prior to the application for initial licensure.

(3) The hours spent completing training in suicide assessment, treatment, and management under this section count toward meeting any applicable

continuing education or continuing competency requirements for each profession.

(4)(a) A disciplining authority may, by rule, specify minimum training and experience that is sufficient to exempt an individual professional from the training requirements in subsections (1) and (5) of this section. Nothing in this subsection (4)(a) allows a disciplining authority to provide blanket exemptions to broad categories or specialties within a profession.

(b) A disciplining authority may exempt a professional from the training requirements of subsections (1) and (5) of this section if the professional has only brief or limited patient contact.

(5)(a) Each of the following professionals credentialed under Title 18 RCW shall complete a one-time training in suicide assessment, treatment, and management that is approved by the relevant disciplining authority:

(i) A chiropractor licensed under chapter 18.25 RCW;

(ii) A naturopath licensed under chapter 18.36A RCW;

(iii) A licensed practical nurse, registered nurse, or advanced registered nurse practitioner, other than a certified registered nurse anesthetist, licensed under chapter 18.79 RCW;

(iv) An osteopathic physician and surgeon licensed under chapter 18.57 RCW, other than a holder of a postgraduate osteopathic medicine and surgery license issued under RCW 18.57.035;

(v) An osteopathic physician assistant licensed under chapter 18.57A RCW;

(vi) A physical therapist or physical therapist assistant licensed under chapter 18.74 RCW;

(vii) A physician licensed under chapter 18.71 RCW, other than a resident holding a limited license issued under RCW 18.71.095(3);

(viii) A physician assistant licensed under chapter 18.71A RCW;

(ix) A pharmacist licensed under chapter 18.64 RCW; ((~~and~~))

(x) A dentist licensed under chapter 18.32 RCW;

(xi) A dental hygienist licensed under chapter 18.29 RCW; and

(xii) A person holding a retired active license for one of the professions listed in (a)(i) through ((~~(ix)~~)) (xi) of this subsection.

(b)(i) A professional listed in (a)(i) through (viii) of this subsection or a person holding a retired active license for one of the professions listed in (a)(i) through (viii) of this subsection must complete the one-time training by the end of the first full continuing education reporting period after January 1, 2016, or during the first full continuing education reporting period after initial licensure, whichever is later. Training completed between June 12, 2014, and January 1, 2016, that meets the requirements of this section, other than the timing requirements of this subsection (5)(b), must be accepted by the disciplining authority as meeting the one-time training requirement of this subsection (5).

(ii) A licensed pharmacist or a person holding a retired active pharmacist license must complete the one-time training by the end of the first full continuing education reporting period after January 1, 2017, or during the first full continuing education reporting period after initial licensure, whichever is later.

(iii) A licensed dentist, a licensed dental hygienist, or a person holding a retired active license as a dentist shall complete the one-time training by the end of the full continuing education reporting period after the effective date of this

section, or during the first full continuing education reporting period after initial licensure, whichever is later. Training completed between July 23, 2017, and the effective date of this section that meets the requirements of this section, other than the timing requirements of this subsection (5)(b)(iii), must be accepted by the disciplining authority as meeting the one-time training requirement of this subsection (5).

(c) The training required by this subsection must be at least six hours in length, unless a disciplining authority has determined, under subsection (10)(b) of this section, that training that includes only screening and referral elements is appropriate for the profession in question, in which case the training must be at least three hours in length.

(d) Beginning July 1, 2017, the training required by this subsection must be on the model list developed under subsection (6) of this section. Nothing in this subsection (5)(d) affects the validity of training completed prior to July 1, 2017.

(6)(a) The secretary and the disciplining authorities shall work collaboratively to develop a model list of training programs in suicide assessment, treatment, and management.

(b) The secretary and the disciplining authorities shall update the list at least once every two years.

(c) By June 30, 2016, the department shall adopt rules establishing minimum standards for the training programs included on the model list. The minimum standards must require that six-hour trainings include content specific to veterans and the assessment of issues related to imminent harm via lethal means or self-injurious behaviors and that three-hour trainings for pharmacists or dentists include content related to the assessment of issues related to imminent harm via lethal means. When adopting the rules required under this subsection (6)(c), the department shall:

(i) Consult with the affected disciplining authorities, public and private institutions of higher education, educators, experts in suicide assessment, treatment, and management, the Washington department of veterans affairs, and affected professional associations; and

(ii) Consider standards related to the best practices registry of the American foundation for suicide prevention and the suicide prevention resource center.

(d) Beginning January 1, 2017:

(i) The model list must include only trainings that meet the minimum standards established in the rules adopted under (c) of this subsection and any three-hour trainings that met the requirements of this section on or before July 24, 2015;

(ii) The model list must include six-hour trainings in suicide assessment, treatment, and management, and three-hour trainings that include only screening and referral elements; and

(iii) A person or entity providing the training required in this section may petition the department for inclusion on the model list. The department shall add the training to the list only if the department determines that the training meets the minimum standards established in the rules adopted under (c) of this subsection.

(7) The department shall provide the health profession training standards created in this section to the professional educator standards board as a model in meeting the requirements of RCW 28A.410.226 and provide technical

assistance, as requested, in the review and evaluation of educator training programs. The educator training programs approved by the professional educator standards board may be included in the department's model list.

(8) Nothing in this section may be interpreted to expand or limit the scope of practice of any profession regulated under chapter 18.130 RCW.

(9) The secretary and the disciplining authorities affected by this section shall adopt any rules necessary to implement this section.

(10) For purposes of this section:

(a) "Disciplining authority" has the same meaning as in RCW 18.130.020.

(b) "Training in suicide assessment, treatment, and management" means empirically supported training approved by the appropriate disciplining authority that contains the following elements: Suicide assessment, including screening and referral, suicide treatment, and suicide management. However, the disciplining authority may approve training that includes only screening and referral elements if appropriate for the profession in question based on the profession's scope of practice. The board of occupational therapy may also approve training that includes only screening and referral elements if appropriate for occupational therapy practitioners based on practice setting.

(11) A state or local government employee is exempt from the requirements of this section if he or she receives a total of at least six hours of training in suicide assessment, treatment, and management from his or her employer every six years. For purposes of this subsection, the training may be provided in one six-hour block or may be spread among shorter training sessions at the employer's discretion.

(12) An employee of a community mental health agency licensed under chapter 71.24 RCW or a chemical dependency program certified under chapter 70.96A RCW is exempt from the requirements of this section if he or she receives a total of at least six hours of training in suicide assessment, treatment, and management from his or her employer every six years. For purposes of this subsection, the training may be provided in one six-hour block or may be spread among shorter training sessions at the employer's discretion.

NEW SECTION. **Sec. 5.** A new section is added to chapter 43.70 RCW to read as follows:

(1) By July 1, 2020, the school of dentistry at the University of Washington shall develop a curriculum on suicide assessment, treatment, and management for dental students and licensed dentists. The curriculum must meet the minimum standards established under RCW 43.70.442 and must include material on identifying at-risk patients and limiting access to lethal means. When developing the curriculum, the school of dentistry must consult with experts on suicide assessment, treatment, and management and with the suicide-safer homes task force established in RCW 43.70.445. The school of dentistry shall submit a progress report to the governor and the relevant committees of the legislature by July 1, 2019.

(2) The dental quality assurance commission shall, for purposes of RCW 43.70.442(4)(a), consider a dentist who has successfully completed the curriculum developed under subsection (1) of this section prior to licensure as possessing the minimum training and experience necessary to be exempt from the training requirements in RCW 43.70.442.

***Sec. 6.** RCW 9.41.113 and 2015 c 1 s 3 are each amended to read as follows:

***(1) All firearm sales or transfers, in whole or part in this state including without limitation a sale or transfer where either the purchaser or seller or transferee or transferor is in Washington, shall be subject to background checks unless specifically exempted by state or federal law. The background check requirement applies to all sales or transfers including, but not limited to, sales and transfers through a licensed dealer, at gun shows, online, and between unlicensed persons.

***(2) No person shall sell or transfer a firearm unless:

***(a) The person is a licensed dealer;

***(b) The purchaser or transferee is a licensed dealer; or

***(c) The requirements of subsection (3) of this section are met.

***(3) Where neither party to a prospective firearms transaction is a licensed dealer, the parties to the transaction shall complete the sale or transfer through a licensed dealer as follows:

***(a) The seller or transferor shall deliver the firearm to a licensed dealer to process the sale or transfer as if it is selling or transferring the firearm from its inventory to the purchaser or transferee, except that the unlicensed seller or transferor may remove the firearm from the business premises of the licensed dealer while the background check is being conducted. If the seller or transferor removes the firearm from the business premises of the licensed dealer while the background check is being conducted, the purchaser or transferee and the seller or transferor shall return to the business premises of the licensed dealer and the seller or transferor shall again deliver the firearm to the licensed dealer prior to completing the sale or transfer.

***(b) Except as provided in (a) of this subsection, the licensed dealer shall comply with all requirements of federal and state law that would apply if the licensed dealer were selling or transferring the firearm from its inventory to the purchaser or transferee, including but not limited to conducting a background check on the prospective purchaser or transferee in accordance with federal and state law requirements and fulfilling all federal and state recordkeeping requirements.

***(c) The purchaser or transferee must complete, sign, and submit all federal, state, and local forms necessary to process the required background check to the licensed dealer conducting the background check.

***(d) If the results of the background check indicate that the purchaser or transferee is ineligible to possess a firearm, then the licensed dealer shall return the firearm to the seller or transferor.

***(e) The licensed dealer may charge a fee that reflects the fair market value of the administrative costs and efforts incurred by the licensed dealer for facilitating the sale or transfer of the firearm.

***(4) This section does not apply to:

***(a) A transfer between immediate family members, which for this subsection shall be limited to spouses, domestic partners, parents, <u>parents-in-law,</u> children, siblings, <u>siblings-in-law,</u> grandparents, grandchildren, nieces, nephews, first cousins, aunts, and uncles, that is a bona fide gift <u>or loan</u>;

***(b) The sale or transfer of an antique firearm;

(c) A temporary transfer of possession of a firearm if such transfer is necessary to prevent imminent death or great bodily harm to the person to whom the firearm is transferred if:

(i) The temporary transfer only lasts as long as immediately necessary to prevent such imminent death or great bodily harm; and

(ii) The person to whom the firearm is transferred is not prohibited from possessing firearms under state or federal law;

(d) A temporary transfer of possession of a firearm if: (i) The temporary transfer is intended to prevent suicide or self-inflicted great bodily harm; (ii) the temporary transfer lasts only as long as reasonably necessary to prevent death or great bodily harm; and (iii) the firearm is not utilized by the transferee for any purpose for the duration of the temporary transfer;

(e) Any law enforcement or corrections agency and, to the extent the person is acting within the course and scope of his or her employment or official duties, any law enforcement or corrections officer, United States marshal, member of the armed forces of the United States or the national guard, or federal official;

((~~(e)~~)) (f) A federally licensed gunsmith who receives a firearm solely for the purposes of service or repair, or the return of the firearm to its owner by the federally licensed gunsmith;

((~~(f)~~)) (g) The temporary transfer of a firearm (i) between spouses or domestic partners; (ii) if the temporary transfer occurs, and the firearm is kept at all times, at an established shooting range authorized by the governing body of the jurisdiction in which such range is located; (iii) if the temporary transfer occurs and the transferee's possession of the firearm is exclusively at a lawful organized competition involving the use of a firearm, or while participating in or practicing for a performance by an organized group that uses firearms as a part of the performance; (iv) to a person who is under eighteen years of age for lawful hunting, sporting, or educational purposes while under the direct supervision and control of a responsible adult who is not prohibited from possessing firearms; or (v) while hunting if the hunting is legal in all places where the person to whom the firearm is transferred possesses the firearm and the person to whom the firearm is transferred has completed all training and holds all licenses or permits required for such hunting, provided that any temporary transfer allowed by this subsection is permitted only if the person to whom the firearm is transferred is not prohibited from possessing firearms under state or federal law; or

((~~(g)~~)) (h) A person who (i) acquired a firearm other than a pistol by operation of law upon the death of the former owner of the firearm or (ii) acquired a pistol by operation of law upon the death of the former owner of the pistol within the preceding sixty days. At the end of the sixty-day period, the person must either have lawfully transferred the pistol or must have contacted the department of licensing to notify the department that he or she has possession of the pistol and intends to retain possession of the pistol, in compliance with all federal and state laws.

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

NEW SECTION. **Sec. 7.** Section 4 of this act takes effect August 1, 2020.

NEW SECTION. **Sec. 8.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the House April 17, 2017.

Passed by the Senate April 11, 2017.

Approved by the Governor May 10, 2017, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 10, 2017.

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

"I am returning herewith, without my approval as to Section 6, Engrossed Second Substitute House Bill No. 1612 entitled:

"AN ACT Relating to a public health educational platform for suicide prevention and strategies to reduce access to lethal means."

This section is the same as the language in Section 2 of Engrossed Substitute Senate Bill 5552. Because SB 5552 also includes a couple of additional changes unrelated to the language in this bill, the Code Reviser advises this action so the RCW is clear. I support the policy and am glad that is fully contained in the other bill.

For these reasons I have vetoed Section 6 of Engrossed Second Substitute House Bill No. 1612.

With the exception of Section 6, Engrossed Second Substitute House Bill No. 1612 is approved."

CHAPTER 263

[Substitute Senate Bill 5152]

PEDIATRIC TRANSITIONAL CARE SERVICES

AN ACT Relating to pediatric transitional care services; amending RCW 71.12.455; adding new sections to chapter 71.12 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** The legislature finds that more than twelve thousand infants born in Washington each year have been prenatally exposed to opiates, methamphetamines, and other drugs. Prenatal drug exposure frequently results in infants suffering from neonatal abstinence syndrome and its accompanying withdrawal symptoms after birth. Withdrawal symptoms may include sleep problems, excessive crying, tremors, seizures, poor feeding, fever, generalized convulsions, vomiting, diarrhea, and hyperactive reflexes. Consequently, the legislature finds that drug exposed infants have unique medical needs and benefit from specialized health care that addresses their withdrawal symptoms. Specialized care for infants experiencing neonatal abstinence syndrome is based on the individual needs of the infant and includes: Administration of intravenous fluids and drugs such as morphine; personalized, hands-on therapeutic care such as gentle rocking, reduction in noise and lights, and swaddling; and frequent high-calorie feedings.

The legislature further finds that drug exposed infants often require hospitalization which burdens hospitals and hospital staff who either have to increase staffing levels or require current staff to take on additional duties to administer the specialized care needed by drug exposed infants.

The legislature further finds that drug exposed infants benefit from early and consistent family involvement in their care, and families thrive when they

are provided the opportunity, skills, and training to help them participate in their child's care.

The legislature further finds that infants with neonatal abstinence syndrome often can be treated in a nonhospital clinic setting where they receive appropriate medical and nonmedical care for their symptoms. The legislature, therefore, intends to encourage alternatives to continued hospitalization for drug exposed infants, including the continuation and development of pediatric transitional care services that provide short-term medical care as well as training and assistance to caregivers in order to support the transition from hospital to home for drug exposed infants.

Sec. 2. RCW 71.12.455 and 2001 c 254 s 1 are each amended to read as follows:

((~~As used in this chapter,~~)) The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Establishment" and "institution" mean ((~~and include~~)):

(a) Every private or county or municipal hospital, including public hospital districts, sanitarium, home, or other place receiving or caring for any ((~~mentally ill~~)) person with mental illness, mentally incompetent person, or chemically dependent person; and

(b) Beginning January 1, 2019, facilities providing pediatric transitional care services.

(2) "Trained caregiver" means a noncredentialed, unlicensed person trained by the establishment providing pediatric transitional care services to provide hands-on care to drug exposed infants. Caregivers may not provide medical care to infants and may only work under the supervision of an appropriate health care professional.

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

(4) "Pediatric transitional care services" means short-term, temporary, health and comfort services for drug exposed infants according to the requirements of this chapter and provided in an establishment licensed by the department of health.

(5) "Secretary" means the secretary of the department of health.

NEW SECTION. **Sec. 3.** A new section is added to chapter 71.12 RCW to read as follows:

(1) An establishment providing pediatric transitional care services to drug exposed infants must demonstrate that it is capable of providing services for children who:

(a) Are no more than one year of age;

(b) Have been exposed to drugs before birth;

(c) Require twenty-four hour continuous residential care and skilled nursing services as a result of prenatal substance exposure; and

(d) Are referred to the establishment by the department of social and health services, regional hospitals, and private parties.

(2) After January 1, 2019, no person may operate or maintain an establishment that provides pediatric transitional care services without a license under this chapter.

NEW SECTION. **Sec. 4.** A new section is added to chapter 71.12 RCW to read as follows:

For the purposes of this chapter, the rules for pediatric transitional care services are not considered as a new department of social and health services service category.

NEW SECTION. **Sec. 5.** A new section is added to chapter 71.12 RCW to read as follows:

The secretary must, in consultation with the department of social and health services, adopt rules on pediatric transitional care services. The rules must:

(1) Establish requirements for medical examinations and consultations which must be delivered by an appropriate health care professional;

(2) Require twenty-four hour medical supervision for children receiving pediatric transitional services in accordance with the staffing ratios established under subsection (3) of this section;

(3) Include staffing ratios that consider the number of registered nurses or licensed practical nurses employed by the establishment and the number of trained caregivers on duty at the establishment. These staffing ratios may not require more than:

(a) One registered nurse to be on duty at all times;

(b) One registered nurse or licensed practical nurse to eight infants; and

(c) One trained caregiver to four infants;

(4) Require establishments that provide pediatric transitional care services to prepare weekly plans specific to each infant in their care and in accordance with the health care professional's standing orders. The health care professional may modify an infant's weekly plan without reexamining the infant if he or she determines the modification is in the best interest of the child. This modification may be communicated to the registered nurse on duty at the establishment who must then implement the modification. Weekly plans are to include short-term goals for each infant and outcomes must be included in reports required by the department;

(5) Ensure that neonatal abstinence syndrome scoring is conducted by an appropriate health care professional;

(6) Establish drug exposed infant developmental screening tests for establishments that provide pediatric transitional care services to administer according to a schedule established by the secretary;

(7) Require the establishment to collaborate with the department of social and health services to develop an individualized safety plan for each child and to meet other contractual requirements of the department of social and health services to identify strategies to meet supervision needs, medical concerns, and family support needs;

(8) Establish the maximum amount of days an infant may be placed at an establishment;

(9) Develop timelines for initial and ongoing parent-infant visits to nurture and help develop attachment and bonding between the child and parent, if such visits are possible. Timelines must be developed upon placement of the infant in the establishment providing pediatric transitional care services;

(10) Determine how transportation for the infant will be provided, if needed;

(11) Establish on-site training requirements for caregivers, volunteers, parents, foster parents, and relatives;

(12) Establish background check requirements for caregivers, volunteers, employees, and any other person with unsupervised access to the infants under the care of the establishment; and

(13) Establish other requirements necessary to support the infant and the infant's family.

NEW SECTION. **Sec. 6.** A new section is added to chapter 71.12 RCW to read as follows:

After referral by the department of social and health services of an infant to an establishment approved to provide pediatric transitional care services, the department of social and health services:

(1) Retains primary responsibility for case management and must provide consultation to the establishment regarding all placements and permanency planning issues, including developing a parent-child visitation plan;

(2) Must work with the department and the establishment to identify and implement evidence-based practices that address current and best medical practices and parent participation; and

(3) Work with the establishment to ensure medicaid-eligible services are so billed.

NEW SECTION. **Sec. 7.** A new section is added to chapter 71.12 RCW to read as follows:

Facilities that provide pediatric transitional care services that are in existence on the effective date of this section are not subject to construction review by the department for initial licensure.

Passed by the Senate April 13, 2017.
Passed by the House April 5, 2017.
Approved by the Governor May 10, 2017.
Filed in Office of Secretary of State May 10, 2017.

CHAPTER 264

[Engrossed Substitute Senate Bill 5552]

FIREARM TRANSFER BACKGROUND CHECK--EXEMPTIONS

AN ACT Relating to background checks for firearms sales or transfers, but only with respect to clarifying that the term firearm does not include flare guns and construction tools, clarifying that the term transfer does not include transfers between an entity and its employee or agents for lawful purposes in the ordinary course of business, defining licensed collector and curio or relic, expanding the family member exemption to include loans and parents-in-law and siblings-in-law, providing an exemption for temporary transfers for the purpose of preventing suicide or self-inflicted great bodily harm, providing an exemption for licensed collectors when the firearm is a curio or relic, and providing an exemption for temporary transfers where the transferee and the firearm are in the presence of the transferor; and amending RCW 9.41.010 and 9.41.113.

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

Sec. 1. RCW 9.41.010 and 2015 c 1 s 2 are each amended to read as follows:

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

(1) "Antique firearm" means a firearm or replica of a firearm not designed or redesigned for using rim fire or conventional center fire ignition with fixed ammunition and manufactured in or before 1898, including any matchlock,

flintlock, percussion cap, or similar type of ignition system and also any firearm using fixed ammunition manufactured in or before 1898, for which ammunition is no longer manufactured in the United States and is not readily available in the ordinary channels of commercial trade.

(2) "Barrel length" means the distance from the bolt face of a closed action down the length of the axis of the bore to the crown of the muzzle, or in the case of a barrel with attachments to the end of any legal device permanently attached to the end of the muzzle.

(3) "Crime of violence" means:

(a) Any of the following felonies, as now existing or hereafter amended: Any felony defined under any law as a class A felony or an attempt to commit a class A felony, criminal solicitation of or criminal conspiracy to commit a class A felony, manslaughter in the first degree, manslaughter in the second degree, indecent liberties if committed by forcible compulsion, kidnapping in the second degree, arson in the second degree, assault in the second degree, assault of a child in the second degree, extortion in the first degree, burglary in the second degree, residential burglary, and robbery in the second degree;

(b) Any conviction for a felony offense in effect at any time prior to June 6, 1996, which is comparable to a felony classified as a crime of violence in (a) of this subsection; and

(c) Any federal or out-of-state conviction for an offense comparable to a felony classified as a crime of violence under (a) or (b) of this subsection.

(4) "Dealer" means a person engaged in the business of selling firearms at wholesale or retail who has, or is required to have, a federal firearms license under 18 U.S.C. Sec. 923(a). A person who does not have, and is not required to have, a federal firearms license under 18 U.S.C. Sec. 923(a), is not a dealer if that person makes only occasional sales, exchanges, or purchases of firearms for the enhancement of a personal collection or for a hobby, or sells all or part of his or her personal collection of firearms.

(5) "Family or household member" means "family" or "household member" as used in RCW 10.99.020.

(6) "Felony" means any felony offense under the laws of this state or any federal or out-of-state offense comparable to a felony offense under the laws of this state.

(7) "Felony firearm offender" means a person who has previously been convicted or found not guilty by reason of insanity in this state of any felony firearm offense. A person is not a felony firearm offender under this chapter if any and all qualifying offenses have been the subject of an expungement, pardon, annulment, certificate, or rehabilitation, or other equivalent procedure based on a finding of the rehabilitation of the person convicted or a pardon, annulment, or other equivalent procedure based on a finding of innocence.

(8) "Felony firearm offense" means:

(a) Any felony offense that is a violation of this chapter;

(b) A violation of RCW 9A.36.045;

(c) A violation of RCW 9A.56.300;

(d) A violation of RCW 9A.56.310;

(e) Any felony offense if the offender was armed with a firearm in the commission of the offense.

(9) "Firearm" means a weapon or device from which a projectile or projectiles may be fired by an explosive such as gunpowder. "Firearm" does not include a flare gun or other pyrotechnic visual distress signaling device, or a powder-actuated tool or other device designed solely to be used for construction purposes.

(10) "Gun" has the same meaning as firearm.

(11) "Law enforcement officer" includes a general authority Washington peace officer as defined in RCW 10.93.020, or a specially commissioned Washington peace officer as defined in RCW 10.93.020. "Law enforcement officer" also includes a limited authority Washington peace officer as defined in RCW 10.93.020 if such officer is duly authorized by his or her employer to carry a concealed pistol.

(12) "Lawful permanent resident" has the same meaning afforded a person "lawfully admitted for permanent residence" in 8 U.S.C. Sec. 1101(a)(20).

(13) "Licensed dealer" means a person who is federally licensed under 18 U.S.C. Sec. 923(a).

(14) "Loaded" means:

(a) There is a cartridge in the chamber of the firearm;

(b) Cartridges are in a clip that is locked in place in the firearm;

(c) There is a cartridge in the cylinder of the firearm, if the firearm is a revolver;

(d) There is a cartridge in the tube or magazine that is inserted in the action; or

(e) There is a ball in the barrel and the firearm is capped or primed if the firearm is a muzzle loader.

(15) "Machine gun" means any firearm known as a machine gun, mechanical rifle, submachine gun, or any other mechanism or instrument not requiring that the trigger be pressed for each shot and having a reservoir clip, disc, drum, belt, or other separable mechanical device for storing, carrying, or supplying ammunition which can be loaded into the firearm, mechanism, or instrument, and fired therefrom at the rate of five or more shots per second.

(16) "Nonimmigrant alien" means a person defined as such in 8 U.S.C. Sec. 1101(a)(15).

(17) "Person" means any individual, corporation, company, association, firm, partnership, club, organization, society, joint stock company, or other legal entity.

(18) "Pistol" means any firearm with a barrel less than sixteen inches in length, or is designed to be held and fired by the use of a single hand.

(19) "Rifle" means a weapon designed or redesigned, made or remade, and intended to be fired from the shoulder and designed or redesigned, made or remade, and intended to use the energy of the explosive in a fixed metallic cartridge to fire only a single projectile through a rifled bore for each single pull of the trigger.

(20) "Sale" and "sell" mean the actual approval of the delivery of a firearm in consideration of payment or promise of payment.

(21) "Serious offense" means any of the following felonies or a felony attempt to commit any of the following felonies, as now existing or hereafter amended:

(a) Any crime of violence;

(b) Any felony violation of the uniform controlled substances act, chapter 69.50 RCW, that is classified as a class B felony or that has a maximum term of imprisonment of at least ten years;

(c) Child molestation in the second degree;

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

(e) Indecent liberties;

(f) Leading organized crime;

(g) Promoting prostitution in the first degree;

(h) Rape in the third degree;

(i) Drive-by shooting;

(j) Sexual exploitation;

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

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

(m) Any other class B felony offense with a finding of sexual motivation, as "sexual motivation" is defined under RCW 9.94A.030;

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

(o) Any felony offense in effect at any time prior to June 6, 1996, that is comparable to a serious offense, 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 offense; or

(p) Any felony conviction under RCW 9.41.115.

(22) "Short-barreled rifle" means a rifle having one or more barrels less than sixteen inches in length and any weapon made from a rifle by any means of modification if such modified weapon has an overall length of less than twenty-six inches.

(23) "Short-barreled shotgun" means a shotgun having one or more barrels less than eighteen inches in length and any weapon made from a shotgun by any means of modification if such modified weapon has an overall length of less than twenty-six inches.

(24) "Shotgun" means a weapon with one or more barrels, designed or redesigned, made or remade, and intended to be fired from the shoulder and designed or redesigned, made or remade, and intended to use the energy of the explosive in a fixed shotgun shell to fire through a smooth bore either a number of ball shot or a single projectile for each single pull of the trigger.

(25) "Transfer" means the intended delivery of a firearm to another person without consideration of payment or promise of payment including, but not limited to, gifts and loans. <u>"Transfer" does not include the delivery of a firearm owned or leased by an entity licensed or qualified to do business in the state of Washington to, or return of such a firearm by, any of that entity's employees or agents, defined to include volunteers participating in an honor guard, for lawful purposes in the ordinary course of business.</u>

(26) "Unlicensed person" means any person who is not a licensed dealer under this chapter.

(27) "Curio or relic" has the same meaning as provided in 27 C.F.R. Sec. 478.11.

(28) "Licensed collector" means a person who is federally licensed under 18 U.S.C. Sec. 923(b).

Sec. 2. RCW 9.41.113 and 2015 c 1 s 3 are each amended to read as follows:

(1) All firearm sales or transfers, in whole or part in this state including without limitation a sale or transfer where either the purchaser or seller or transferee or transferor is in Washington, shall be subject to background checks unless specifically exempted by state or federal law. The background check requirement applies to all sales or transfers including, but not limited to, sales and transfers through a licensed dealer, at gun shows, online, and between unlicensed persons.

(2) No person shall sell or transfer a firearm unless:

(a) The person is a licensed dealer;

(b) The purchaser or transferee is a licensed dealer; or

(c) The requirements of subsection (3) of this section are met.

(3) Where neither party to a prospective firearms transaction is a licensed dealer, the parties to the transaction shall complete the sale or transfer through a licensed dealer as follows:

(a) The seller or transferor shall deliver the firearm to a licensed dealer to process the sale or transfer as if it is selling or transferring the firearm from its inventory to the purchaser or transferee, except that the unlicensed seller or transferor may remove the firearm from the business premises of the licensed dealer while the background check is being conducted. If the seller or transferor removes the firearm from the business premises of the licensed dealer while the background check is being conducted, the purchaser or transferee and the seller or transferor shall return to the business premises of the licensed dealer and the seller or transferor shall again deliver the firearm to the licensed dealer prior to completing the sale or transfer.

(b) Except as provided in (a) of this subsection, the licensed dealer shall comply with all requirements of federal and state law that would apply if the licensed dealer were selling or transferring the firearm from its inventory to the purchaser or transferee, including but not limited to conducting a background check on the prospective purchaser or transferee in accordance with federal and state law requirements and fulfilling all federal and state recordkeeping requirements.

(c) The purchaser or transferee must complete, sign, and submit all federal, state, and local forms necessary to process the required background check to the licensed dealer conducting the background check.

(d) If the results of the background check indicate that the purchaser or transferee is ineligible to possess a firearm, then the licensed dealer shall return the firearm to the seller or transferor.

(e) The licensed dealer may charge a fee that reflects the fair market value of the administrative costs and efforts incurred by the licensed dealer for facilitating the sale or transfer of the firearm.

(4) This section does not apply to:

(a) A transfer between immediate family members, which for this subsection shall be limited to spouses, domestic partners, parents, parents-in-

law, children, siblings, siblings-in-law, grandparents, grandchildren, nieces, nephews, first cousins, aunts, and uncles, that is a bona fide gift or loan;

(b) The sale or transfer of an antique firearm;

(c) A temporary transfer of possession of a firearm if such transfer is necessary to prevent imminent death or great bodily harm to the person to whom the firearm is transferred if:

(i) The temporary transfer only lasts as long as immediately necessary to prevent such imminent death or great bodily harm; and

(ii) The person to whom the firearm is transferred is not prohibited from possessing firearms under state or federal law;

(d) A temporary transfer of possession of a firearm if: (i) The transfer is intended to prevent suicide or self-inflicted great bodily harm; (ii) the transfer lasts only as long as reasonably necessary to prevent death or great bodily harm; and (iii) the firearm is not utilized by the transferee for any purpose for the duration of the temporary transfer;

(e) Any law enforcement or corrections agency and, to the extent the person is acting within the course and scope of his or her employment or official duties, any law enforcement or corrections officer, United States marshal, member of the armed forces of the United States or the national guard, or federal official;

(((~~(e)~~))) (f) A federally licensed gunsmith who receives a firearm solely for the purposes of service or repair, or the return of the firearm to its owner by the federally licensed gunsmith;

(((~~(f)~~))) (g) The temporary transfer of a firearm (i) between spouses or domestic partners; (ii) if the temporary transfer occurs, and the firearm is kept at all times, at an established shooting range authorized by the governing body of the jurisdiction in which such range is located; (iii) if the temporary transfer occurs and the transferee's possession of the firearm is exclusively at a lawful organized competition involving the use of a firearm, or while participating in or practicing for a performance by an organized group that uses firearms as a part of the performance; (iv) to a person who is under eighteen years of age for lawful hunting, sporting, or educational purposes while under the direct supervision and control of a responsible adult who is not prohibited from possessing firearms; ((~~or~~)) (v) under circumstances in which the transferee and the firearm remain in the presence of the transferor; or (vi) while hunting if the hunting is legal in all places where the person to whom the firearm is transferred possesses the firearm and the person to whom the firearm is transferred has completed all training and holds all licenses or permits required for such hunting, provided that any temporary transfer allowed by this subsection is permitted only if the person to whom the firearm is transferred is not prohibited from possessing firearms under state or federal law; ((~~or~~

~~(g)~~))) (h) A person who (i) acquired a firearm other than a pistol by operation of law upon the death of the former owner of the firearm or (ii) acquired a pistol by operation of law upon the death of the former owner of the pistol within the preceding sixty days. At the end of the sixty-day period, the person must either have lawfully transferred the pistol or must have contacted the department of licensing to notify the department that he or she has possession of the pistol and intends to retain possession of the pistol, in compliance with all federal and state laws; or

(i) A sale or transfer when the purchaser or transferee is a licensed collector and the firearm being sold or transferred is a curio or relic.

Passed by the Senate April 17, 2017.
Passed by the House April 7, 2017.
Approved by the Governor May 10, 2017.
Filed in Office of Secretary of State May 10, 2017.

CHAPTER 265

[Substitute House Bill 1867]

EXTENDED FOSTER CARE--REENROLLMENT--STUDY

AN ACT Relating to improving transitions in extended foster care to increase housing stability for foster youth; amending RCW 74.13.031; creating new sections; and providing an expiration date.

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

NEW SECTION. **Sec. 1.** The legislature finds that a large number of foster youth experience homelessness. The legislature intends that individuals who are eligible for extended foster care services are able to receive those services to help prevent them from experiencing homelessness. The 2016 office of homeless youth annual report identifies ensuring that youth exiting public systems are not released into homelessness as a goal and recommends expanding options for youth to enroll in extended foster care.

Sec. 2. RCW 74.13.031 and 2015 c 240 s 3 are each amended to read as follows:

(1) The department and supervising agencies shall develop, administer, supervise, and monitor a coordinated and comprehensive plan that establishes, aids, and strengthens services for the protection and care of runaway, dependent, or neglected children.

(2) Within available resources, the department and supervising agencies shall recruit an adequate number of prospective adoptive and foster homes, both regular and specialized, i.e. homes for children of ethnic minority, including Indian homes for Indian children, sibling groups, handicapped and emotionally disturbed, teens, pregnant and parenting teens, and the department shall annually report to the governor and the legislature concerning the department's and supervising agency's success in: (a) Meeting the need for adoptive and foster home placements; (b) reducing the foster parent turnover rate; (c) completing home studies for legally free children; and (d) implementing and operating the passport program required by RCW 74.13.285. The report shall include a section entitled "Foster Home Turn-Over, Causes and Recommendations."

(3) The department shall investigate complaints of any recent act or failure to act on the part of a parent or caretaker that results in death, serious physical or emotional harm, or sexual abuse or exploitation, or that presents an imminent risk of serious harm, and on the basis of the findings of such investigation, offer child welfare services in relation to the problem to such parents, legal custodians, or persons serving in loco parentis, and/or bring the situation to the attention of an appropriate court, or another community agency. An investigation is not required of nonaccidental injuries which are clearly not the result of a lack of care or supervision by the child's parents, legal custodians, or persons serving in loco parentis. If the investigation reveals that a crime against a child may have

been committed, the department shall notify the appropriate law enforcement agency.

(4) As provided in RCW 26.44.030(11), the department may respond to a report of child abuse or neglect by using the family assessment response.

(5) The department or supervising agencies shall offer, on a voluntary basis, family reconciliation services to families who are in conflict.

(6) The department or supervising agencies shall monitor placements of children in out-of-home care and in-home dependencies to assure the safety, well-being, and quality of care being provided is within the scope of the intent of the legislature as defined in RCW 74.13.010 and 74.15.010. Under this section children in out-of-home care and in-home dependencies and their caregivers shall receive a private and individual face-to-face visit each month. The department and the supervising agencies shall randomly select no less than ten percent of the caregivers currently providing care to receive one unannounced face-to-face visit in the caregiver's home per year. No caregiver will receive an unannounced visit through the random selection process for two consecutive years. If the caseworker makes a good faith effort to conduct the unannounced visit to a caregiver and is unable to do so, that month's visit to that caregiver need not be unannounced. The department and supervising agencies are encouraged to group monthly visits to caregivers by geographic area so that in the event an unannounced visit cannot be completed, the caseworker may complete other required monthly visits. The department shall use a method of random selection that does not cause a fiscal impact to the department.

The department or supervising agencies shall conduct the monthly visits with children and caregivers to whom it is providing child welfare services.

(7) The department and supervising agencies shall have authority to accept custody of children from parents and to accept custody of children from juvenile courts, where authorized to do so under law, to provide child welfare services including placement for adoption, to provide for the routine and necessary medical, dental, and mental health care, or necessary emergency care of the children, and to provide for the physical care of such children and make payment of maintenance costs if needed. Except where required by Public Law 95-608 (25 U.S.C. Sec. 1915), no private adoption agency which receives children for adoption from the department shall discriminate on the basis of race, creed, or color when considering applications in their placement for adoption.

(8) The department and supervising agency shall have authority to provide temporary shelter to children who have run away from home and who are admitted to crisis residential centers.

(9) The department and supervising agency shall have authority to purchase care for children.

(10) The department shall establish a children's services advisory committee with sufficient members representing supervising agencies which shall assist the secretary in the development of a partnership plan for utilizing resources of the public and private sectors, and advise on all matters pertaining to child welfare, licensing of child care agencies, adoption, and services related thereto. At least one member shall represent the adoption community.

(11)(a) The department and supervising agencies shall provide continued extended foster care services to nonminor dependents who are:

(i) Enrolled in a secondary education program or a secondary education equivalency program;

(ii) Enrolled and participating in a postsecondary academic or postsecondary vocational education program;

(iii) Participating in a program or activity designed to promote employment or remove barriers to employment;

(iv) Engaged in employment for eighty hours or more per month; or

(v) Not able to engage in any of the activities described in (a)(i) through (iv) of this subsection due to a documented medical condition.

(b) To be eligible for extended foster care services, the nonminor dependent must have been dependent and in foster care at the time that he or she reached age eighteen years. If the dependency case of the nonminor dependent was dismissed pursuant to RCW 13.34.267, he or she may receive extended foster care services pursuant to a voluntary placement agreement under RCW 74.13.336 or pursuant to an order of dependency issued by the court under RCW 13.34.268. A nonminor dependent whose dependency case was dismissed by the court must have requested extended foster care services before reaching age nineteen years. Eligible nonminor dependents may unenroll and reenroll in extended foster care through a voluntary placement agreement once between ages eighteen and twenty-one.

(c) The department shall develop and implement rules regarding youth eligibility requirements.

(d) The department shall make efforts to ensure that extended foster care services maximize medicaid reimbursements. This must include the department ensuring that health and mental health extended foster care providers participate in medicaid, unless the condition of the extended foster care youth requires specialty care that is not available among participating medicaid providers or there are no participating medicaid providers in the area. The department shall coordinate other services to maximize federal resources and the most cost-efficient delivery of services to extended foster care youth.

(e) The department shall allow a youth who has received extended foster care services, but lost his or her eligibility, to reenter the extended foster care program once through a voluntary placement agreement when he or she meets the eligibility criteria again.

(12) The department shall have authority to provide adoption support benefits, or relative guardianship subsidies on behalf of youth ages eighteen to twenty-one years who achieved permanency through adoption or a relative guardianship at age sixteen or older and who meet the criteria described in subsection (11) of this section.

(13) The department shall refer cases to the division of child support whenever state or federal funds are expended for the care and maintenance of a child, including a child with a developmental disability who is placed as a result of an action under chapter 13.34 RCW, unless the department finds that there is good cause not to pursue collection of child support against the parent or parents of the child. Cases involving individuals age eighteen through twenty shall not be referred to the division of child support unless required by federal law.

(14) The department and supervising agencies shall have authority within funds appropriated for foster care services to purchase care for Indian children who are in the custody of a federally recognized Indian tribe or tribally licensed

child-placing agency pursuant to parental consent, tribal court order, or state juvenile court order. The purchase of such care is exempt from the requirements of chapter 74.13B RCW and may be purchased from the federally recognized Indian tribe or tribally licensed child-placing agency, and shall be subject to the same eligibility standards and rates of support applicable to other children for whom the department purchases care.

Notwithstanding any other provision of RCW 13.32A.170 through 13.32A.200 ((~~and 74.13.032 through~~)), 43.185C.295, 74.13.035, and 74.13.036, or of this section all services to be provided by the department under subsections (4), (7), and (8) of this section, subject to the limitations of these subsections, may be provided by any program offering such services funded pursuant to Titles II and III of the federal juvenile justice and delinquency prevention act of 1974.

(15) Within amounts appropriated for this specific purpose, the supervising agency or department shall provide preventive services to families with children that prevent or shorten the duration of an out-of-home placement.

(16) The department and supervising agencies shall have authority to provide independent living services to youths, including individuals who have attained eighteen years of age, and have not attained twenty-one years of age who are or have been in foster care.

(17) The department and supervising agencies shall consult at least quarterly with foster parents, including members of the foster parent association of Washington state, for the purpose of receiving information and comment regarding how the department and supervising agencies are performing the duties and meeting the obligations specified in this section and RCW 74.13.250 and 74.13.320 regarding the recruitment of foster homes, reducing foster parent turnover rates, providing effective training for foster parents, and administering a coordinated and comprehensive plan that strengthens services for the protection of children. Consultation shall occur at the regional and statewide levels.

(18)(a) The department shall, within current funding levels, place on its public web site a document listing the duties and responsibilities the department has to a child subject to a dependency petition including, but not limited to, the following:

(i) Reasonable efforts, including the provision of services, toward reunification of the child with his or her family;

(ii) Sibling visits subject to the restrictions in RCW 13.34.136(2)(b)(ii);

(iii) Parent-child visits;

(iv) Statutory preference for placement with a relative or other suitable person, if appropriate; and

(v) 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.

(b) The document must be prepared in conjunction with a community-based organization and must be updated as needed.

NEW SECTION. **Sec. 3.** (1) The Washington state institute for public policy shall conduct a study measuring the outcomes for youth who have received extended foster care services pursuant to RCW 74.13.031(11). The study should include measurements of any savings to state and local

governments. The study should compare the outcomes for youth who have received extended foster care services pursuant to RCW 74.13.031(11) with youth who aged out of foster care when they reached eighteen years of age. To the extent possible, the study should also include a comparison of other state extended foster care programs and a review of studies that have been completed measuring the outcomes of those programs.

(2) The Washington state institute for public policy shall issue a report containing its preliminary findings to the legislature by December 1, 2018, and a final report by December 1, 2019.

(3) The Washington state institute for public policy is authorized to accept nonstate funds to conduct the study required in subsection (1) of this section.

(4) This section expires July 1, 2020.

NEW SECTION. **Sec. 4.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the House April 17, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor May 10, 2017.
Filed in Office of Secretary of State May 10, 2017.

CHAPTER 266

[Engrossed Substitute House Bill 1153]

CRIMES AGAINST VULNERABLE PERSONS--VARIOUS CHANGES

AN ACT Relating to crimes against vulnerable persons; amending RCW 9A.42.020, 9A.42.030, 9A.42.035, 9A.56.010, 9A.04.080, 9A.56.030, 9A.56.040, and 74.34.020; reenacting and amending RCW 9.94A.411 and 9.94A.515; adding a new section to chapter 9A.56 RCW; and adding a new section to chapter 74.34 RCW.

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

NEW SECTION. **Sec. 1.** The legislature finds that seniors and people with disabilities face a growing threat of financial exploitation and physical neglect. The legislature intends with this act to hold accountable those perpetrators who commit theft and physical neglect of seniors and people with disabilities by increasing penalties, reducing barriers to prosecution, and expanding the scope of protection for vulnerable persons.

Sec. 2. RCW 9A.42.020 and 2006 c 228 s 2 are each amended to read as follows:

(1) A parent of a child, the person entrusted with the physical custody of a child or dependent person, a person who has assumed the responsibility to provide to a dependent person the basic necessities of life, or a person employed to provide to the child or dependent person the basic necessities of life is guilty of criminal mistreatment in the first degree if he or she ((~~recklessly~~)) with criminal negligence, as defined in RCW 9A.08.010, causes great bodily harm to a child or dependent person by withholding any of the basic necessities of life.

(2) Criminal mistreatment in the first degree is a class B felony.

Sec. 3. RCW 9A.42.030 and 2006 c 228 s 3 are each amended to read as follows:

(1) A parent of a child, the person entrusted with the physical custody of a child or dependent person, a person who has assumed the responsibility to provide to a dependent person the basic necessities of life, or a person employed to provide to the child or dependent person the basic necessities of life is guilty of criminal mistreatment in the second degree if he or she ((~~recklessly~~)) with criminal negligence, as defined in RCW 9A.08.010, either (a) creates an imminent and substantial risk of death or great bodily harm by withholding any of the basic necessities of life, or (b) causes substantial bodily harm by withholding any of the basic necessities of life.

(2) Criminal mistreatment in the second degree is a class C felony.

Sec. 4. RCW 9A.42.035 and 2006 c 228 s 4 are each amended to read as follows:

(1) A person is guilty of the crime of criminal mistreatment in the third degree if the person is the parent of a child, is a person entrusted with the physical custody of a child or other dependent person, is a person who has assumed the responsibility to provide to a dependent person the basic necessities of life, or is a person employed to provide to the child or dependent person the basic necessities of life((,)) and ((~~either:~~

~~(a)~~)), with criminal negligence, creates an imminent and substantial risk of substantial bodily harm to a child or dependent person by withholding any of the basic necessities of life((~~; or~~

~~(b) With criminal negligence, causes substantial bodily harm to a child or dependent person by withholding any of the basic necessities of life~~)).

(2) For purposes of this section, "a person who has assumed the responsibility to provide to a dependent person the basic necessities of life" means a person other than: (a) A government agency that regularly provides assistance or services to dependent persons, including but not limited to the department of social and health services; or (b) a good samaritan as defined in RCW 9A.42.010.

(3) Criminal mistreatment in the third degree is a gross misdemeanor.

Sec. 5. RCW 9.94A.411 and 2006 c 271 s 1 and 2006 c 73 s 13 are each reenacted and amended to read as follows:

(1) Decision not to prosecute.

STANDARD: A prosecuting attorney may decline to prosecute, even though technically sufficient evidence to prosecute exists, in situations where prosecution would serve no public purpose, would defeat the underlying purpose of the law in question or would result in decreased respect for the law.

GUIDELINE/COMMENTARY:

Examples

The following are examples of reasons not to prosecute which could satisfy the standard.

(a) Contrary to Legislative Intent - It may be proper to decline to charge where the application of criminal sanctions would be clearly contrary to the intent of the legislature in enacting the particular statute.

(b) Antiquated Statute - It may be proper to decline to charge where the statute in question is antiquated in that:

(i) It has not been enforced for many years; and

(ii) Most members of society act as if it were no longer in existence; and

(iii) It serves no deterrent or protective purpose in today's society; and

(iv) The statute has not been recently reconsidered by the legislature.

This reason is not to be construed as the basis for declining cases because the law in question is unpopular or because it is difficult to enforce.

(c) De Minimis Violation - It may be proper to decline to charge where the violation of law is only technical or insubstantial and where no public interest or deterrent purpose would be served by prosecution.

(d) Confinement on Other Charges - It may be proper to decline to charge because the accused has been sentenced on another charge to a lengthy period of confinement; and

(i) Conviction of the new offense would not merit any additional direct or collateral punishment;

(ii) The new offense is either a misdemeanor or a felony which is not particularly aggravated; and

(iii) Conviction of the new offense would not serve any significant deterrent purpose.

(e) Pending Conviction on Another Charge - It may be proper to decline to charge because the accused is facing a pending prosecution in the same or another county; and

(i) Conviction of the new offense would not merit any additional direct or collateral punishment;

(ii) Conviction in the pending prosecution is imminent;

(iii) The new offense is either a misdemeanor or a felony which is not particularly aggravated; and

(iv) Conviction of the new offense would not serve any significant deterrent purpose.

(f) High Disproportionate Cost of Prosecution - It may be proper to decline to charge where the cost of locating or transporting, or the burden on, prosecution witnesses is highly disproportionate to the importance of prosecuting the offense in question. This reason should be limited to minor cases and should not be relied upon in serious cases.

(g) Improper Motives of Complainant - It may be proper to decline charges because the motives of the complainant are improper and prosecution would serve no public purpose, would defeat the underlying purpose of the law in question or would result in decreased respect for the law.

(h) Immunity - It may be proper to decline to charge where immunity is to be given to an accused in order to prosecute another where the accused's information or testimony will reasonably lead to the conviction of others who are responsible for more serious criminal conduct or who represent a greater danger to the public interest.

(i) Victim Request - It may be proper to decline to charge because the victim requests that no criminal charges be filed and the case involves the following crimes or situations:

(i) Assault cases where the victim has suffered little or no injury;

(ii) Crimes against property, not involving violence, where no major loss was suffered;

(iii) Where doing so would not jeopardize the safety of society.

Care should be taken to insure that the victim's request is freely made and is not the product of threats or pressure by the accused.

The presence of these factors may also justify the decision to dismiss a prosecution which has been commenced.

Notification

The prosecutor is encouraged to notify the victim, when practical, and the law enforcement personnel, of the decision not to prosecute.

(2) Decision to prosecute.

(a) STANDARD:

Crimes against persons will be filed if sufficient admissible evidence exists, which, when considered with the most plausible, reasonably foreseeable defense that could be raised under the evidence, would justify conviction by a reasonable and objective fact finder. With regard to offenses prohibited by RCW 9A.44.040, 9A.44.050, 9A.44.073, 9A.44.076, 9A.44.079, 9A.44.083, 9A.44.086, 9A.44.089, and 9A.64.020 the prosecutor should avoid prefiling agreements or diversions intended to place the accused in a program of treatment or counseling, so that treatment, if determined to be beneficial, can be provided pursuant to RCW 9.94A.670.

Crimes against property/other crimes will be filed if the admissible evidence is of such convincing force as to make it probable that a reasonable and objective fact finder would convict after hearing all the admissible evidence and the most plausible defense that could be raised.

See table below for the crimes within these categories.

CATEGORIZATION OF CRIMES FOR PROSECUTING STANDARDS

CRIMES AGAINST PERSONS
Aggravated Murder (RCW 10.95.020)
1st Degree Murder (RCW 9A.32.030)
2nd Degree Murder (RCW 9A.32.050)
1st Degree Manslaughter (RCW 9A.32.060)
2nd Degree Manslaughter (RCW 9A.32.070)
1st Degree Kidnapping (RCW 9A.40.020)
2nd Degree Kidnapping (RCW 9A.40.030)
1st Degree Assault (RCW 9A.36.011)
2nd Degree Assault (RCW 9A.36.021)
3rd Degree Assault (RCW 9A.36.031)
1st Degree Assault of a Child (RCW 9A.36.120)
2nd Degree Assault of a Child (RCW 9A.36.130)
3rd Degree Assault of a Child (RCW 9A.36.140)
1st Degree Rape (RCW 9A.44.040)
2nd Degree Rape (RCW 9A.44.050)
3rd Degree Rape (RCW 9A.44.060)
1st Degree Rape of a Child (RCW 9A.44.073)
2nd Degree Rape of a Child (RCW 9A.44.076)
3rd Degree Rape of a Child (RCW 9A.44.079)
1st Degree Robbery (RCW 9A.56.200)
2nd Degree Robbery (RCW 9A.56.210)
1st Degree Arson (RCW 9A.48.020)
1st Degree Burglary (RCW 9A.52.020)
1st Degree Identity Theft (RCW 9.35.020(2))
2nd Degree Identity Theft (RCW 9.35.020(3))

1st Degree Extortion (RCW 9A.56.120)
2nd Degree Extortion (RCW 9A.56.130)
1st Degree Criminal Mistreatment (RCW 9A.42.020)
2nd Degree Criminal Mistreatment (RCW 9A.42.030)
1st Degree Theft from a Vulnerable Adult (section 6(1) of this act)
2nd Degree Theft from a Vulnerable Adult (section 6(2) of this act)
Indecent Liberties (RCW 9A.44.100)
Incest (RCW 9A.64.020)
Vehicular Homicide (RCW 46.61.520)
Vehicular Assault (RCW 46.61.522)
1st Degree Child Molestation (RCW 9A.44.083)
2nd Degree Child Molestation (RCW 9A.44.086)
3rd Degree Child Molestation (RCW 9A.44.089)
1st Degree Promoting Prostitution (RCW 9A.88.070)
Intimidating a Juror (RCW 9A.72.130)
Communication with a Minor (RCW 9.68A.090)
Intimidating a Witness (RCW 9A.72.110)
Intimidating a Public Servant (RCW 9A.76.180)
Bomb Threat (if against person) (RCW 9.61.160)
Unlawful Imprisonment (RCW 9A.40.040)
Promoting a Suicide Attempt (RCW 9A.36.060)
((~~Riot~~)) Criminal Mischief (if against person) (RCW 9A.84.010)
Stalking (RCW 9A.46.110)
Custodial Assault (RCW 9A.36.100)
Domestic Violence Court Order Violation (RCW 10.99.040, 10.99.050, 26.09.300, 26.10.220, 26.26.138, 26.50.110, 26.52.070, or 74.34.145)
Counterfeiting (if a violation of RCW 9.16.035(4))
Felony Driving a Motor Vehicle While Under the Influence of Intoxicating Liquor or Any Drug (RCW 46.61.502(6))
Felony Physical Control of a Motor Vehicle While Under the Influence of Intoxicating Liquor or Any Drug (RCW 46.61.504(6))

CRIMES AGAINST PROPERTY/OTHER CRIMES
2nd Degree Arson (RCW 9A.48.030)
1st Degree Escape (RCW 9A.76.110)
2nd Degree Escape (RCW 9A.76.120)
2nd Degree Burglary (RCW 9A.52.030)
1st Degree Theft (RCW 9A.56.030)
2nd Degree Theft (RCW 9A.56.040)
1st Degree Perjury (RCW 9A.72.020)
2nd Degree Perjury (RCW 9A.72.030)
1st Degree Introducing Contraband (RCW 9A.76.140)
2nd Degree Introducing Contraband (RCW 9A.76.150)
1st Degree Possession of Stolen Property (RCW 9A.56.150)
2nd Degree Possession of Stolen Property (RCW 9A.56.160)
Bribery (RCW 9A.68.010)
Bribing a Witness (RCW 9A.72.090)
Bribe received by a Witness (RCW 9A.72.100)
Bomb Threat (if against property) (RCW 9.61.160)

1st Degree Malicious Mischief (RCW 9A.48.070)
2nd Degree Malicious Mischief (RCW 9A.48.080)
1st Degree Reckless Burning (RCW 9A.48.040)
Taking a Motor Vehicle without Authorization (RCW 9A.56.070 and 9A.56.075)
Forgery (RCW 9A.60.020)
2nd Degree Promoting Prostitution (RCW 9A.88.080)
Tampering with a Witness (RCW 9A.72.120)
Trading in Public Office (RCW 9A.68.040)
Trading in Special Influence (RCW 9A.68.050)
Receiving/Granting Unlawful Compensation (RCW 9A.68.030)
Bigamy (RCW 9A.64.010)
Eluding a Pursuing Police Vehicle (RCW 46.61.024)
Willful Failure to Return from Furlough
Escape from Community Custody
((~~Riot~~)) Criminal Mischief (if against property) (RCW 9A.84.010)
1st Degree Theft of Livestock (RCW 9A.56.080)
2nd Degree Theft of Livestock (RCW 9A.56.083)

ALL OTHER UNCLASSIFIED FELONIES
Selection of Charges/Degree of Charge
(i) The prosecutor should file charges which adequately describe the nature of defendant's conduct. Other offenses may be charged only if they are necessary to ensure that the charges:
(A) Will significantly enhance the strength of the state's case at trial; or
(B) Will result in restitution to all victims.
(ii) The prosecutor should not overcharge to obtain a guilty plea. Overcharging includes:
(A) Charging a higher degree;
(B) Charging additional counts.
This standard is intended to direct prosecutors to charge those crimes which demonstrate the nature and seriousness of a defendant's criminal conduct, but to decline to charge crimes which are not necessary to such an indication. Crimes which do not merge as a matter of law, but which arise from the same course of conduct, do not all have to be charged.

(b) GUIDELINES/COMMENTARY:
(i) Police Investigation
A prosecuting attorney is dependent upon law enforcement agencies to conduct the necessary factual investigation which must precede the decision to prosecute. The prosecuting attorney shall ensure that a thorough factual investigation has been conducted before a decision to prosecute is made. In ordinary circumstances the investigation should include the following:
(A) The interviewing of all material witnesses, together with the obtaining of written statements whenever possible;
(B) The completion of necessary laboratory tests; and
(C) The obtaining, in accordance with constitutional requirements, of the suspect's version of the events.

If the initial investigation is incomplete, a prosecuting attorney should insist upon further investigation before a decision to prosecute is made, and specify what the investigation needs to include.

(ii) Exceptions

In certain situations, a prosecuting attorney may authorize filing of a criminal complaint before the investigation is complete if:

(A) Probable cause exists to believe the suspect is guilty; and

(B) The suspect presents a danger to the community or is likely to flee if not apprehended; or

(C) The arrest of the suspect is necessary to complete the investigation of the crime.

In the event that the exception to the standard is applied, the prosecuting attorney shall obtain a commitment from the law enforcement agency involved to complete the investigation in a timely manner. If the subsequent investigation does not produce sufficient evidence to meet the normal charging standard, the complaint should be dismissed.

(iii) Investigation Techniques

The prosecutor should be fully advised of the investigatory techniques that were used in the case investigation including:

(A) Polygraph testing;

(B) Hypnosis;

(C) Electronic surveillance;

(D) Use of informants.

(iv) Prefiling Discussions with Defendant

Discussions with the defendant or his/her representative regarding the selection or disposition of charges may occur prior to the filing of charges, and potential agreements can be reached.

(v) Prefiling Discussions with Victim(s)

Discussions with the victim(s) or victims' representatives regarding the selection or disposition of charges may occur before the filing of charges. The discussions may be considered by the prosecutor in charging and disposition decisions, and should be considered before reaching any agreement with the defendant regarding these decisions.

NEW SECTION. **Sec. 6.** A new section is added to chapter 9A.56 RCW to read as follows:

(1)(a) A person is guilty of theft from a vulnerable adult in the first degree if he or she commits theft of property or services that exceed(s) five thousand dollars in value, other than a firearm as defined in RCW 9.41.010, of a vulnerable adult. The defendant must have known or should have known that the victim was a vulnerable adult.

(b) Theft from a vulnerable adult in the first degree is a class B felony.

(2)(a) A person is guilty of theft from a vulnerable adult in the second degree if he or she commits theft of property or services that exceed(s) seven hundred fifty dollars in value but does not exceed five thousand dollars in value, other than a firearm as defined in RCW 9.41.010 or a motor vehicle, of a vulnerable adult. The defendant must have known or should have known that the victim was a vulnerable adult.

(b) Theft from a vulnerable adult in the second degree is a class C felony.

Sec. 7. RCW 9A.56.010 and 2011 c 164 s 2 are each amended to read as follows:

The following definitions are applicable in this chapter unless the context otherwise requires:

(1) "Access device" means any card, plate, code, account number, or other means of account access that can be used alone or in conjunction with another access device to obtain money, goods, services, or anything else of value, or that can be used to initiate a transfer of funds, other than a transfer originated solely by paper instrument;

(2) "Appropriate lost or misdelivered property or services" means obtaining or exerting control over the property or services of another which the actor knows to have been lost or mislaid, or to have been delivered under a mistake as to identity of the recipient or as to the nature or amount of the property;

(3) "Beverage crate" means a plastic or metal box-like container used by a manufacturer or distributor in the transportation or distribution of individually packaged beverages to retail outlets, and affixed with language stating "property of . . . . .," "owned by . . . . .," or other markings or words identifying ownership;

(4) "By color or aid of deception" means that the deception operated to bring about the obtaining of the property or services; it is not necessary that deception be the sole means of obtaining the property or services;

(5) "Deception" occurs when an actor knowingly:

(a) Creates or confirms another's false impression which the actor knows to be false; or

(b) Fails to correct another's impression which the actor previously has created or confirmed; or

(c) Prevents another from acquiring information material to the disposition of the property involved; or

(d) Transfers or encumbers property without disclosing a lien, adverse claim, or other legal impediment to the enjoyment of the property, whether that impediment is or is not valid, or is or is not a matter of official record; or

(e) Promises performance which the actor does not intend to perform or knows will not be performed;

(6) "Deprive" in addition to its common meaning means to make unauthorized use or an unauthorized copy of records, information, data, trade secrets, or computer programs;

(7) "Mail," in addition to its common meaning, means any letter, postal card, package, bag, or other item that is addressed to a specific address for delivery by the United States postal service or any commercial carrier performing the function of delivering similar items to residences or businesses, provided the mail:

(a)(i) Is addressed with a specific person's name, family name, or company, business, or corporation name on the outside of the item of mail or on the contents inside; and

(ii) Is not addressed to a generic unnamed occupant or resident of the address without an identifiable person, family, or company, business, or corporation name on the outside of the item of mail or on the contents inside; and

(b) Has been left for collection or delivery in any letter box, mailbox, mail receptacle, or other authorized depository for mail, or given to a mail carrier, or

left with any private business that provides mailboxes or mail addresses for customers or when left in a similar location for collection or delivery by any commercial carrier; or

(c) Is in transit with a postal service, mail carrier, letter carrier, commercial carrier, or that is at or in a postal vehicle, postal station, mailbox, postal airplane, transit station, or similar location of a commercial carrier; or

(d) Has been delivered to the intended address, but has not been received by the intended addressee.

Mail, for purposes of chapter 164, Laws of 2011, does not include magazines, catalogs, direct mail inserts, newsletters, advertising circulars, or any mail that is considered third-class mail by the United States postal service;

(8) "Mailbox," in addition to its common meaning, means any authorized depository or receptacle of mail for the United States postal service or authorized depository for a commercial carrier that provides services to the general public, including any address to which mail is or can be addressed, or a place where the United States postal service or equivalent commercial carrier delivers mail to its addressee;

(9) "Merchandise pallet" means a wood or plastic carrier designed and manufactured as an item on which products can be placed before or during transport to retail outlets, manufacturers, or contractors, and affixed with language stating "property of . . .," "owned by . . .," or other markings or words identifying ownership;

(10) "Obtain control over" in addition to its common meaning, means:

(a) In relation to property, to bring about a transfer or purported transfer to the obtainer or another of a legally recognized interest in the property; or

(b) In relation to labor or service, to secure performance thereof for the benefits of the obtainer or another;

(11) "Owner" means a person, other than the actor, who has possession of or any other interest in the property or services involved, and without whose consent the actor has no authority to exert control over the property or services;

(12) "Parking area" means a parking lot or other property provided by retailers for use by a customer for parking an automobile or other vehicle;

(13) "Receive" includes, but is not limited to, acquiring title, possession, control, or a security interest, or any other interest in the property;

(14) "Received by the intended addressee" means that the addressee, owner of the delivery mailbox, or authorized agent has removed the delivered mail from its delivery mailbox;

(15) "Services" includes, but is not limited to, labor, professional services, transportation services, electronic computer services, the supplying of hotel accommodations, restaurant services, entertainment, the supplying of equipment for use, and the supplying of commodities of a public utility nature such as gas, electricity, steam, and water;

(16) "Shopping cart" means a basket mounted on wheels or similar container generally used in a retail establishment by a customer for the purpose of transporting goods of any kind;

(17) "Stolen" means obtained by theft, robbery, or extortion;

(18) "Subscription television service" means cable or encrypted video and related audio and data services intended for viewing on a home television by authorized members of the public only, who have agreed to pay a fee for the

service. Subscription services include but are not limited to those video services presently delivered by coaxial cable, fiber optic cable, terrestrial microwave, television broadcast, and satellite transmission;

(19) "Telecommunication device" means (a) any type of instrument, device, machine, or equipment that is capable of transmitting or receiving telephonic or electronic communications; or (b) any part of such an instrument, device, machine, or equipment, or any computer circuit, computer chip, electronic mechanism, or other component, that is capable of facilitating the transmission or reception of telephonic or electronic communications;

(20) "Telecommunication service" includes any service other than subscription television service provided for a charge or compensation to facilitate the transmission, transfer, or reception of a telephonic communication or an electronic communication;

(21) Value. (a) "Value" means the market value of the property or services at the time and in the approximate area of the criminal act.

(b) Whether or not they have been issued or delivered, written instruments, except those having a readily ascertained market value, shall be evaluated as follows:

(i) The value of an instrument constituting an evidence of debt, such as a check, draft, or promissory note, shall be deemed the amount due or collectible thereon or thereby, that figure ordinarily being the face amount of the indebtedness less any portion thereof which has been satisfied;

(ii) The value of a ticket or equivalent instrument which evidences a right to receive transportation, entertainment, or other service shall be deemed the price stated thereon, if any; and if no price is stated thereon, the value shall be deemed the price of such ticket or equivalent instrument which the issuer charged the general public;

(iii) The value of any other instrument that creates, releases, discharges, or otherwise affects any valuable legal right, privilege, or obligation shall be deemed the greatest amount of economic loss which the owner of the instrument might reasonably suffer by virtue of the loss of the instrument.

(c) Except as provided in RCW 9A.56.340(4) and 9A.56.350(4), whenever any series of transactions which constitute theft, would, when considered separately, constitute theft in the third degree because of value, and said series of transactions are a part of a criminal episode or a common scheme or plan, then the transactions may be aggregated in one count and the sum of the value of all said transactions shall be the value considered in determining the degree of theft involved.

For purposes of this subsection, "criminal episode" means a series of thefts committed by the same person from one or more mercantile establishments on three or more occasions within a five-day period.

(d) Whenever any person is charged with possessing stolen property and such person has unlawfully in his possession at the same time the stolen property of more than one person, then the stolen property possessed may be aggregated in one count and the sum of the value of all said stolen property shall be the value considered in determining the degree of theft involved. Thefts committed by the same person in different counties that have been aggregated in one county may be prosecuted in any county in which one of the thefts occurred.

(e) Property or services having value that cannot be ascertained pursuant to the standards set forth above shall be deemed to be of a value not exceeding two hundred and fifty dollars;

(22) "Vulnerable adult" includes a person eighteen years of age or older who:

(a) Is functionally, mentally, or physically unable to care for himself or herself; or

(b) Is suffering from a cognitive impairment other than voluntary intoxication;

(23) "Wrongfully obtains" or "exerts unauthorized control" means:

(a) To take the property or services of another;

(b) Having any property or services in one's possession, custody or control as bailee, factor, lessee, pledgee, renter, servant, attorney, agent, employee, trustee, executor, administrator, guardian, or officer of any person, estate, association, or corporation, or as a public officer, or person authorized by agreement or competent authority to take or hold such possession, custody, or control, to secrete, withhold, or appropriate the same to his or her own use or to the use of any person other than the true owner or person entitled thereto; or

(c) Having any property or services in one's possession, custody, or control as partner, to secrete, withhold, or appropriate the same to his or her use or to the use of any person other than the true owner or person entitled thereto, where the use is unauthorized by the partnership agreement.

Sec. 8. RCW 9.94A.515 and 2016 c 213 s 5, 2016 c 164 s 13, and 2016 c 6 s 1 are each reenacted and amended to read as follows:

TABLE 2

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

XVI	Aggravated Murder 1 (RCW 10.95.020)
XV	Homicide by abuse (RCW 9A.32.055)
	Malicious explosion 1 (RCW 70.74.280(1))
	Murder 1 (RCW 9A.32.030)
XIV	Murder 2 (RCW 9A.32.050)
	Trafficking 1 (RCW 9A.40.100(1))
XIII	Malicious explosion 2 (RCW 70.74.280(2))
	Malicious placement of an explosive 1 (RCW 70.74.270(1))
XII	Assault 1 (RCW 9A.36.011)
	Assault of a Child 1 (RCW 9A.36.120)
	Malicious placement of an imitation device 1 (RCW 70.74.272(1)(a))

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Promoting Commercial Sexual Abuse of a Minor (RCW 9.68A.101)
	Rape 1 (RCW 9A.44.040)
	Rape of a Child 1 (RCW 9A.44.073)
	Trafficking 2 (RCW 9A.40.100(3))
XI	Manslaughter 1 (RCW 9A.32.060)
	Rape 2 (RCW 9A.44.050)
	Rape of a Child 2 (RCW 9A.44.076)
	Vehicular Homicide, by being under the influence of intoxicating liquor or any drug (RCW 46.61.520)
	Vehicular Homicide, by the operation of any vehicle in a reckless manner (RCW 46.61.520)
X	Child Molestation 1 (RCW 9A.44.083)
	Criminal Mistreatment 1 (RCW 9A.42.020)
	Indecent Liberties (with forcible compulsion) (RCW 9A.44.100(1)(a))
	Kidnapping 1 (RCW 9A.40.020)
	Leading Organized Crime (RCW 9A.82.060(1)(a))
	Malicious explosion 3 (RCW 70.74.280(3))
	Sexually Violent Predator Escape (RCW 9A.76.115)
IX	Abandonment of Dependent Person 1 (RCW 9A.42.060)
	Assault of a Child 2 (RCW 9A.36.130)
	Explosive devices prohibited (RCW 70.74.180)
	Hit and Run—Death (RCW 46.52.020(4)(a))
	Homicide by Watercraft, by being under the influence of intoxicating liquor or any drug (RCW 79A.60.050)
	Inciting Criminal Profiteering (RCW 9A.82.060(1)(b))

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Malicious placement of an explosive 2 (RCW 70.74.270(2))
	Robbery 1 (RCW 9A.56.200)
	Sexual Exploitation (RCW 9.68A.040)
VIII	Arson 1 (RCW 9A.48.020)
	Commercial Sexual Abuse of a Minor (RCW 9.68A.100)
	Homicide by Watercraft, by the operation of any vessel in a reckless manner (RCW 79A.60.050)
	Manslaughter 2 (RCW 9A.32.070)
	Promoting Prostitution 1 (RCW 9A.88.070)
	Theft of Ammonia (RCW 69.55.010)
VII	Air bag diagnostic systems (causing bodily injury or death) (RCW 46.37.660(2)(b))
	Air bag replacement requirements (causing bodily injury or death) (RCW 46.37.660(1)(b))
	Burglary 1 (RCW 9A.52.020)
	Child Molestation 2 (RCW 9A.44.086)
	Civil Disorder Training (RCW 9A.48.120)
	Manufacture or import counterfeit, nonfunctional, damaged, or previously deployed air bag (causing bodily injury or death) (RCW 46.37.650(1)(b))
	Sale, install, ((~~[or]~~)) or reinstall counterfeit, nonfunctional, damaged, or previously deployed airbag (RCW 46.37.650(2)(b))
	Dealing in depictions of minor engaged in sexually explicit conduct 1 (RCW 9.68A.050(1))
	Drive-by Shooting (RCW 9A.36.045)

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Homicide by Watercraft, by disregard for the safety of others (RCW 79A.60.050)
	Indecent Liberties (without forcible compulsion) (RCW 9A.44.100(1) (b) and (c))
	Introducing Contraband 1 (RCW 9A.76.140)
	Malicious placement of an explosive 3 (RCW 70.74.270(3))
	Negligently Causing Death By Use of a Signal Preemption Device (RCW 46.37.675)
	Sending, bringing into state depictions of minor engaged in sexually explicit conduct 1 (RCW 9.68A.060(1))
	Unlawful Possession of a Firearm in the first degree (RCW 9.41.040(1))
	Use of a Machine Gun in Commission of a Felony (RCW 9.41.225)
	Vehicular Homicide, by disregard for the safety of others (RCW 46.61.520)
VI	Bail Jumping with Murder 1 (RCW 9A.76.170(3)(a))
	Bribery (RCW 9A.68.010)
	Incest 1 (RCW 9A.64.020(1))
	Intimidating a Judge (RCW 9A.72.160)
	Intimidating a Juror/Witness (RCW 9A.72.110, 9A.72.130)
	Malicious placement of an imitation device 2 (RCW 70.74.272(1)(b))
	Possession of Depictions of a Minor Engaged in Sexually Explicit Conduct 1 (RCW 9.68A.070(1))
	Rape of a Child 3 (RCW 9A.44.079)
	Theft of a Firearm (RCW 9A.56.300)
	Theft from a Vulnerable Adult 1 (section 6(1) of this act)

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

Unlawful Storage of Ammonia (RCW 69.55.020)

V Abandonment of Dependent Person 2 (RCW 9A.42.070)

Advancing money or property for extortionate extension of credit (RCW 9A.82.030)

Air bag diagnostic systems (RCW 46.37.660(2)(c))

Air bag replacement requirements (RCW 46.37.660(1)(c))

Bail Jumping with class A Felony (RCW 9A.76.170(3)(b))

Child Molestation 3 (RCW 9A.44.089)

Manufacture or import counterfeit, nonfunctional, damaged, or previously deployed air bag (RCW 46.37.650(1)(c))

Sale, install, ((~~[or]~~)) or reinstall counterfeit, nonfunctional, damaged, or previously deployed airbag (RCW 46.37.650(2)(c))

Criminal Mistreatment 2 (RCW 9A.42.030)

Custodial Sexual Misconduct 1 (RCW 9A.44.160)

Dealing in Depictions of Minor Engaged in Sexually Explicit Conduct 2 (RCW 9.68A.050(2))

Domestic Violence Court Order Violation (RCW 10.99.040, 10.99.050, 26.09.300, 26.10.220, 26.26.138, 26.50.110, 26.52.070, or 74.34.145)

Driving While Under the Influence (RCW 46.61.502(6))

Extortion 1 (RCW 9A.56.120)

Extortionate Extension of Credit (RCW 9A.82.020)

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Extortionate Means to Collect Extensions of Credit (RCW 9A.82.040)
	Incest 2 (RCW 9A.64.020(2))
	Kidnapping 2 (RCW 9A.40.030)
	Perjury 1 (RCW 9A.72.020)
	Persistent prison misbehavior (RCW 9.94.070)
	Physical Control of a Vehicle While Under the Influence (RCW 46.61.504(6))
	Possession of a Stolen Firearm (RCW 9A.56.310)
	Rape 3 (RCW 9A.44.060)
	Rendering Criminal Assistance 1 (RCW 9A.76.070)
	Sending, Bringing into State Depictions of Minor Engaged in Sexually Explicit Conduct 2 (RCW 9.68A.060(2))
	Sexual Misconduct with a Minor 1 (RCW 9A.44.093)
	Sexually Violating Human Remains (RCW 9A.44.105)
	Stalking (RCW 9A.46.110)
	Taking Motor Vehicle Without Permission 1 (RCW 9A.56.070)
IV	Arson 2 (RCW 9A.48.030)
	Assault 2 (RCW 9A.36.021)
	Assault 3 (of a Peace Officer with a Projectile Stun Gun) (RCW 9A.36.031(1)(h))
	Assault by Watercraft (RCW 79A.60.060)
	Bribing a Witness/Bribe Received by Witness (RCW 9A.72.090, 9A.72.100)
	Cheating 1 (RCW 9.46.1961)
	Commercial Bribery (RCW 9A.68.060)
	Counterfeiting (RCW 9.16.035(4))

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

Endangerment with a Controlled Substance (RCW 9A.42.100)

Escape 1 (RCW 9A.76.110)

Hit and Run—Injury (RCW 46.52.020(4)(b))

Hit and Run with Vessel—Injury Accident (RCW 79A.60.200(3))

Identity Theft 1 (RCW 9.35.020(2))

Indecent Exposure to Person Under Age Fourteen (subsequent sex offense) (RCW 9A.88.010)

Influencing Outcome of Sporting Event (RCW 9A.82.070)

Malicious Harassment (RCW 9A.36.080)

Possession of Depictions of a Minor Engaged in Sexually Explicit Conduct 2 (RCW 9.68A.070(2))

Residential Burglary (RCW 9A.52.025)

Robbery 2 (RCW 9A.56.210)

Theft of Livestock 1 (RCW 9A.56.080)

Threats to Bomb (RCW 9.61.160)

Trafficking in Stolen Property 1 (RCW 9A.82.050)

Unlawful factoring of a credit card or payment card transaction (RCW 9A.56.290(4)(b))

Unlawful transaction of health coverage as a health care service contractor (RCW 48.44.016(3))

Unlawful transaction of health coverage as a health maintenance organization (RCW 48.46.033(3))

Unlawful transaction of insurance business (RCW 48.15.023(3))

Unlicensed practice as an insurance professional (RCW 48.17.063(2))

Use of Proceeds of Criminal Profiteering (RCW 9A.82.080 (1) and (2))

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Vehicle Prowling 2 (third or subsequent offense) (RCW 9A.52.100(3))
	Vehicular Assault, by being under the influence of intoxicating liquor or any drug, or by the operation or driving of a vehicle in a reckless manner (RCW 46.61.522)
	Viewing of Depictions of a Minor Engaged in Sexually Explicit Conduct 1 (RCW 9.68A.075(1))
	Willful Failure to Return from Furlough (RCW 72.66.060)
III	Animal Cruelty 1 (Sexual Conduct or Contact) (RCW 16.52.205(3))
	Assault 3 (Except Assault 3 of a Peace Officer With a Projectile Stun Gun) (RCW 9A.36.031 except subsection (1)(h))
	Assault of a Child 3 (RCW 9A.36.140)
	Bail Jumping with class B or C Felony (RCW 9A.76.170(3)(c))
	Burglary 2 (RCW 9A.52.030)
	Communication with a Minor for Immoral Purposes (RCW 9.68A.090)
	Criminal Gang Intimidation (RCW 9A.46.120)
	Custodial Assault (RCW 9A.36.100)
	Cyberstalking (subsequent conviction or threat of death) (RCW 9.61.260(3))
	Escape 2 (RCW 9A.76.120)
	Extortion 2 (RCW 9A.56.130)
	Harassment (RCW 9A.46.020)
	Intimidating a Public Servant (RCW 9A.76.180)
	Introducing Contraband 2 (RCW 9A.76.150)
	Malicious Injury to Railroad Property (RCW 81.60.070)

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

Mortgage Fraud (RCW 19.144.080)

Negligently Causing Substantial Bodily Harm By Use of a Signal Preemption Device (RCW 46.37.674)

Organized Retail Theft 1 (RCW 9A.56.350(2))

Perjury 2 (RCW 9A.72.030)

Possession of Incendiary Device (RCW 9.40.120)

Possession of Machine Gun or Short-Barreled Shotgun or Rifle (RCW 9.41.190)

Promoting Prostitution 2 (RCW 9A.88.080)

Retail Theft with Special Circumstances 1 (RCW 9A.56.360(2))

Securities Act violation (RCW 21.20.400)

Tampering with a Witness (RCW 9A.72.120)

Telephone Harassment (subsequent conviction or threat of death) (RCW 9.61.230(2))

Theft of Livestock 2 (RCW 9A.56.083)

Theft with the Intent to Resell 1 (RCW 9A.56.340(2))

Trafficking in Stolen Property 2 (RCW 9A.82.055)

Unlawful Hunting of Big Game 1 (RCW 77.15.410(3)(b))

Unlawful Imprisonment (RCW 9A.40.040)

Unlawful Misbranding of Food Fish or Shellfish 1 (RCW 69.04.938(3))

Unlawful possession of firearm in the second degree (RCW 9.41.040(2))

Unlawful Taking of Endangered Fish or Wildlife 1 (RCW 77.15.120(3)(b))

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Unlawful Trafficking in Fish, Shellfish, or Wildlife 1 (RCW 77.15.260(3)(b))
	Unlawful Use of a Nondesignated Vessel (RCW 77.15.530(4))
	Vehicular Assault, by the operation or driving of a vehicle with disregard for the safety of others (RCW 46.61.522)
	Willful Failure to Return from Work Release (RCW 72.65.070)
II	Commercial Fishing Without a License 1 (RCW 77.15.500(3)(b))
	Computer Trespass 1 (RCW 9A.90.040)
	Counterfeiting (RCW 9.16.035(3))
	Electronic Data Service Interference (RCW 9A.90.060)
	Electronic Data Tampering 1 (RCW 9A.90.080)
	Electronic Data Theft (RCW 9A.90.100)
	Engaging in Fish Dealing Activity Unlicensed 1 (RCW 77.15.620(3))
	Escape from Community Custody (RCW 72.09.310)
	Failure to Register as a Sex Offender (second or subsequent offense) (RCW 9A.44.130 prior to June 10, 2010, and RCW 9A.44.132)
	Health Care False Claims (RCW 48.80.030)
	Identity Theft 2 (RCW 9.35.020(3))
	Improperly Obtaining Financial Information (RCW 9.35.010)
	Malicious Mischief 1 (RCW 9A.48.070)
	Organized Retail Theft 2 (RCW 9A.56.350(3))
	Possession of Stolen Property 1 (RCW 9A.56.150)
	Possession of a Stolen Vehicle (RCW 9A.56.068)

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Retail Theft with Special Circumstances 2 (RCW 9A.56.360(3))
	Scrap Processing, Recycling, or Supplying Without a License (second or subsequent offense) (RCW 19.290.100)
	Theft 1 (RCW 9A.56.030)
	Theft of a Motor Vehicle (RCW 9A.56.065)
	Theft of Rental, Leased, Lease-purchased, or Loaned Property (valued at five thousand dollars or more) (RCW 9A.56.096(5)(a))
	Theft with the Intent to Resell 2 (RCW 9A.56.340(3))
	Trafficking in Insurance Claims (RCW 48.30A.015)
	Unlawful factoring of a credit card or payment card transaction (RCW 9A.56.290(4)(a))
	Unlawful Participation of Non-Indians in Indian Fishery (RCW 77.15.570(2))
	Unlawful Practice of Law (RCW 2.48.180)
	Unlawful Purchase or Use of a License (RCW 77.15.650(3)(b))
	Unlawful Trafficking in Fish, Shellfish, or Wildlife 2 (RCW 77.15.260(3)(a))
	Unlicensed Practice of a Profession or Business (RCW 18.130.190(7))
	Voyeurism (RCW 9A.44.115)
I	Attempting to Elude a Pursuing Police Vehicle (RCW 46.61.024)
	False Verification for Welfare (RCW 74.08.055)
	Forgery (RCW 9A.60.020)
	Fraudulent Creation or Revocation of a Mental Health Advance Directive (RCW 9A.60.060)

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

Malicious Mischief 2 (RCW 9A.48.080)

Mineral Trespass (RCW 78.44.330)

Possession of Stolen Property 2 (RCW 9A.56.160)

Reckless Burning 1 (RCW 9A.48.040)

Spotlighting Big Game 1 (RCW 77.15.450(3)(b))

Suspension of Department Privileges 1 (RCW 77.15.670(3)(b))

Taking Motor Vehicle Without Permission 2 (RCW 9A.56.075)

Theft 2 (RCW 9A.56.040)

Theft from a Vulnerable Adult 2 (section 6(2) of this act)

Theft of Rental, Leased, Lease-purchased, or Loaned Property (valued at seven hundred fifty dollars or more but less than five thousand dollars) (RCW 9A.56.096(5)(b))

Transaction of insurance business beyond the scope of licensure (RCW 48.17.063)

Unlawful Fish and Shellfish Catch Accounting (RCW 77.15.630(3)(b))

Unlawful Issuance of Checks or Drafts (RCW 9A.56.060)

Unlawful Possession of Fictitious Identification (RCW 9A.56.320)

Unlawful Possession of Instruments of Financial Fraud (RCW 9A.56.320)

Unlawful Possession of Payment Instruments (RCW 9A.56.320)

Unlawful Possession of a Personal Identification Device (RCW 9A.56.320)

Unlawful Production of Payment Instruments (RCW 9A.56.320)

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

Unlawful Releasing, Planting, Possessing, or Placing Deleterious Exotic Wildlife (RCW 77.15.250(2)(b))

Unlawful Trafficking in Food Stamps (RCW 9.91.142)

Unlawful Use of Food Stamps (RCW 9.91.144)

Unlawful Use of Net to Take Fish 1 (RCW 77.15.580(3)(b))

Unlawful Use of Prohibited Aquatic Animal Species (RCW 77.15.253(3))

Vehicle Prowl 1 (RCW 9A.52.095)

Violating Commercial Fishing Area or Time 1 (RCW 77.15.550(3)(b))

Sec. 9. RCW 9A.04.080 and 2013 c 17 s 1 are each amended to read as follows:

(1) Prosecutions for criminal offenses shall not be commenced after the periods prescribed in this section.

(a) The following offenses may be prosecuted at any time after their commission:

(i) Murder;

(ii) Homicide by abuse;

(iii) Arson if a death results;

(iv) Vehicular homicide;

(v) Vehicular assault if a death results;

(vi) Hit-and-run injury-accident if a death results (RCW 46.52.020(4)).

(b) Except as provided in (c) of this subsection, the following offenses shall not be prosecuted more than ten years after their commission:

(i) Any felony committed by a public officer if the commission is in connection with the duties of his or her office or constitutes a breach of his or her public duty or a violation of the oath of office;

(ii) Arson if no death results;

(iii)(A) Violations of RCW 9A.44.040 or 9A.44.050 if the rape is reported to a law enforcement agency within one year of its commission.

(B) If a violation of RCW 9A.44.040 or 9A.44.050 is not reported within one year, the rape may not be prosecuted more than three years after its commission; or

(iv) Indecent liberties under RCW 9A.44.100(1)(b).

(c) Violations of the following statutes, when committed against a victim under the age of eighteen, may be prosecuted up to the victim's thirtieth birthday: RCW 9A.44.040 (rape in the first degree), 9A.44.050 (rape in the second degree), 9A.44.073 (rape of a child in the first degree), 9A.44.076 (rape of a child in the second degree), 9A.44.079 (rape of a child in the third degree),

9A.44.083 (child molestation in the first degree), 9A.44.086 (child molestation in the second degree), 9A.44.089 (child molestation in the third degree), 9A.44.100(1)(b) (indecent liberties), 9A.64.020 (incest), or 9.68A.040 (sexual exploitation of a minor).

(d) The following offenses shall not be prosecuted more than six years after their commission or their discovery, whichever occurs later:

(i) Violations of RCW 9A.82.060 or 9A.82.080;

(ii) Any felony violation of chapter 9A.83 RCW;

(iii) Any felony violation of chapter 9.35 RCW;

(iv) Theft in the first or second degree under chapter 9A.56 RCW when accomplished by color or aid of deception; ((~~or~~))

(v) Theft from a vulnerable adult under section 6 of this act; or

(vi) Trafficking in stolen property in the first or second degree under chapter 9A.82 RCW in which the stolen property is a motor vehicle or major component part of a motor vehicle as defined in RCW 46.80.010.

(e) The following offenses shall not be prosecuted more than five years after their commission: Any class C felony under chapter 74.09, 82.36, or 82.38 RCW.

(f) Bigamy shall not be prosecuted more than three years after the time specified in RCW 9A.64.010.

(g) A violation of RCW 9A.56.030 must not be prosecuted more than three years after the discovery of the offense when the victim is a tax exempt corporation under 26 U.S.C. Sec. 501(c)(3).

(h) No other felony may be prosecuted more than three years after its commission; except that in a prosecution under RCW 9A.44.115, if the person who was viewed, photographed, or filmed did not realize at the time that he or she was being viewed, photographed, or filmed, the prosecution must be commenced within two years of the time the person who was viewed or in the photograph or film first learns that he or she was viewed, photographed, or filmed.

(i) No gross misdemeanor may be prosecuted more than two years after its commission.

(j) No misdemeanor may be prosecuted more than one year after its commission.

(2) The periods of limitation prescribed in subsection (1) of this section do not run during any time when the person charged is not usually and publicly resident within this state.

(3) In any prosecution for a sex offense as defined in RCW 9.94A.030, the periods of limitation prescribed in subsection (1) of this section run from the date of commission or one year from the date on which the identity of the suspect is conclusively established by deoxyribonucleic acid testing or by photograph as defined in RCW 9.68A.011, whichever is later.

(4) If, before the end of a period of limitation prescribed in subsection (1) of this section, an indictment has been found or a complaint or an information has been filed, and the indictment, complaint, or information is set aside, then the period of limitation is extended by a period equal to the length of time from the finding or filing to the setting aside.

Sec. 10. RCW 9A.56.030 and 2013 c 322 s 2 are each amended to read as follows:

(1) Except as provided in section 6 of this act, a person is guilty of theft in the first degree if he or she commits theft of:

(a) Property or services which exceed(s) five thousand dollars in value other than a firearm as defined in RCW 9.41.010;

(b) Property of any value, other than a firearm as defined in RCW 9.41.010 or a motor vehicle, taken from the person of another;

(c) A search and rescue dog, as defined in RCW 9.91.175, while the search and rescue dog is on duty; or

(d) Commercial metal property, nonferrous metal property, or private metal property, as those terms are defined in RCW 19.290.010, and the costs of the damage to the owner's property exceed five thousand dollars in value.

(2) Theft in the first degree is a class B felony.

Sec. 11. RCW 9A.56.040 and 2013 c 322 s 3 are each amended to read as follows:

(1) Except as provided in section 6 of this act, a person is guilty of theft in the second degree if he or she commits theft of:

(a) Property or services which exceed(s) seven hundred fifty dollars in value but does not exceed five thousand dollars in value, other than a firearm as defined in RCW 9.41.010 or a motor vehicle;

(b) A public record, writing, or instrument kept, filed, or deposited according to law with or in the keeping of any public office or public servant;

(c) Commercial metal property, nonferrous metal property, or private metal property, as those terms are defined in RCW 19.290.010, and the costs of the damage to the owner's property exceed seven hundred fifty dollars but does not exceed five thousand dollars in value; or

(d) An access device.

(2) Theft in the second degree is a class C felony.

Sec. 12. RCW 74.34.020 and 2015 c 268 s 1 are each amended to read as follows:

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

(1) "Abandonment" means action or inaction by a person or entity with a duty of care for a vulnerable adult that leaves the vulnerable person without the means or ability to obtain necessary food, clothing, shelter, or health care.

(2) "Abuse" means the willful action or inaction that inflicts injury, unreasonable confinement, intimidation, or punishment on a vulnerable adult. In instances of abuse of a vulnerable adult who is unable to express or demonstrate physical harm, pain, or mental anguish, the abuse is presumed to cause physical harm, pain, or mental anguish. Abuse includes sexual abuse, mental abuse, physical abuse, and personal exploitation of a vulnerable adult, and improper use of restraint against a vulnerable adult which have the following meanings:

(a) "Sexual abuse" means any form of nonconsensual sexual conduct, including but not limited to unwanted or inappropriate touching, rape, sodomy, sexual coercion, sexually explicit photographing, and sexual harassment. Sexual abuse also includes any sexual conduct between a staff person, who is not also a resident or client, of a facility or a staff person of a program authorized under chapter 71A.12 RCW, and a vulnerable adult living in that facility or receiving

service from a program authorized under chapter 71A.12 RCW, whether or not it is consensual.

(b) "Physical abuse" means the willful action of inflicting bodily injury or physical mistreatment. Physical abuse includes, but is not limited to, striking with or without an object, slapping, pinching, choking, kicking, shoving, or prodding.

(c) "Mental abuse" means a willful verbal or nonverbal action that threatens, humiliates, harasses, coerces, intimidates, isolates, unreasonably confines, or punishes a vulnerable adult. Mental abuse may include ridiculing, yelling, or swearing.

(d) "Personal exploitation" means an act of forcing, compelling, or exerting undue influence over a vulnerable adult causing the vulnerable adult to act in a way that is inconsistent with relevant past behavior, or causing the vulnerable adult to perform services for the benefit of another.

(e) "Improper use of restraint" means the inappropriate use of chemical, physical, or mechanical restraints for convenience or discipline or in a manner that: (i) Is inconsistent with federal or state licensing or certification requirements for facilities, hospitals, or programs authorized under chapter 71A.12 RCW; (ii) is not medically authorized; or (iii) otherwise constitutes abuse under this section.

(3) "Chemical restraint" means the administration of any drug to manage a vulnerable adult's behavior in a way that reduces the safety risk to the vulnerable adult or others, has the temporary effect of restricting the vulnerable adult's freedom of movement, and is not standard treatment for the vulnerable adult's medical or psychiatric condition.

(4) "Consent" means express written consent granted after the vulnerable adult or his or her legal representative has been fully informed of the nature of the services to be offered and that the receipt of services is voluntary.

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

(6) "Facility" means a residence licensed or required to be licensed under chapter 18.20 RCW, assisted living facilities; chapter 18.51 RCW, nursing homes; chapter 70.128 RCW, adult family homes; chapter 72.36 RCW, soldiers' homes; or chapter 71A.20 RCW, residential habilitation centers; or any other facility licensed or certified by the department.

(7) "Financial exploitation" means the illegal or improper use, control over, or withholding of the property, income, resources, or trust funds of the vulnerable adult by any person or entity for any person's or entity's profit or advantage other than for the vulnerable adult's profit or advantage. "Financial exploitation" includes, but is not limited to:

(a) The use of deception, intimidation, or undue influence by a person or entity in a position of trust and confidence with a vulnerable adult to obtain or use the property, income, resources, or trust funds of the vulnerable adult for the benefit of a person or entity other than the vulnerable adult;

(b) The breach of a fiduciary duty, including, but not limited to, the misuse of a power of attorney, trust, or a guardianship appointment, that results in the unauthorized appropriation, sale, or transfer of the property, income, resources, or trust funds of the vulnerable adult for the benefit of a person or entity other than the vulnerable adult; or

(c) Obtaining or using a vulnerable adult's property, income, resources, or trust funds without lawful authority, by a person or entity who knows or clearly should know that the vulnerable adult lacks the capacity to consent to the release or use of his or her property, income, resources, or trust funds.

(8) "Financial institution" has the same meaning as in RCW 30A.22.040 and 30A.22.041. For purposes of this chapter only, "financial institution" also means a "broker-dealer" or "investment adviser" as defined in RCW 21.20.005.

(9) "Hospital" means a facility licensed under chapter 70.41, 71.12, or 72.23 RCW and any employee, agent, officer, director, or independent contractor thereof.

(10) "Incapacitated person" means a person who is at a significant risk of personal or financial harm under RCW 11.88.010(1) (a), (b), (c), or (d).

(11) "Individual provider" means a person under contract with the department to provide services in the home under chapter 74.09 or 74.39A RCW.

(12) "Interested person" means a person who demonstrates to the court's satisfaction that the person is interested in the welfare of the vulnerable adult, that the person has a good faith belief that the court's intervention is necessary, and that the vulnerable adult is unable, due to incapacity, undue influence, or duress at the time the petition is filed, to protect his or her own interests.

(13) "Mandated reporter" is an employee of the department; law enforcement officer; social worker; professional school personnel; individual provider; an employee of a facility; an operator of a facility; an employee of a social service, welfare, mental health, adult day health, adult day care, home health, home care, or hospice agency; county coroner or medical examiner; Christian Science practitioner; or health care provider subject to chapter 18.130 RCW.

(14) "Mechanical restraint" means any device attached or adjacent to the vulnerable adult's body that he or she cannot easily remove that restricts freedom of movement or normal access to his or her body. "Mechanical restraint" does not include the use of devices, materials, or equipment that are (a) medically authorized, as required, and (b) used in a manner that is consistent with federal or state licensing or certification requirements for facilities, hospitals, or programs authorized under chapter 71A.12 RCW.

(15) "Neglect" means (a) a pattern of conduct or inaction by a person or entity with a duty of care that fails to provide the goods and services that maintain physical or mental health of a vulnerable adult, or that fails to avoid or prevent physical or mental harm or pain to a vulnerable adult; or (b) an act or omission by a person or entity with a duty of care that demonstrates a serious disregard of consequences of such a magnitude as to constitute a clear and present danger to the vulnerable adult's health, welfare, or safety, including but not limited to conduct prohibited under RCW 9A.42.100.

(16) "Permissive reporter" means any person, including, but not limited to, an employee of a financial institution, attorney, or volunteer in a facility or program providing services for vulnerable adults.

(17) "Physical restraint" means the application of physical force without the use of any device, for the purpose of restraining the free movement of a vulnerable adult's body. "Physical restraint" does not include (a) briefly holding without undue force a vulnerable adult in order to calm or comfort him or her, or

(b) holding a vulnerable adult's hand to safely escort him or her from one area to another.

(18) "Protective services" means any services provided by the department to a vulnerable adult with the consent of the vulnerable adult, or the legal representative of the vulnerable adult, who has been abandoned, abused, financially exploited, neglected, or in a state of self-neglect. These services may include, but are not limited to case management, social casework, home care, placement, arranging for medical evaluations, psychological evaluations, day care, or referral for legal assistance.

(19) "Self-neglect" means the failure of a vulnerable adult, not living in a facility, to provide for himself or herself the goods and services necessary for the vulnerable adult's physical or mental health, and the absence of which impairs or threatens the vulnerable adult's well-being. This definition may include a vulnerable adult who is receiving services through home health, hospice, or a home care agency, or an individual provider when the neglect is not a result of inaction by that agency or individual provider.

(20) "Social worker" means:

(a) A social worker as defined in RCW 18.320.010(2); or

(b) Anyone engaged in a professional capacity during the regular course of employment in encouraging or promoting the health, welfare, support, or education of vulnerable adults, or providing social services to vulnerable adults, whether in an individual capacity or as an employee or agent of any public or private organization or institution.

(21) "Vulnerable adult" includes a person:

(a) Sixty years of age or older who has the functional, mental, or physical inability to care for himself or herself; or

(b) Found incapacitated under chapter 11.88 RCW; or

(c) Who has a developmental disability as defined under RCW 71A.10.020; or

(d) Admitted to any facility; or

(e) Receiving services from home health, hospice, or home care agencies licensed or required to be licensed under chapter 70.127 RCW; or

(f) Receiving services from an individual provider; or

(g) Who self-directs his or her own care and receives services from a personal aide under chapter 74.39 RCW.

(22) "Vulnerable adult advocacy team" means a team of three or more persons who coordinate a multidisciplinary process, in compliance with this act and the protocol governed by section 13 of this act, for preventing, identifying, investigating, prosecuting, and providing services related to abuse, neglect, or financial exploitation of vulnerable adults.

NEW SECTION. **Sec. 13.** A new section is added to chapter 74.34 RCW to read as follows:

(1) Each county is encouraged to develop a written protocol for handling criminal cases involving vulnerable adults. The protocol shall:

(a) Address the coordination of vulnerable adult mistreatment investigations among the following groups as appropriate and when available: The prosecutor's office; law enforcement; adult protective services; vulnerable adult advocacy centers; local advocacy groups; community victim advocacy programs; professional guardians; medical examiners or coroners; financial analysts or

forensic accountants; social workers with experience or training related to the mistreatment of vulnerable adults; medical personnel; the state long-term care ombuds or a regional long-term care ombuds specifically designated by the state long-term care ombuds; developmental disabilities ombuds; the attorney general's office; and any other local agency involved in the criminal investigation of vulnerable adult mistreatment;

(b) Be developed by the prosecuting attorney with the assistance of the agencies referenced in this subsection;

(c) Provide that participation as a member of the vulnerable adult advocacy team is voluntary;

(d) Include a brief statement provided by the state long-term care ombuds, without alteration, that describes the confidentiality laws and policies governing the state long-term care ombuds program, and includes citations to relevant federal and state laws;

(e) Require the development and use of a confidentiality agreement, in compliance with this section, that includes, but is not limited to, terms governing the type of information that must be shared, and the means by which it is shared; the existing confidentiality obligations of team members; and the circumstances under which team members may disclose information outside of the team;

(f) Require the vulnerable adult advocacy team to make a good faith effort to obtain the participation of the state long-term care ombuds prior to addressing any issue related to abuse, neglect, or financial exploitation of a vulnerable adult residing in a long-term care facility during the relevant time period.

(2) Members of a vulnerable adult advocacy team must disclose to each other confidential or sensitive information and records, if the team member disclosing the information or records reasonably believes the disclosure is relevant to the duties of the vulnerable adult advocacy team. The disclosure and receipt of confidential information between vulnerable adult advocacy team members shall be governed by the requirements of this section, and by the county protocol developed pursuant to this section.

(3) Prior to participation, each member of the vulnerable adult advocacy team must sign a confidentiality agreement that requires compliance with all governing federal and state confidentiality laws.

(4) The information or records obtained shall be maintained in a manner that ensures the maximum protection of privacy and confidentiality rights.

(5) Information and records communicated or provided to vulnerable adult advocacy team members, as well as information and records created in the course of an investigation, shall be deemed private and confidential and shall be protected from discovery and disclosure by all applicable statutory and common law protections. The disclosed information may not be further disclosed except by law or by court order.

Passed by the House February 27, 2017.

Passed by the Senate April 10, 2017.

Approved by the Governor May 10, 2017.

Filed in Office of Secretary of State May 10, 2017.

CHAPTER 267

[Engrossed House Bill 1322]

DEVELOPMENTAL DISABILITY RESPITE PROVIDERS--TRAINING

AN ACT Relating to reducing training requirements for developmental disability respite providers working three hundred hours or less in any calendar year; and amending RCW 74.39A.076.

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

Sec. 1. RCW 74.39A.076 and 2015 c 152 s 2 are each amended to read as follows:

(1) Beginning January 7, 2012, except for long-term care workers exempt from certification under RCW 18.88B.041(1)(a):

(a) A biological, step, or adoptive parent who is the individual provider only for his or her developmentally disabled son or daughter must receive twelve hours of training relevant to the needs of adults with developmental disabilities within the first one hundred twenty days after becoming an individual provider ((~~or within one hundred twenty calendar days after March 29, 2012, whichever is later~~)).

(b) A person working as an individual provider who provides respite care services only for individuals with developmental disabilities receiving services under Title 71A RCW and works three hundred hours or less in any calendar year must complete fourteen hours of training within the first one hundred twenty days after becoming an individual provider. Five of the fourteen hours must be completed before becoming eligible to provide care, including two hours of orientation training regarding the caregiving role and terms of employment and three hours of safety training. The training partnership identified in RCW 74.39A.360 must offer at least twelve of the fourteen hours online, and five of those online hours must be individually selected from elective courses.

(c) Individual providers identified in (((~~(b)(i), (ii), and (iii)~~))) (c)(i) or (ii) of this subsection must complete thirty-five hours of training within the first one hundred twenty days after becoming an individual provider ((~~or within one hundred twenty calendar days after March 29, 2012, whichever is later~~)). Five of the thirty-five hours must be completed before becoming eligible to provide care. Two of these five hours shall be devoted to an orientation training regarding an individual provider's role as caregiver and the applicable terms of employment, and three hours shall be devoted to safety training, including basic safety precautions, emergency procedures, and infection control. Individual providers subject to this requirement include:

(i) An individual provider caring only for his or her biological, step, or adoptive child or parent unless covered by (a) of this subsection;

(ii) A person working as an individual provider who provides twenty hours or less of care for one person in any calendar month; and

(iii) A person working as an individual provider who only provides respite services and works less than three hundred hours in any calendar year, unless covered by subsection (1)(b) of this section.

(2) In computing the time periods in this section, the first day is the date of hire ((~~or March 29, 2012, whichever is applicable~~)).

(3) Only training curriculum approved by the department may be used to fulfill the training requirements specified in this section. The department shall only approve training curriculum that:

(a) Has been developed with input from consumer and worker representatives; and

(b) Requires comprehensive instruction by qualified instructors.

(4) The department shall adopt rules to implement this section.

Passed by the House March 2, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor May 10, 2017.
Filed in Office of Secretary of State May 10, 2017.

CHAPTER 268

[Second Substitute House Bill 1402]

INCAPACITATED PERSONS--RIGHTS--GUARDIAN DUTIES

AN ACT Relating to the rights and obligations associated with incapacitated persons and other vulnerable adults; amending RCW 74.34.020 and 11.92.043; adding a new section to chapter 11.92 RCW; adding a new section to chapter 2.72 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 11.92 RCW to read as follows:

(1) Except as otherwise provided in this section, an incapacitated person retains the right to associate with persons of the incapacitated person's choosing. This right includes, but is not limited to, the right to freely communicate and interact with other persons, whether through in-person visits, telephone calls, electronic communication, personal mail, or other means. If the incapacitated person is unable to express consent for communication, visitation, or interaction with another person, or is otherwise unable to make a decision regarding association with another person, a guardian of the incapacitated person, whether full or limited, must:

(a) Personally inform the incapacitated person of the decision under consideration, using plain language, in a manner calculated to maximize the understanding of the incapacitated person;

(b) Maximize the incapacitated person's participation in the decision-making process to the greatest extent possible, consistent with the incapacitated person's abilities; and

(c) Give substantial weight to the incapacitated person's preferences, both expressed and historical.

(2) A guardian or limited guardian may not restrict an incapacitated person's right to communicate, visit, interact, or otherwise associate with persons of the incapacitated person's choosing, unless:

(a) The restriction is specifically authorized by the guardianship court in the court order establishing or modifying the guardianship or limited guardianship under chapter 11.88 RCW;

(b) The restriction is pursuant to a protection order issued under chapter 74.34 RCW, chapter 26.50 RCW, or other law, that limits contact between the incapacitated person and other persons; or

(c)(i) The guardian or limited guardian has good cause to believe that there is an immediate need to restrict an incapacitated person's right to communicate, visit, interact, or otherwise associate with persons of the incapacitated person's choosing in order to protect the incapacitated person from abuse, neglect, abandonment, or financial exploitation, as those terms are defined in RCW 74.34.020, or to protect the incapacitated person from activities that unnecessarily impose significant distress on the incapacitated person; and

(ii) Within fourteen calendar days of imposing the restriction under (c)(i) of this subsection, the guardian or limited guardian files a petition for a protection order under chapter 74.34 RCW. The immediate need restriction may remain in place until the court has heard and issued an order or decision on the petition.

(3) A protection order under chapter 74.34 RCW issued to protect an incapacitated person as described in subsection (2)(c)(ii) of this section:

(a) Must include written findings of fact and conclusions of law;

(b) May not be more restrictive than necessary to protect the incapacitated person from abuse, neglect, abandonment, or financial exploitation as those terms are defined in RCW 74.34.020; and

(c) May not deny communication, visitation, interaction, or other association between the incapacitated person and another person unless the court finds that placing reasonable time, place, or manner restrictions is unlikely to sufficiently protect the incapacitated person from abuse, neglect, abandonment, or financial exploitation as those terms are defined in RCW 74.34.020.

Sec. 2. RCW 74.34.020 and 2015 c 268 s 1 are each amended to read as follows:

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

(1) "Abandonment" means action or inaction by a person or entity with a duty of care for a vulnerable adult that leaves the vulnerable person without the means or ability to obtain necessary food, clothing, shelter, or health care.

(2) "Abuse" means the willful action or inaction that inflicts injury, unreasonable confinement, intimidation, or punishment on a vulnerable adult. In instances of abuse of a vulnerable adult who is unable to express or demonstrate physical harm, pain, or mental anguish, the abuse is presumed to cause physical harm, pain, or mental anguish. Abuse includes sexual abuse, mental abuse, physical abuse, and personal exploitation of a vulnerable adult, and improper use of restraint against a vulnerable adult which have the following meanings:

(a) "Sexual abuse" means any form of nonconsensual sexual conduct, including but not limited to unwanted or inappropriate touching, rape, sodomy, sexual coercion, sexually explicit photographing, and sexual harassment. Sexual abuse also includes any sexual conduct between a staff person, who is not also a resident or client, of a facility or a staff person of a program authorized under chapter 71A.12 RCW, and a vulnerable adult living in that facility or receiving service from a program authorized under chapter 71A.12 RCW, whether or not it is consensual.

(b) "Physical abuse" means the willful action of inflicting bodily injury or physical mistreatment. Physical abuse includes, but is not limited to, striking with or without an object, slapping, pinching, choking, kicking, shoving, or prodding.

(c) "Mental abuse" means a willful verbal or nonverbal action that threatens, humiliates, harasses, coerces, intimidates, isolates, unreasonably confines, or punishes a vulnerable adult. Mental abuse may include ridiculing, yelling, or swearing.

(d) "Personal exploitation" means an act of forcing, compelling, or exerting undue influence over a vulnerable adult causing the vulnerable adult to act in a way that is inconsistent with relevant past behavior, or causing the vulnerable adult to perform services for the benefit of another.

(e) "Improper use of restraint" means the inappropriate use of chemical, physical, or mechanical restraints for convenience or discipline or in a manner that: (i) Is inconsistent with federal or state licensing or certification requirements for facilities, hospitals, or programs authorized under chapter 71A.12 RCW; (ii) is not medically authorized; or (iii) otherwise constitutes abuse under this section.

(3) "Chemical restraint" means the administration of any drug to manage a vulnerable adult's behavior in a way that reduces the safety risk to the vulnerable adult or others, has the temporary effect of restricting the vulnerable adult's freedom of movement, and is not standard treatment for the vulnerable adult's medical or psychiatric condition.

(4) "Consent" means express written consent granted after the vulnerable adult or his or her legal representative has been fully informed of the nature of the services to be offered and that the receipt of services is voluntary.

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

(6) "Facility" means a residence licensed or required to be licensed under chapter 18.20 RCW, assisted living facilities; chapter 18.51 RCW, nursing homes; chapter 70.128 RCW, adult family homes; chapter 72.36 RCW, soldiers' homes; or chapter 71A.20 RCW, residential habilitation centers; or any other facility licensed or certified by the department.

(7) "Financial exploitation" means the illegal or improper use, control over, or withholding of the property, income, resources, or trust funds of the vulnerable adult by any person or entity for any person's or entity's profit or advantage other than for the vulnerable adult's profit or advantage. "Financial exploitation" includes, but is not limited to:

(a) The use of deception, intimidation, or undue influence by a person or entity in a position of trust and confidence with a vulnerable adult to obtain or use the property, income, resources, or trust funds of the vulnerable adult for the benefit of a person or entity other than the vulnerable adult;

(b) The breach of a fiduciary duty, including, but not limited to, the misuse of a power of attorney, trust, or a guardianship appointment, that results in the unauthorized appropriation, sale, or transfer of the property, income, resources, or trust funds of the vulnerable adult for the benefit of a person or entity other than the vulnerable adult; or

(c) Obtaining or using a vulnerable adult's property, income, resources, or trust funds without lawful authority, by a person or entity who knows or clearly should know that the vulnerable adult lacks the capacity to consent to the release or use of his or her property, income, resources, or trust funds.

(8) "Financial institution" has the same meaning as in RCW 30A.22.040 and 30A.22.041. For purposes of this chapter only, "financial institution" also means a "broker-dealer" or "investment adviser" as defined in RCW 21.20.005.

(9) "Hospital" means a facility licensed under chapter 70.41, 71.12, or 72.23 RCW and any employee, agent, officer, director, or independent contractor thereof.

(10) "Incapacitated person" means a person who is at a significant risk of personal or financial harm under RCW 11.88.010(1) (a), (b), (c), or (d).

(11) "Individual provider" means a person under contract with the department to provide services in the home under chapter 74.09 or 74.39A RCW.

(12) "Interested person" means a person who demonstrates to the court's satisfaction that the person is interested in the welfare of the vulnerable adult, that the person has a good faith belief that the court's intervention is necessary, and that the vulnerable adult is unable, due to incapacity, undue influence, or duress at the time the petition is filed, to protect his or her own interests.

(13)(a) "Isolate" or "isolation" means to restrict a vulnerable adult's ability to communicate, visit, interact, or otherwise associate with persons of his or her choosing. Isolation may be evidenced by acts including but not limited to:

(i) Acts that prevent a vulnerable adult from sending, making, or receiving his or her personal mail, electronic communications, or telephone calls; or

(ii) Acts that prevent or obstruct the vulnerable adult from meeting with others, such as telling a prospective visitor or caller that a vulnerable adult is not present, or does not wish contact, where the statement is contrary to the express wishes of the vulnerable adult.

(b) The term "isolate" or "isolation" may not be construed in a manner that prevents a guardian or limited guardian from performing his or her fiduciary obligations under chapter 11.92 RCW or prevents a hospital or facility from providing treatment consistent with the standard of care for delivery of health services.

(14) "Mandated reporter" is an employee of the department; law enforcement officer; social worker; professional school personnel; individual provider; an employee of a facility; an operator of a facility; an employee of a social service, welfare, mental health, adult day health, adult day care, home health, home care, or hospice agency; county coroner or medical examiner; Christian Science practitioner; or health care provider subject to chapter 18.130 RCW.

(((~~(14)~~))) (15) "Mechanical restraint" means any device attached or adjacent to the vulnerable adult's body that he or she cannot easily remove that restricts freedom of movement or normal access to his or her body. "Mechanical restraint" does not include the use of devices, materials, or equipment that are (a) medically authorized, as required, and (b) used in a manner that is consistent with federal or state licensing or certification requirements for facilities, hospitals, or programs authorized under chapter 71A.12 RCW.

(((~~(15)~~))) (16) "Neglect" means (a) a pattern of conduct or inaction by a person or entity with a duty of care that fails to provide the goods and services that maintain physical or mental health of a vulnerable adult, or that fails to avoid or prevent physical or mental harm or pain to a vulnerable adult; or (b) an act or omission by a person or entity with a duty of care that demonstrates a serious disregard of consequences of such a magnitude as to constitute a clear and present danger to the vulnerable adult's health, welfare, or safety, including but not limited to conduct prohibited under RCW 9A.42.100.

(((~~(16)~~))) (17) "Permissive reporter" means any person, including, but not limited to, an employee of a financial institution, attorney, or volunteer in a facility or program providing services for vulnerable adults.

(((~~(17)~~))) (18) "Physical restraint" means the application of physical force without the use of any device, for the purpose of restraining the free movement of a vulnerable adult's body. "Physical restraint" does not include (a) briefly holding without undue force a vulnerable adult in order to calm or comfort him or her, or (b) holding a vulnerable adult's hand to safely escort him or her from one area to another.

(((~~(18)~~))) (19) "Protective services" means any services provided by the department to a vulnerable adult with the consent of the vulnerable adult, or the legal representative of the vulnerable adult, who has been abandoned, abused, financially exploited, neglected, or in a state of self-neglect. These services may include, but are not limited to case management, social casework, home care, placement, arranging for medical evaluations, psychological evaluations, day care, or referral for legal assistance.

(((~~(19)~~))) (20) "Self-neglect" means the failure of a vulnerable adult, not living in a facility, to provide for himself or herself the goods and services necessary for the vulnerable adult's physical or mental health, and the absence of which impairs or threatens the vulnerable adult's well-being. This definition may include a vulnerable adult who is receiving services through home health, hospice, or a home care agency, or an individual provider when the neglect is not a result of inaction by that agency or individual provider.

(((~~(20)~~))) (21) "Social worker" means:

(a) A social worker as defined in RCW 18.320.010(2); or

(b) Anyone engaged in a professional capacity during the regular course of employment in encouraging or promoting the health, welfare, support, or education of vulnerable adults, or providing social services to vulnerable adults, whether in an individual capacity or as an employee or agent of any public or private organization or institution.

(((~~(21)~~))) (22) "Vulnerable adult" includes a person:

(a) Sixty years of age or older who has the functional, mental, or physical inability to care for himself or herself; or

(b) Found incapacitated under chapter 11.88 RCW; or

(c) Who has a developmental disability as defined under RCW 71A.10.020; or

(d) Admitted to any facility; or

(e) Receiving services from home health, hospice, or home care agencies licensed or required to be licensed under chapter 70.127 RCW; or

(f) Receiving services from an individual provider; or

(g) Who self-directs his or her own care and receives services from a personal aide under chapter 74.39 RCW.

Sec. 3. RCW 11.92.043 and 2011 c 329 s 3 are each amended to read as follows:

(1) It ((~~shall be~~)) is the duty of the guardian or limited guardian of the person:

(((~~(1)~~))) (a) To file within three months after appointment a personal care plan for the incapacitated person, which ((~~shall~~)) must include (((~~(a)~~))) (i) an assessment of the incapacitated person's physical, mental, and emotional needs

and of such person's ability to perform or assist in activities of daily living, and (((~~(b)~~))) (ii) the guardian's specific plan for meeting the identified and emerging personal care needs of the incapacitated person.

(((~~(2)~~))) (b) To file annually or, where a guardian of the estate has been appointed, at the time an account is required to be filed under RCW 11.92.040, a report on the status of the incapacitated person, which shall include:

(((~~(a)~~))) (i) The address and name of the incapacitated person and all residential changes during the period;

(((~~(b)~~))) (ii) The services or programs ((~~which~~)) that the incapacitated person receives;

(((~~(c)~~))) (iii) The medical status of the incapacitated person;

(((~~(d)~~))) (iv) The mental status of the incapacitated person, including reports from mental health professionals on the status of the incapacitated person, if any exist;

(((~~(e)~~))) (v) Changes in the functional abilities of the incapacitated person;

(((~~(f)~~))) (vi) Activities of the guardian for the period;

(((~~(g)~~))) (vii) Any recommended changes in the scope of the authority of the guardian;

(((~~(h)~~))) (viii) The identity of any professionals who have assisted the incapacitated person during the period;

(((~~(i)(i)~~))) (ix)(A) Evidence of the guardian or limited guardian's successful completion of any standardized training video or web cast for guardians or limited guardians made available by the administrative office of the courts and the superior court when the guardian or limited guardian: (((~~(A)~~))) (I) Was appointed prior to July 22, 2011; (((~~(B)~~))) (II) is not a certified professional guardian or financial institution authorized under RCW 11.88.020; and (((~~(C)~~))) (III) has not previously completed the requirements of RCW 11.88.020(3). The training video or web cast must be provided at no cost to the guardian or limited guardian.

(((~~(ii)~~))) (B) The superior court may, upon (((~~(A)~~))) petition by the guardian or limited guardian((~~,~~)) or (((~~(B)~~))) any other method as provided by local court rule:

(I) For good cause, waive this requirement for guardians appointed prior to July 22, 2011. Good cause ((~~shall~~)) requires evidence that the guardian already possesses the requisite knowledge to serve as a guardian without completing the training. When determining whether there is good cause to waive the training requirement, the court ((~~shall~~)) must consider, among other facts, the length of time the guardian has been serving the incapacitated person; whether the guardian has timely filed all required reports with the court; whether the guardian is monitored by other state or local agencies; and whether there have been any allegations of abuse, neglect, or a breach of fiduciary duty against the guardian; or

(II) Extend the time period for completion of the training requirement for ninety days; and

(((~~(j)~~))) (x) Evidence of the guardian or limited guardian's successful completion of any additional or updated training video or web cast offered by the administrative office of the courts and the superior court as is required at the discretion of the superior court unless the guardian or limited guardian is a certified professional guardian or financial institution authorized under RCW

11.88.020. The training video or web cast must be provided at no cost to the guardian or limited guardian.

((~~(3)~~)) (c) To report to the court within thirty days any substantial change in the incapacitated person's condition, or any changes in residence of the incapacitated person.

((~~(4)~~)) (d) To inform any person entitled to special notice of proceedings under RCW 11.92.150 and any other person designated by the incapacitated person as soon as possible, but in no case more than five business days, after the incapacitated person:

(i) Makes a change in residence that is intended or likely to last more than fourteen calendar days;

(ii) Has been admitted to a medical facility for acute care in response to a life-threatening injury or medical condition that requires inpatient care;

(iii) Has been treated in an emergency room setting or kept for hospital observation for more than twenty-four hours; or

(iv) Dies, in which case the notification must be made in person, by telephone, or by certified mail.

(e) Consistent with the powers granted by the court, to care for and maintain the incapacitated person in the setting least restrictive to the incapacitated person's freedom and appropriate to the incapacitated person's personal care needs, assert the incapacitated person's rights and best interests, and if the incapacitated person is a minor or where otherwise appropriate, to see that the incapacitated person receives appropriate training and education and that the incapacitated person has the opportunity to learn a trade, occupation, or profession.

((~~(5)~~)) (f) Consistent with RCW 7.70.065, to provide timely, informed consent for health care of the incapacitated person, except in the case of a limited guardian where such power is not expressly provided for in the order of appointment or subsequent modifying order as provided in RCW 11.88.125 as now or hereafter amended, the standby guardian or standby limited guardian may provide timely, informed consent to necessary medical procedures if the guardian or limited guardian cannot be located within four hours after the need for such consent arises. No guardian, limited guardian, or standby guardian may involuntarily commit for mental health treatment, observation, or evaluation an alleged incapacitated person who is unable or unwilling to give informed consent to such commitment unless the procedures for involuntary commitment set forth in chapter 71.05 or 72.23 RCW are followed. Nothing in this section ((~~shall~~)) may be construed to allow a guardian, limited guardian, or standby guardian to consent to:

((~~(a)~~)) (i) Therapy or other procedure which induces convulsion;

((~~(b)~~)) (ii) Surgery solely for the purpose of psychosurgery;

((~~(c)~~)) (iii) Other psychiatric or mental health procedures that restrict physical freedom of movement, or the rights set forth in RCW 71.05.217.

(2) A guardian, limited guardian, or standby guardian who believes these procedures are necessary for the proper care and maintenance of the incapacitated person shall petition the court for an order unless the court has previously approved the procedure within the past thirty days. The court may order the procedure only after an attorney is appointed in accordance with RCW

11.88.045 if no attorney has previously appeared, notice is given, and a hearing is held in accordance with RCW 11.88.040.

NEW SECTION. **Sec. 4.** A new section is added to chapter 2.72 RCW to read as follows:

The office of public guardianship, in partnership with the office of the state long-term care ombuds, must develop and offer training targeted to the legal community and persons working in long-term care facilities regarding the different kinds of decision-making authority, including guardianship, authority granted under power of attorney, and surrogate health care decision-making authority. The training must include, at a minimum, information regarding: The roles, duties, and responsibilities of different kinds of decision makers; the scope of authority and limitations on authority with respect to different kinds of decision makers; and any relevant remedial measures provided in law for activity that exceeds the scope of decision-making authority.

NEW SECTION. **Sec. 5.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the House April 17, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 10, 2017.
Filed in Office of Secretary of State May 10, 2017.

CHAPTER 269

[Engrossed Substitute House Bill 1814]

DEPARTMENT OF SOCIAL AND HEALTH SERVICES--NOTIFICATION AND SERVICE

AN ACT Relating to notification requirements for the department of social and health services; and amending RCW 13.38.070, 26.44.100, 43.20B.430, 43.20B.435, 43.20B.635, and 74.20A.320.

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

Sec. 1. RCW 13.38.070 and 2011 c 309 s 7 are each amended to read as follows:

(1) In any involuntary child custody proceeding seeking the foster care placement of, or the termination of parental rights to, a child in which the petitioning party or the court knows, or has reason to know, that the child is or may be an Indian child as defined in this chapter, the petitioning party shall notify the parent or Indian custodian and the Indian child's tribe or tribes, by certified mail, return receipt requested, and by use of a mandatory Indian child welfare act notice addressed to the tribal agent designated by the Indian child's tribe or tribes for receipt of Indian child welfare act notice, as published by the bureau of Indian affairs in the federal register. If the identity or location of the parent or Indian custodian and the tribe cannot be determined, such notice shall be given to the secretary of the interior by registered mail, return receipt requested, in accordance with the regulations of the bureau of Indian affairs. The secretary of the interior has fifteen days after receipt to provide the requisite notice to the parent or Indian custodian and the tribe. No foster care placement or termination of parental rights proceeding shall be held until at least ten days after receipt of notice by the parent or Indian custodian and the tribe. The parent or

Indian custodian or the tribe shall, upon request, be granted up to twenty additional days to prepare for the proceeding.

(2) The determination of the Indian status of a child shall be made as soon as practicable in order to serve the best interests of the Indian child and protect the interests of the child's tribe.

(3)(a) A written determination by an Indian tribe that a child is a member of or eligible for membership in that tribe, or testimony by the tribe attesting to such status shall be conclusive that the child is an Indian child;

(b) A written determination by an Indian tribe that a child is not a member of or eligible for membership in that tribe, or testimony by the tribe attesting to such status shall be conclusive that the child is not a member or eligible for membership in that tribe. Such determinations are presumptively those of the tribe where submitted in the form of a tribal resolution, or signed by or testified to by the person(s) authorized by the tribe's governing body to speak for the tribe, or by the tribe's agent designated to receive notice under the federal Indian child welfare act where such designation is published in the federal register;

(c) Where a tribe provides no response to notice under RCW 13.38.070, such nonresponse shall not constitute evidence that the child is not a member or eligible for membership. Provided, however, that under such circumstances the party asserting application of the federal Indian child welfare act, or this chapter, will have the burden of proving by a preponderance of the evidence that the child is an Indian child.

(4)(a) Where a child has been determined not to be an Indian child, any party to the proceeding, or an Indian tribe that subsequently determines the child is a member, may, during the pendency of any child custody proceeding to which this chapter or the federal Indian child welfare act applies, move the court for redetermination of the child's Indian status based upon new evidence, redetermination by the child's tribe, or newly conferred federal recognition of the tribe.

(b) This subsection (4) does not affect the rights afforded under 25 U.S.C. Sec. 1914.

Sec. 2. RCW 26.44.100 and 2005 c 512 s 1 are each amended to read as follows:

(1) The legislature finds parents and children often are not aware of their due process rights when agencies are investigating allegations of child abuse and neglect. The legislature reaffirms that all citizens, including parents, shall be afforded due process, that protection of children remains the priority of the legislature, and that this protection includes protecting the family unit from unnecessary disruption. To facilitate this goal, the legislature wishes to ensure that parents and children be advised in writing and orally, if feasible, of their basic rights and other specific information as set forth in this chapter, provided that nothing contained in this chapter shall cause any delay in protective custody action.

(2) The department shall notify the parent, guardian, or legal custodian of a child of any allegations of child abuse or neglect made against such person at the initial point of contact with such person, in a manner consistent with the laws maintaining the confidentiality of the persons making the complaints or allegations. Investigations of child abuse and neglect should be conducted in a

manner that will not jeopardize the safety or protection of the child or the integrity of the investigation process.

Whenever the department completes an investigation of a child abuse or neglect report under this chapter ((~~26.44 RCW~~)), the department shall notify the subject of the report of the department's investigative findings. The notice shall also advise the subject of the report that:

(a) A written response to the report may be provided to the department and that such response will be filed in the record following receipt by the department;

(b) Information in the department's record may be considered in subsequent investigations or proceedings related to child protection or child custody;

(c) Founded reports of child abuse and neglect may be considered in determining whether the person is disqualified from being licensed to provide child care, employed by a licensed child care agency, or authorized by the department to care for children; and

(d) A subject named in a founded report of child abuse or neglect has the right to seek review of the finding as provided in this chapter.

(3) The founded finding notification required by this section shall be made by certified mail, return receipt requested, to the person's last known address.

(4) The unfounded finding notification required by this section must be made by regular mail to the person's last known address or by email.

(5) The duty of notification created by this section is subject to the ability of the department to ascertain the location of the person to be notified. The department shall exercise reasonable, good-faith efforts to ascertain the location of persons entitled to notification under this section.

(((~~(5)~~))) (6) The department shall provide training to all department personnel who conduct investigations under this section that shall include, but is not limited to, training regarding the legal duties of the department from the initial time of contact during investigation through treatment in order to protect children and families.

Sec. 3. RCW 43.20B.430 and 1989 c 175 s 99 are each amended to read as follows:

In all cases where a determination is made that the estate of a resident of a residential habilitation center is able to pay all or any portion of the charges, ((~~a~~)) an initial notice and finding of responsibility shall be served on the guardian of the resident's estate, or if no guardian has been appointed then to the resident, the resident's spouse, or other person acting in a representative capacity and having property in his or her possession belonging to a resident. The initial notice shall set forth the amount the department has determined that such estate is able to pay, not to exceed the charge as fixed in accordance with RCW 43.20B.420, and the responsibility for payment to the department shall commence twenty-eight days after ((~~personal~~)) service of such notice and finding of responsibility. Service of the initial notice shall be in the manner prescribed for the service of a summons in a civil action or may be served by certified mail, return receipt requested. The return receipt signed by addressee only is prima facie evidence of service. An application for an adjudicative proceeding from the determination of responsibility may be made to the secretary by the guardian of the resident's estate, or if no guardian has been appointed then by the resident, the resident's spouse, or other person acting in a representative capacity and having property in

his or her possession belonging to a resident of a state school, within such twenty-eight day period. The application must be written and served on the secretary by registered or certified mail, or by personal service. If no application is filed, the notice and finding of responsibility shall become final. If an application is filed, the execution of notice and finding of responsibility shall be stayed pending the final adjudicative order. The hearing shall be conducted in a local department office or other location in Washington convenient to the appellant. The proceeding is governed by the Administrative Procedure Act, chapter 34.05 RCW.

Sec. 4. RCW 43.20B.435 and 1979 c 141 s 240 are each amended to read as follows:

The secretary, upon application of the guardian of the estate of the resident, and after investigation, or upon investigation without application, may, if satisfied of the financial ability or inability of such person to make payments in accordance with the ((~~original~~)) initial finding of responsibility as provided for in RCW 43.20B.430, modify or vacate such ((~~original~~)) initial finding of responsibility, and enter a new finding of responsibility. The secretary's determination to modify or vacate findings of responsibility shall be served ((~~and~~)) by regular mail. A new finding of responsibility shall be appealable in the same manner and in accordance with the same procedure for appeals of ((~~original~~)) initial findings of responsibility.

Sec. 5. RCW 43.20B.635 and 1990 c 100 s 1 are each amended to read as follows:

(1) After service of a notice of debt for an overpayment as provided for in RCW 43.20B.630, stating the debt accrued, the secretary may issue to any person, firm, corporation, association, political subdivision, or department of the state, an order to withhold and deliver property of any kind including, but not restricted to, earnings which are due, owing, or belonging to the debtor, when the secretary has reason to believe that there is in the possession of such person, firm, corporation, association, political subdivision, or department of the state property which is due, owing, or belonging to the debtor.

(2)(a) The order to withhold and deliver shall state the amount of the debt, and shall state in summary the terms of this section, RCW 6.27.150 and 6.27.160, chapters 6.13 and 6.15 RCW, 15 U.S.C. 1673, and other state or federal exemption laws applicable generally to debtors.

(b) The order to withhold and deliver shall be served ((~~in the manner prescribed for the service of a summons in a civil action or by certified mail, return receipt requested~~)) by regular mail or, with a party's agreement, electronically.

(3)(a) Any person, firm, corporation, association, political subdivision, or department of the state upon whom service has been made shall answer the order to withhold and deliver within twenty days, exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired of therein.

(b) The secretary may require further and additional answers to be completed by the person, firm, corporation, association, political subdivision, or department of the state.

(c) If any such person, firm, corporation, association, political subdivision, or department of the state possesses any property which may be subject to the claim of the department of social and health services, such property shall be withheld immediately upon receipt of the order to withhold and deliver and shall, after the twenty-day period, upon demand, be delivered forthwith to the secretary.

(d) The secretary shall hold the property in trust for application on the indebtedness involved or for return, without interest, in accordance with final determination of liability or nonliability. In the alternative, there may be furnished to the secretary a good and sufficient bond, satisfactory to the secretary, conditioned upon final determination of liability.

(e) Where money is due and owing under any contract of employment, express or implied, or is held by any person, firm, corporation, association, political subdivision, or department of the state subject to withdrawal by the debtor, such money shall be delivered by remittance payable to the order of the secretary. Delivery to the secretary, subject to the exemptions under RCW 6.27.150 and 6.27.160, chapters 6.13 and 6.15 RCW, 15 U.S.C. 1673, and other state or federal law applicable generally to debtors, of the money or other property held or claimed satisfies the requirement of the order to withhold and deliver. Delivery to the secretary serves as full acquittance, and the state warrants and represents that it shall defend and hold harmless for such actions persons delivering money or property to the secretary pursuant to this chapter. The state also warrants and represents that it shall defend and hold harmless for such actions persons withholding money or property pursuant to this chapter.

(4)(a) The secretary shall also, on or before the date of service of the order to withhold and deliver, mail or cause to be mailed ((~~by certified mail~~)) a copy of the order to withhold and deliver to the debtor at the debtor's last known post office address((~~,~~)) or, ((~~in the alternative, a copy of the order to withhold and deliver shall be served on the debtor in the same manner as a summons in a civil action on or before the date of service of the order or within two days thereafter~~)) with a party's agreement serve the order upon the debtor electronically on or before the date of service of the order to withhold and deliver.

(b) The copy of the order shall be mailed or served together with a concise explanation of the right to petition for a hearing on any issue related to the collection. This requirement is not jurisdictional, but, if the copy is not mailed or served as provided in this section, or if any irregularity appears with respect to the mailing or service electronically, the superior court, on its discretion on motion of the debtor promptly made and supported by affidavit showing that the debtor has suffered substantial injury due to the failure to mail the copy or serve the copy electronically, may set aside the order to withhold and deliver and award to the debtor an amount equal to the damages resulting from the secretary's failure to serve on or mail to the debtor the copy.

Sec. 6. RCW 74.20A.320 and 2009 c 408 s 1 are each amended to read as follows:

(1) The department may serve upon a responsible parent a notice informing the responsible parent of the department's intent to submit the parent's name to the department of licensing and any appropriate licensing entity as a licensee who is not in compliance with a child support order. ((~~The department shall attach a copy of the responsible parent's child support order to the notice.~~))

(a) If the support order establishing or modifying the child support obligation includes a statement required under RCW 26.23.050 that the responsible parent's privileges to obtain and maintain a license may not be renewed or may be suspended if the parent is not in compliance with a support order, the department may send the notice required by this section to the responsible parent by regular mail, addressed to the responsible parent's last known mailing address on file with the department or by personal service. Notice by regular mail is deemed served three days from the date the notice was deposited with the United States postal service.

(b) If the support order does not include a statement as required under RCW 26.23.050 that the responsible parent's privileges to obtain and maintain a license may not be renewed or may be suspended if the parent is not in compliance with a support order, service of the notice required by this section to the responsible parent must be by certified mail, return receipt requested. If service by certified mail is not successful, service shall be by personal service.

(2) The notice of noncompliance must include the following information:

(a) The address and telephone number of the department's division of child support office that issued the notice;

(b) That in order to prevent the department from certifying the parent's name to the department of licensing or any other licensing entity, the parent has twenty days from receipt of the notice to contact the department and:

(i) Pay the overdue support amount in full;

(ii) Request an adjudicative proceeding as provided in RCW 74.20A.322;

(iii) Agree to a payment schedule with the department as provided in RCW 74.20A.326; or

(iv) File an action to modify the child support order with the appropriate court or administrative forum, in which case the department will stay the certification process up to six months;

(c) That failure to contact the department within twenty days of receipt of the notice will result in certification of the responsible parent's name to the department of licensing and any other appropriate licensing entity for noncompliance with a child support order. Upon receipt of the notice:

(i) The licensing entity will suspend or not renew the parent's license and the department of licensing will suspend or not renew any driver's license that the parent holds until the parent provides the department of licensing and the licensing entity with a release from the department stating that the responsible parent is in compliance with the child support order;

(ii) The department of fish and wildlife will suspend a fishing license, hunting license, occupational licenses, such as a commercial fishing license, or any other license issued under chapter 77.32 RCW that the responsible parent may possess, and suspension of a license by the department of fish and wildlife may also affect the parent's ability to obtain permits, such as special hunting permits, issued by the department. Notice from the department of licensing that a responsible parent's driver's license has been suspended shall serve as notice of the suspension of a license issued under chapter 77.32 RCW;

(d) That suspension of a license will affect insurability if the responsible parent's insurance policy excludes coverage for acts occurring after the suspension of a license;

(e) If the responsible parent subsequently comes into compliance with the child support order, the department will promptly provide the parent and the appropriate licensing entities with a release stating that the parent is in compliance with the order.

(3) When a responsible parent who is served notice under subsection (1) of this section subsequently complies with the child support order, a copy of a release stating that the responsible parent is in compliance with the order shall be transmitted by the department to the appropriate licensing entities.

(4) The department of licensing and a licensing entity may renew, reinstate, or otherwise extend a license in accordance with the licensing entity's or the department of licensing's rules after the licensing entity or the department of licensing receives a copy of the release specified in subsection (3) of this section. The department of licensing and a licensing entity may waive any applicable requirement for reissuance, renewal, or other extension if it determines that the imposition of that requirement places an undue burden on the person and that waiver of the requirement is consistent with the public interest.

Passed by the House April 13, 2017.
Passed by the Senate April 10, 2017.
Approved by the Governor May 10, 2017.
Filed in Office of Secretary of State May 10, 2017.

CHAPTER 270

[Senate Bill 5118]

MEDICAID--PERSONAL NEEDS ALLOWANCE

AN ACT Relating to increasing the personal needs allowance for persons receiving state-financed care; adding a new section to chapter 74.09 RCW; creating a new section; providing an effective date; and declaring an emergency.

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

NEW SECTION. **Sec. 1.** (1) The legislature finds that through the medicaid program, state and federal government fund long-term care, mental health, and medical services for many elderly persons and people with disabilities, both in institutions and in community alternatives. The legislature also finds that a significant portion of these individuals' social security benefits is retained by the state to assist with the cost of their care. The legislature intends that these individuals retain for their own use a reasonable and modest personal needs allowance which may be used to purchase clothing, postage, barber services, travel, and other personal items not covered by their care setting, in order to promote their autonomy and personal dignity.

(2) It is the intent of the legislature to adjust the personal needs allowance annually to reflect cost-of-living adjustments to federal social security benefits for medicaid-eligible residents in institutions and community-based residential settings receiving long-term care, developmental disabilities, or mental health services.

NEW SECTION. **Sec. 2.** A new section is added to chapter 74.09 RCW to read as follows:

Effective July 1, 2017, and each fiscal year thereafter, subject to the availability of amounts appropriated for this specific purpose, the personal needs

allowance shall be adjusted for economic trends and conditions by increasing the allowance by the percentage cost-of-living adjustment for old-age, survivors, and disability social security benefits as published by the federal social security administration. However, in no case shall the personal needs allowance exceed the maximum personal needs allowance permissible under the federal social security act.

NEW SECTION. **Sec. 3.** Section 2 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2017.

Passed by the Senate March 1, 2017.
Passed by the House April 5, 2017.
Approved by the Governor May 10, 2017.
Filed in Office of Secretary of State May 10, 2017.

CHAPTER 271

[Senate Bill 5691]

GUARDIANSHIP--LESS RESTRICTIVE ALTERNATIVE

AN ACT Relating to modifying or terminating a guardianship when a less restrictive alternative is available to provide for the needs of an incapacitated person; amending RCW 11.88.120; and creating a new section.

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

NEW SECTION. **Sec. 1.** The legislature finds that an incapacitated person should retain basic rights enjoyed by the public, including the freedom of associating with family and friends. A court or guardian should not remove or restrict the rights of an incapacitated person under a guardianship except when absolutely necessary to protect the incapacitated person. The legislature finds that less restrictive alternatives are preferred to guardianships and limited guardianships when they provide adequate support for an incapacitated person's needs. The legislature also recognizes that less restrictive alternatives are typically less expensive to administer than a guardianship, thereby preserving state resources, court resources, and the incapacitated person's estate. A less restrictive alternative may be in the form of a power of attorney, or a trust, or other legal, financial, or medical directives that allow an incapacitated person to enjoy a greater degree of individual liberty and decision making than for persons under a guardianship.

Sec. 2. RCW 11.88.120 and 2015 c 293 s 1 are each amended to read as follows:

(1)(a) At any time after establishment of a guardianship or appointment of a guardian, the court may, upon the death of the guardian or limited guardian, or, for other good reason, modify or terminate the guardianship or replace the guardian or limited guardian or modify the authority of a guardian or limited guardian. Such action may be taken based on the court's own motion, based on a motion by an attorney for a person or entity, based on a motion of a person or entity representing themselves, or based on a written complaint, as described in this section. The court may grant relief under this section as it deems just and in the best interest of the incapacitated person. For any hearing to modify or

terminate a guardianship, the incapacitated person shall be given reasonable notice of the hearing and of the incapacitated person's right to be represented at the hearing by counsel of his or her own choosing.

(b) The court must modify or terminate a guardianship when a less restrictive alternative, such as a power of attorney or a trust, will adequately provide for the needs of the incapacitated person. In any motion to modify or terminate a guardianship with a less restrictive alternative, the court should consider any recent medical reports; whether a condition is reversible; testimony of the incapacitated person; testimony of persons most closely related by blood, marriage, or state registered domestic partnership to the incapacitated person; testimony of persons entitled to notice of special proceedings under RCW 11.92.150; and other needs of the incapacitated person that are not adequately served in a guardianship or limited guardianship that may be better served with a less restrictive alternative. All motions under the provisions of this subsection (1)(b) must be heard within sixty days unless an extension of time is requested by a party or a guardian ad litem within such sixty-day period and granted for good cause shown. An extension granted for good cause should not exceed an additional sixty days from the date of the request of the extension, and the court must set a new hearing date.

(2)(a) An unrepresented person or entity may submit a complaint to the court. Complaints must be addressed to one of the following designees of the court: The clerk of the court having jurisdiction in the guardianship, the court administrator, or the guardianship monitoring program, and must identify the complainant and the incapacitated person who is the subject of the guardianship. The complaint must also provide the complainant's address, the case number (if available), and the address of the incapacitated person (if available). The complaint must state facts to support the claim.

(b) By the next judicial day after receipt of a complaint from an unrepresented person, the court's designee must ensure the original complaint is filed and deliver the complaint to the court.

(c) Within fourteen days of being presented with a complaint, the court must enter an order to do one or more of the following actions:

(i) To show cause, with fourteen days' notice, directing the guardian to appear at a hearing set by the court in order to respond to the complaint;

(ii) To appoint a guardian ad litem to investigate the issues raised by the complaint or to take any emergency action the court deems necessary to protect the incapacitated person until a hearing can be held;

(iii) To dismiss the complaint without scheduling a hearing, if it appears to the court that the complaint: Is without merit on its face; is filed in other than good faith; is filed for an improper purpose; regards issues that have already been adjudicated; or is frivolous. In making a determination, the court may review the matter and consider previous behavior of the complainant that is documented in the guardianship record;

(iv) To direct the guardian to provide, in not less than fourteen days, a written report to the court on the issues raised in the complaint;

(v) To defer consideration of the complaint until the next regularly scheduled hearing in the guardianship, if the date of that hearing is within the next three months, provided that there is no indication that the incapacitated

person will suffer physical, emotional, financial, or other harm as a result of the court's deferral of consideration;

(vi) To order other action, in the court's discretion, in addition to doing one or more of the actions set out in this subsection.

(d) If after consideration of the complaint, the court believes that the complaint is made without justification or for reason to harass or delay or with malice or other bad faith, the court has the power to levy necessary sanctions, including but not limited to the imposition of reasonable attorney fees, costs, fees, striking pleadings, or other appropriate relief.

(3) The court may order persons who have been removed as guardians to deliver any property or records belonging to the incapacitated person in accordance with the court's order. Similarly, when guardians have died or been removed and property or records of an incapacitated person are being held by any other person, the court may order that person to deliver it in accordance with the court's order. Disobedience of an order to deliver ((~~shall be~~)) is punishable as contempt of court.

(4) The administrative office of the courts must develop and prepare((~~[,]~~)), in consultation with interested persons, a model form for the complaint described in subsection (2)(a) of this section and a model form for the order that must be issued by the court under subsection (2)(c) of this section.

(5) The board may send a grievance it has received regarding an active guardian case to the court's designee with a request that the court review the grievance and take any action the court deems necessary. This type of request from the board must be treated as a complaint under this section and the person who sent the complaint must be treated as the complainant. The court must direct the clerk to transmit a copy of its order to the board. The board must consider the court order when taking any further action and note the court order in any final determination.

(6) In any court action under this section that involves a professional guardian, the court must direct the clerk of the court to send a copy of the order entered under this section to the board.

(7) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Board" means the certified professional guardianship board.

(b) "Complaint" means a written submission by an unrepresented person or entity, who is referred to as the complainant.

Passed by the Senate April 17, 2017.
Passed by the House April 10, 2017.
Approved by the Governor May 10, 2017.
Filed in Office of Secretary of State May 10, 2017.

CHAPTER 272

[Engrossed Second Substitute House Bill 1163]

DOMESTIC VIOLENCE--VARIOUS CHANGES

AN ACT Relating to domestic violence; amending RCW 9A.36.041, 9.94A.525, 43.43.754, and 43.43.830; reenacting and amending RCW 9.94A.411, 9.96.060, and 9.94A.515; adding a new section to chapter 7.36 RCW; creating new sections; prescribing penalties; and providing expiration dates.

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

Sec. 1. RCW 9A.36.041 and 1987 c 188 s 2 are each amended to read as follows:

(1) A person is guilty of assault in the fourth degree if, under circumstances not amounting to assault in the first, second, or third degree, or custodial assault, he or she assaults another.

(2) Assault in the fourth degree is a gross misdemeanor, except as provided in subsection (3) of this section.

(3) Assault in the fourth degree, where domestic violence was pleaded and proven after the effective date of this section, is a class C felony if the person has two or more prior adult convictions within ten years for any of the following offenses where domestic violence as defined in RCW 9.94A.030 was pleaded and proven after the effective date of this section:

(a) Repetitive domestic violence offense as defined in RCW 9.94A.030;

(b) Crime of harassment as defined by RCW 9A.46.060;

(c) Assault in the third degree;

(d) Assault in the second degree;

(e) Assault in the first degree; or

(f) An out-of-state comparable offense.

(4) For purposes of subsection (3) of this section, family or household members means spouses, domestic partners, former spouses, former domestic partners, persons who have a child in common regardless of whether they have been married or have lived together at any time, persons sixteen years of age or older who are presently residing together or who have resided together in the past and who have or have had a dating relationship, and persons sixteen years of age or older with whom a person sixteen years of age or older has or has had a dating relationship.

Sec. 2. RCW 9.94A.411 and 2006 c 271 s 1 and 2006 c 73 s 13 are each reenacted and amended to read as follows:

(1) Decision not to prosecute.

STANDARD: A prosecuting attorney may decline to prosecute, even though technically sufficient evidence to prosecute exists, in situations where prosecution would serve no public purpose, would defeat the underlying purpose of the law in question or would result in decreased respect for the law.

GUIDELINE/COMMENTARY:

Examples

The following are examples of reasons not to prosecute which could satisfy the standard.

(a) Contrary to Legislative Intent - It may be proper to decline to charge where the application of criminal sanctions would be clearly contrary to the intent of the legislature in enacting the particular statute.

(b) Antiquated Statute - It may be proper to decline to charge where the statute in question is antiquated in that:

(i) It has not been enforced for many years; and

(ii) Most members of society act as if it were no longer in existence; and

(iii) It serves no deterrent or protective purpose in today's society; and

(iv) The statute has not been recently reconsidered by the legislature.

This reason is not to be construed as the basis for declining cases because the law in question is unpopular or because it is difficult to enforce.

(c) De Minimis Violation - It may be proper to decline to charge where the violation of law is only technical or insubstantial and where no public interest or deterrent purpose would be served by prosecution.

(d) Confinement on Other Charges - It may be proper to decline to charge because the accused has been sentenced on another charge to a lengthy period of confinement; and

(i) Conviction of the new offense would not merit any additional direct or collateral punishment;

(ii) The new offense is either a misdemeanor or a felony which is not particularly aggravated; and

(iii) Conviction of the new offense would not serve any significant deterrent purpose.

(e) Pending Conviction on Another Charge - It may be proper to decline to charge because the accused is facing a pending prosecution in the same or another county; and

(i) Conviction of the new offense would not merit any additional direct or collateral punishment;

(ii) Conviction in the pending prosecution is imminent;

(iii) The new offense is either a misdemeanor or a felony which is not particularly aggravated; and

(iv) Conviction of the new offense would not serve any significant deterrent purpose.

(f) High Disproportionate Cost of Prosecution - It may be proper to decline to charge where the cost of locating or transporting, or the burden on, prosecution witnesses is highly disproportionate to the importance of prosecuting the offense in question. This reason should be limited to minor cases and should not be relied upon in serious cases.

(g) Improper Motives of Complainant - It may be proper to decline charges because the motives of the complainant are improper and prosecution would serve no public purpose, would defeat the underlying purpose of the law in question or would result in decreased respect for the law.

(h) Immunity - It may be proper to decline to charge where immunity is to be given to an accused in order to prosecute another where the accused's information or testimony will reasonably lead to the conviction of others who are responsible for more serious criminal conduct or who represent a greater danger to the public interest.

(i) Victim Request - It may be proper to decline to charge because the victim requests that no criminal charges be filed and the case involves the following crimes or situations:

(i) Assault cases where the victim has suffered little or no injury;

(ii) Crimes against property, not involving violence, where no major loss was suffered;

(iii) Where doing so would not jeopardize the safety of society.

Care should be taken to insure that the victim's request is freely made and is not the product of threats or pressure by the accused.

The presence of these factors may also justify the decision to dismiss a prosecution which has been commenced.

Notification

The prosecutor is encouraged to notify the victim, when practical, and the law enforcement personnel, of the decision not to prosecute.

(2) Decision to prosecute.

(a) STANDARD:

Crimes against persons will be filed if sufficient admissible evidence exists, which, when considered with the most plausible, reasonably foreseeable defense that could be raised under the evidence, would justify conviction by a reasonable and objective fact finder. With regard to offenses prohibited by RCW 9A.44.040, 9A.44.050, 9A.44.073, 9A.44.076, 9A.44.079, 9A.44.083, 9A.44.086, 9A.44.089, and 9A.64.020 the prosecutor should avoid prefiling agreements or diversions intended to place the accused in a program of treatment or counseling, so that treatment, if determined to be beneficial, can be provided pursuant to RCW 9.94A.670.

Crimes against property/other crimes will be filed if the admissible evidence is of such convincing force as to make it probable that a reasonable and objective fact finder would convict after hearing all the admissible evidence and the most plausible defense that could be raised.

See table below for the crimes within these categories.

CATEGORIZATION OF CRIMES FOR PROSECUTING STANDARDS

CRIMES AGAINST PERSONS
Aggravated Murder
1st Degree Murder
2nd Degree Murder
1st Degree Manslaughter
2nd Degree Manslaughter
1st Degree Kidnapping
2nd Degree Kidnapping
1st Degree Assault
2nd Degree Assault
3rd Degree Assault
4th Degree Assault (if a violation of RCW 9A.36.041(3))
1st Degree Assault of a Child
2nd Degree Assault of a Child
3rd Degree Assault of a Child
1st Degree Rape
2nd Degree Rape
3rd Degree Rape
1st Degree Rape of a Child
2nd Degree Rape of a Child
3rd Degree Rape of a Child
1st Degree Robbery
2nd Degree Robbery
1st Degree Arson
1st Degree Burglary
1st Degree Identity Theft
2nd Degree Identity Theft
1st Degree Extortion

2nd Degree Extortion
Indecent Liberties
Incest
Vehicular Homicide
Vehicular Assault
1st Degree Child Molestation
2nd Degree Child Molestation
3rd Degree Child Molestation
1st Degree Promoting Prostitution
Intimidating a Juror
Communication with a Minor
Intimidating a Witness
Intimidating a Public Servant
Bomb Threat (if against person)
Unlawful Imprisonment
Promoting a Suicide Attempt
Riot (if against person)
Stalking
Custodial Assault
Domestic Violence Court Order Violation (RCW 10.99.040, 10.99.050, 26.09.300, 26.10.220, 26.26.138, 26.50.110, 26.52.070, or 74.34.145)
Counterfeiting (if a violation of RCW 9.16.035(4))
Felony Driving a Motor Vehicle While Under the Influence of Intoxicating Liquor or Any Drug (RCW 46.61.502(6))
Felony Physical Control of a Motor Vehicle While Under the Influence of Intoxicating Liquor or Any Drug (RCW 46.61.504(6))

CRIMES AGAINST PROPERTY/OTHER CRIMES
2nd Degree Arson
1st Degree Escape
2nd Degree Escape
2nd Degree Burglary
1st Degree Theft
2nd Degree Theft
1st Degree Perjury
2nd Degree Perjury
1st Degree Introducing Contraband
2nd Degree Introducing Contraband
1st Degree Possession of Stolen Property
2nd Degree Possession of Stolen Property
Bribery
Bribing a Witness
Bribe received by a Witness
Bomb Threat (if against property)
1st Degree Malicious Mischief
2nd Degree Malicious Mischief
1st Degree Reckless Burning
Taking a Motor Vehicle without Authorization
Forgery

2nd Degree Promoting Prostitution
Tampering with a Witness
Trading in Public Office
Trading in Special Influence
Receiving/Granting Unlawful Compensation
Bigamy
Eluding a Pursuing Police Vehicle
Willful Failure to Return from Furlough
Escape from Community Custody
Riot (if against property)
1st Degree Theft of Livestock
2nd Degree Theft of Livestock

ALL OTHER UNCLASSIFIED FELONIES
Selection of Charges/Degree of Charge

(i) The prosecutor should file charges which adequately describe the nature of defendant's conduct. Other offenses may be charged only if they are necessary to ensure that the charges:

(A) Will significantly enhance the strength of the state's case at trial; or

(B) Will result in restitution to all victims.

(ii) The prosecutor should not overcharge to obtain a guilty plea. Overcharging includes:

(A) Charging a higher degree;

(B) Charging additional counts.

This standard is intended to direct prosecutors to charge those crimes which demonstrate the nature and seriousness of a defendant's criminal conduct, but to decline to charge crimes which are not necessary to such an indication. Crimes which do not merge as a matter of law, but which arise from the same course of conduct, do not all have to be charged.

(b) GUIDELINES/COMMENTARY:

(i) Police Investigation

A prosecuting attorney is dependent upon law enforcement agencies to conduct the necessary factual investigation which must precede the decision to prosecute. The prosecuting attorney shall ensure that a thorough factual investigation has been conducted before a decision to prosecute is made. In ordinary circumstances the investigation should include the following:

(A) The interviewing of all material witnesses, together with the obtaining of written statements whenever possible;

(B) The completion of necessary laboratory tests; and

(C) The obtaining, in accordance with constitutional requirements, of the suspect's version of the events.

If the initial investigation is incomplete, a prosecuting attorney should insist upon further investigation before a decision to prosecute is made, and specify what the investigation needs to include.

(ii) Exceptions

In certain situations, a prosecuting attorney may authorize filing of a criminal complaint before the investigation is complete if:

(A) Probable cause exists to believe the suspect is guilty; and

(B) The suspect presents a danger to the community or is likely to flee if not apprehended; or

(C) The arrest of the suspect is necessary to complete the investigation of the crime.

In the event that the exception to the standard is applied, the prosecuting attorney shall obtain a commitment from the law enforcement agency involved to complete the investigation in a timely manner. If the subsequent investigation does not produce sufficient evidence to meet the normal charging standard, the complaint should be dismissed.

(iii) Investigation Techniques

The prosecutor should be fully advised of the investigatory techniques that were used in the case investigation including:

(A) Polygraph testing;

(B) Hypnosis;

(C) Electronic surveillance;

(D) Use of informants.

(iv) Pre-Filing Discussions with Defendant

Discussions with the defendant or his/her representative regarding the selection or disposition of charges may occur prior to the filing of charges, and potential agreements can be reached.

(v) Pre-Filing Discussions with Victim(s)

Discussions with the victim(s) or victims' representatives regarding the selection or disposition of charges may occur before the filing of charges. The discussions may be considered by the prosecutor in charging and disposition decisions, and should be considered before reaching any agreement with the defendant regarding these decisions.

Sec. 3. RCW 9.94A.525 and 2013 2nd sp.s. c 35 s 8 are each amended to read as follows:

The offender score is measured on the horizontal axis of the sentencing grid. The offender score rules are as follows:

The offender score is the sum of points accrued under this section rounded down to the nearest whole number.

(1) A prior conviction is a conviction which exists before the date of sentencing for the offense for which the offender score is being computed. Convictions entered or sentenced on the same date as the conviction for which the offender score is being computed shall be deemed "other current offenses" within the meaning of RCW 9.94A.589.

(2)(a) Class A and sex prior felony convictions shall always be included in the offender score.

(b) Class B prior felony convictions other than sex offenses shall not be included in the offender score, if since the last date of release from confinement (including full-time residential treatment) pursuant to a felony conviction, if any, or entry of judgment and sentence, the offender had spent ten consecutive years in the community without committing any crime that subsequently results in a conviction.

(c) Except as provided in (e) of this subsection, class C prior felony convictions other than sex offenses shall not be included in the offender score if, since the last date of release from confinement (including full-time residential treatment) pursuant to a felony conviction, if any, or entry of judgment and

sentence, the offender had spent five consecutive years in the community without committing any crime that subsequently results in a conviction.

(d) Except as provided in (e) of this subsection, serious traffic convictions shall not be included in the offender score if, since the last date of release from confinement (including full-time residential treatment) pursuant to a conviction, if any, or entry of judgment and sentence, the offender spent five years in the community without committing any crime that subsequently results in a conviction.

(e) If the present conviction is felony driving while under the influence of intoxicating liquor or any drug (RCW 46.61.502(6)) or felony physical control of a vehicle while under the influence of intoxicating liquor or any drug (RCW 46.61.504(6)), all predicate crimes for the offense as defined by RCW 46.61.5055(14) shall be included in the offender score, and prior convictions for felony driving while under the influence of intoxicating liquor or any drug (RCW 46.61.502(6)) or felony physical control of a vehicle while under the influence of intoxicating liquor or any drug (RCW 46.61.504(6)) shall always be included in the offender score. All other convictions of the defendant shall be scored according to this section.

(f) Prior convictions for a repetitive domestic violence offense, as defined in RCW 9.94A.030, shall not be included in the offender score if, since the last date of release from confinement or entry of judgment and sentence, the offender had spent ten consecutive years in the community without committing any crime that subsequently results in a conviction.

(g) This subsection applies to both adult and juvenile prior convictions.

(3) Out-of-state convictions for offenses shall be classified according to the comparable offense definitions and sentences provided by Washington law. Federal convictions for offenses shall be classified according to the comparable offense definitions and sentences provided by Washington law. If there is no clearly comparable offense under Washington law or the offense is one that is usually considered subject to exclusive federal jurisdiction, the offense shall be scored as a class C felony equivalent if it was a felony under the relevant federal statute.

(4) Score prior convictions for felony anticipatory offenses (attempts, criminal solicitations, and criminal conspiracies) the same as if they were convictions for completed offenses.

(5)(a) In the case of multiple prior convictions, for the purpose of computing the offender score, count all convictions separately, except:

(i) Prior offenses which were found, under RCW 9.94A.589(1)(a), to encompass the same criminal conduct, shall be counted as one offense, the offense that yields the highest offender score. The current sentencing court shall determine with respect to other prior adult offenses for which sentences were served concurrently or prior juvenile offenses for which sentences were served consecutively, whether those offenses shall be counted as one offense or as separate offenses using the "same criminal conduct" analysis found in RCW 9.94A.589(1)(a), and if the court finds that they shall be counted as one offense, then the offense that yields the highest offender score shall be used. The current sentencing court may presume that such other prior offenses were not the same criminal conduct from sentences imposed on separate dates, or in separate counties or jurisdictions, or in separate complaints, indictments, or informations;

(ii) In the case of multiple prior convictions for offenses committed before July 1, 1986, for the purpose of computing the offender score, count all adult convictions served concurrently as one offense, and count all juvenile convictions entered on the same date as one offense. Use the conviction for the offense that yields the highest offender score.

(b) As used in this subsection (5), "served concurrently" means that: (i) The latter sentence was imposed with specific reference to the former; (ii) the concurrent relationship of the sentences was judicially imposed; and (iii) the concurrent timing of the sentences was not the result of a probation or parole revocation on the former offense.

(6) If the present conviction is one of the anticipatory offenses of criminal attempt, solicitation, or conspiracy, count each prior conviction as if the present conviction were for a completed offense. When these convictions are used as criminal history, score them the same as a completed crime.

(7) If the present conviction is for a nonviolent offense and not covered by subsection (11), (12), or (13) of this section, count one point for each adult prior felony conviction and one point for each juvenile prior violent felony conviction and 1/2 point for each juvenile prior nonviolent felony conviction.

(8) If the present conviction is for a violent offense and not covered in subsection (9), (10), (11), (12), or (13) of this section, count two points for each prior adult and juvenile violent felony conviction, one point for each prior adult nonviolent felony conviction, and 1/2 point for each prior juvenile nonviolent felony conviction.

(9) If the present conviction is for a serious violent offense, count three points for prior adult and juvenile convictions for crimes in this category, two points for each prior adult and juvenile violent conviction (not already counted), one point for each prior adult nonviolent felony conviction, and 1/2 point for each prior juvenile nonviolent felony conviction.

(10) If the present conviction is for Burglary 1, count prior convictions as in subsection (8) of this section; however count two points for each prior adult Burglary 2 or residential burglary conviction, and one point for each prior juvenile Burglary 2 or residential burglary conviction.

(11) If the present conviction is for a felony traffic offense count two points for each adult or juvenile prior conviction for Vehicular Homicide or Vehicular Assault; for each felony offense count one point for each adult and 1/2 point for each juvenile prior conviction; for each serious traffic offense, other than those used for an enhancement pursuant to RCW 46.61.520(2), count one point for each adult and 1/2 point for each juvenile prior conviction; count one point for each adult and 1/2 point for each juvenile prior conviction for operation of a vessel while under the influence of intoxicating liquor or any drug.

(12) If the present conviction is for homicide by watercraft or assault by watercraft count two points for each adult or juvenile prior conviction for homicide by watercraft or assault by watercraft; for each felony offense count one point for each adult and 1/2 point for each juvenile prior conviction; count one point for each adult and 1/2 point for each juvenile prior conviction for driving under the influence of intoxicating liquor or any drug, actual physical control of a motor vehicle while under the influence of intoxicating liquor or any drug, or operation of a vessel while under the influence of intoxicating liquor or any drug.

(13) If the present conviction is for manufacture of methamphetamine count three points for each adult prior manufacture of methamphetamine conviction and two points for each juvenile manufacture of methamphetamine offense. If the present conviction is for a drug offense and the offender has a criminal history that includes a sex offense or serious violent offense, count three points for each adult prior felony drug offense conviction and two points for each juvenile drug offense. All other adult and juvenile felonies are scored as in subsection (8) of this section if the current drug offense is violent, or as in subsection (7) of this section if the current drug offense is nonviolent.

(14) If the present conviction is for Escape from Community Custody, RCW 72.09.310, count only prior escape convictions in the offender score. Count adult prior escape convictions as one point and juvenile prior escape convictions as 1/2 point.

(15) If the present conviction is for Escape 1, RCW 9A.76.110, or Escape 2, RCW 9A.76.120, count adult prior convictions as one point and juvenile prior convictions as 1/2 point.

(16) If the present conviction is for Burglary 2 or residential burglary, count priors as in subsection (7) of this section; however, count two points for each adult and juvenile prior Burglary 1 conviction, two points for each adult prior Burglary 2 or residential burglary conviction, and one point for each juvenile prior Burglary 2 or residential burglary conviction.

(17) If the present conviction is for a sex offense, count priors as in subsections (7) through (11) and (13) through (16) of this section; however count three points for each adult and juvenile prior sex offense conviction.

(18) If the present conviction is for failure to register as a sex offender under RCW 9A.44.130 or 9A.44.132, count priors as in subsections (7) through (11) and (13) through (16) of this section; however count three points for each adult and juvenile prior sex offense conviction, excluding prior convictions for failure to register as a sex offender under RCW 9A.44.130 or 9A.44.132, which shall count as one point.

(19) If the present conviction is for an offense committed while the offender was under community custody, add one point. For purposes of this subsection, community custody includes community placement or postrelease supervision, as defined in chapter 9.94B RCW.

(20) If the present conviction is for Theft of a Motor Vehicle, Possession of a Stolen Vehicle, Taking a Motor Vehicle Without Permission 1, or Taking a Motor Vehicle Without Permission 2, count priors as in subsections (7) through (18) of this section; however count one point for prior convictions of Vehicle Prowling 2, and three points for each adult and juvenile prior Theft 1 (of a motor vehicle), Theft 2 (of a motor vehicle), Possession of Stolen Property 1 (of a motor vehicle), Possession of Stolen Property 2 (of a motor vehicle), Theft of a Motor Vehicle, Possession of a Stolen Vehicle, Taking a Motor Vehicle Without Permission 1, or Taking a Motor Vehicle Without Permission 2 conviction.

(21) If the present conviction is for a felony domestic violence offense where domestic violence as defined in RCW 9.94A.030 was ((~~plead [pleaded]~~)) pleaded and proven, count priors as in subsections (7) through (20) of this section; however, count points as follows:

(a) Count two points for each adult prior conviction where domestic violence as defined in RCW 9.94A.030 was ((~~plead [pleaded]~~)) pleaded and

proven after August 1, 2011, for any of the following offenses: A felony violation of a no-contact or protection order ((~~that is a felony offense, a violation of a protection order that is a felony offense~~)) RCW 26.50.110, ((~~a~~)) felony ((~~domestic violence~~)) Harassment ((~~offense~~)) (RCW 9A.46.020(2)(b)), ((~~a~~)) felony ((~~domestic violence~~)) Stalking ((~~offense, a domestic violence~~)) (RCW 9A.46.110(5)(b)), Burglary 1 ((~~offense~~)) (RCW 9A.52.020), ((~~a domestic violence~~)) Kidnapping 1 ((~~offense~~)) (RCW 9A.40.020), ((~~a domestic violence~~)) Kidnapping 2 ((~~offense~~)) (RCW 9A.40.030), ((~~a domestic violence~~)) Unlawful imprisonment ((~~offense~~)) (RCW 9A.40.040), ((~~a domestic violence~~)) Robbery 1 ((~~offense~~)) (RCW 9A.56.200), ((~~a domestic violence~~)) Robbery 2 ((~~offense~~)) (RCW 9A.56.210), ((~~a domestic violence~~)) Assault 1 ((~~offense~~)) (RCW 9A.36.011), ((~~a domestic violence~~)) Assault 2 ((~~offense~~)) (RCW 9A.36.021), ((~~a domestic violence~~)) Assault 3 ((~~offense~~)) (RCW 9A.36.031), ((~~a domestic violence~~)) Arson 1 ((~~offense~~)) (RCW 9A.48.020), or ((~~a domestic violence~~)) Arson 2 ((~~offense~~)) (RCW 9A.48.030);

(b) Count two points for each adult prior conviction where domestic violence as defined in RCW 9.94A.030 was pleaded and proven after the effective date of this section, for any of the following offenses: Assault of a child in the first degree, RCW 9A.36.120; Assault of a child in the second degree, RCW 9A.36.130; Assault of a child in the third degree, RCW 9A.36.140; Criminal Mistreatment in the first degree, RCW 9A.42.020; or Criminal Mistreatment in the second degree, RCW 9A.42.030;

(c) Count one point for each second and subsequent juvenile conviction where domestic violence as defined in RCW 9.94A.030 was ((~~plead [pleaded]~~)) pleaded and proven after August 1, 2011, for the offenses listed in (a) of this subsection; and

(((~~(c)~~))) (d) Count one point for each adult prior conviction for a repetitive domestic violence offense as defined in RCW 9.94A.030, where domestic violence as defined in RCW 9.94A.030, was ((~~plead [pleaded]~~)) pleaded and proven after August 1, 2011.

(22) The fact that a prior conviction was not included in an offender's offender score or criminal history at a previous sentencing shall have no bearing on whether it is included in the criminal history or offender score for the current offense. Prior convictions that were not counted in the offender score or included in criminal history under repealed or previous versions of the sentencing reform act shall be included in criminal history and shall count in the offender score if the current version of the sentencing reform act requires including or counting those convictions. Prior convictions that were not included in criminal history or in the offender score shall be included upon any resentencing to ensure imposition of an accurate sentence.

Sec. 4. RCW 43.43.754 and 2015 c 261 s 10 are each amended to read as follows:

(1) A biological sample must be collected for purposes of DNA identification analysis from:

(a) Every adult or juvenile individual convicted of a felony, or any of the following crimes (or equivalent juvenile offenses):

(i) Assault in the fourth degree where domestic violence as defined in RCW 9.94A.030 was pleaded and proven (RCW 9A.36.041, 9.94A.030);

(ii) Assault in the fourth degree with sexual motivation (RCW 9A.36.041, 9.94A.835);

(iii) Communication with a minor for immoral purposes (RCW 9.68A.090);

(iv) Custodial sexual misconduct in the second degree (RCW 9A.44.170);

(v) Failure to register (RCW 9A.44.130 for persons convicted on or before June 10, 2010, and RCW 9A.44.132 for persons convicted after June 10, 2010);

(vi) Harassment (RCW 9A.46.020);

(vii) Patronizing a prostitute (RCW 9A.88.110);

(viii) Sexual misconduct with a minor in the second degree (RCW 9A.44.096);

(ix) Stalking (RCW 9A.46.110);

(x) Violation of a sexual assault protection order granted under chapter 7.90 RCW; and

(b) Every adult or juvenile individual who is required to register under RCW 9A.44.130.

(2) If the Washington state patrol crime laboratory already has a DNA sample from an individual for a qualifying offense, a subsequent submission is not required to be submitted.

(3) Biological samples shall be collected in the following manner:

(a) For persons convicted of any offense listed in subsection (1)(a) of this section or adjudicated guilty of an equivalent juvenile offense who do not serve a term of confinement in a department of corrections facility, and do serve a term of confinement in a city or county jail facility, the city or county shall be responsible for obtaining the biological samples.

(b) The local police department or sheriff's office shall be responsible for obtaining the biological samples for:

(i) Persons convicted of any offense listed in subsection (1)(a) of this section or adjudicated guilty of an equivalent juvenile offense who do not serve a term of confinement in a department of corrections facility, and do not serve a term of confinement in a city or county jail facility; and

(ii) Persons who are required to register under RCW 9A.44.130.

(c) For persons convicted of any offense listed in subsection (1)(a) of this section or adjudicated guilty of an equivalent juvenile offense, who are serving or who are to serve a term of confinement in a department of corrections facility or a department of social and health services facility, the facility holding the person shall be responsible for obtaining the biological samples. For those persons incarcerated before June 12, 2008, who have not yet had a biological sample collected, priority shall be given to those persons who will be released the soonest.

(4) Any biological sample taken pursuant to RCW 43.43.752 through 43.43.758 may be retained by the forensic laboratory services bureau, and shall be used solely for the purpose of providing DNA or other tests for identification analysis and prosecution of a criminal offense or for the identification of human remains or missing persons. Nothing in this section prohibits the submission of results derived from the biological samples to the federal bureau of investigation combined DNA index system.

(5) The forensic laboratory services bureau of the Washington state patrol is responsible for testing performed on all biological samples that are collected under subsection (1) of this section, to the extent allowed by funding available

for this purpose. The director shall give priority to testing on samples collected from those adults or juveniles convicted of a felony or adjudicated guilty of an equivalent juvenile offense that is defined as a sex offense or a violent offense in RCW 9.94A.030. Known duplicate samples may be excluded from testing unless testing is deemed necessary or advisable by the director.

(6) This section applies to:

(a) All adults and juveniles to whom this section applied prior to June 12, 2008;

(b) All adults and juveniles to whom this section did not apply prior to June 12, 2008, who:

(i) Are convicted on or after June 12, 2008, of an offense listed in subsection (1)(a) of this section; or

(ii) Were convicted prior to June 12, 2008, of an offense listed in subsection (1)(a) of this section and are still incarcerated on or after June 12, 2008; and

(c) All adults and juveniles who are required to register under RCW 9A.44.130 on or after June 12, 2008, whether convicted before, on, or after June 12, 2008.

(7) This section creates no rights in a third person. No cause of action may be brought based upon the noncollection or nonanalysis or the delayed collection or analysis of a biological sample authorized to be taken under RCW 43.43.752 through 43.43.758.

(8) The detention, arrest, or conviction of a person based upon a database match or database information is not invalidated if it is determined that the sample was obtained or placed in the database by mistake, or if the conviction or juvenile adjudication that resulted in the collection of the biological sample was subsequently vacated or otherwise altered in any future proceeding including but not limited to posttrial or postfact-finding motions, appeals, or collateral attacks.

(9) A person commits the crime of refusal to provide DNA if the person has a duty to register under RCW 9A.44.130 and the person willfully refuses to comply with a legal request for a DNA sample as required under this section. The refusal to provide DNA is a gross misdemeanor.

Sec. 5. RCW 43.43.830 and 2012 c 44 s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 43.43.830 through 43.43.845.

(1) "Agency" means any person, firm, partnership, association, corporation, or facility which receives, provides services to, houses or otherwise cares for vulnerable adults, juveniles, or children, or which provides child day care, early learning, or early childhood education services.

(2) "Applicant" means:

(a) Any prospective employee who will or may have unsupervised access to children under sixteen years of age or developmentally disabled persons or vulnerable adults during the course of his or her employment or involvement with the business or organization;

(b) Any prospective volunteer who will have regularly scheduled unsupervised access to children under sixteen years of age, developmentally disabled persons, or vulnerable adults during the course of his or her employment or involvement with the business or organization under circumstances where such access will or may involve groups of (i) five or fewer

children under twelve years of age, (ii) three or fewer children between twelve and sixteen years of age, (iii) developmentally disabled persons, or (iv) vulnerable adults;

(c) Any prospective adoptive parent, as defined in RCW 26.33.020; or

(d) Any prospective custodian in a nonparental custody proceeding under chapter 26.10 RCW.

(3) "Business or organization" means a person, business, or organization licensed in this state, any agency of the state, or other governmental entity, that educates, trains, treats, supervises, houses, or provides recreation to developmentally disabled persons, vulnerable adults, or children under sixteen years of age, or that provides child day care, early learning, or early learning childhood education services, including but not limited to public housing authorities, school districts, and educational service districts.

(4) "Civil adjudication proceeding" is a judicial or administrative adjudicative proceeding that results in a finding of, or upholds an agency finding of, domestic violence, abuse, sexual abuse, neglect, abandonment, violation of a professional licensing standard regarding a child or vulnerable adult, or exploitation or financial exploitation of a child or vulnerable adult under any provision of law, including but not limited to chapter 13.34, 26.44, or 74.34 RCW, or rules adopted under chapters 18.51 and 74.42 RCW. "Civil adjudication proceeding" also includes judicial or administrative findings that become final due to the failure of the alleged perpetrator to timely exercise a legal right to administratively challenge such findings.

(5) "Client" or "resident" means a child, person with developmental disabilities, or vulnerable adult applying for housing assistance from a business or organization.

(6) "Conviction record" means "conviction record" information as defined in RCW 10.97.030 and 10.97.050 relating to a crime committed by either an adult or a juvenile. It does not include a conviction for an offense that has been the subject of an expungement, pardon, annulment, certificate of rehabilitation, or other equivalent procedure based on a finding of the rehabilitation of the person convicted, or a conviction that has been the subject of a pardon, annulment, or other equivalent procedure based on a finding of innocence. It does include convictions for offenses for which the defendant received a deferred or suspended sentence, unless the record has been expunged according to law.

(7) "Crime against children or other persons" means a conviction of any of the following offenses: Aggravated murder; first or second degree murder; first or second degree kidnapping; first, second, or third degree assault; fourth degree assault (if a violation of RCW 9A.36.041(3)); first, second, or third degree assault of a child; first, second, or third degree rape; first, second, or third degree rape of a child; first or second degree robbery; first degree arson; first degree burglary; first or second degree manslaughter; first or second degree extortion; indecent liberties; incest; vehicular homicide; first degree promoting prostitution; communication with a minor; unlawful imprisonment; simple assault; sexual exploitation of minors; first or second degree criminal mistreatment; endangerment with a controlled substance; child abuse or neglect as defined in RCW 26.44.020; first or second degree custodial interference; first or second degree custodial sexual misconduct; malicious harassment; first,

second, or third degree child molestation; first or second degree sexual misconduct with a minor; commercial sexual abuse of a minor; child abandonment; promoting pornography; selling or distributing erotic material to a minor; custodial assault; violation of child abuse restraining order; child buying or selling; prostitution; felony indecent exposure; criminal abandonment; or any of these crimes as they may be renamed in the future.

(8) "Crimes relating to drugs" means a conviction of a crime to manufacture, delivery, or possession with intent to manufacture or deliver a controlled substance.

(9) "Crimes relating to financial exploitation" means a conviction for first, second, or third degree extortion; first, second, or third degree theft; first or second degree robbery; forgery; or any of these crimes as they may be renamed in the future.

(10) "Financial exploitation" means "financial exploitation" as defined in RCW 74.34.020.

(11) "Health care facility" means a nursing home licensed under chapter 18.51 RCW, a ((~~boarding home~~)) assisted living facility licensed under chapter 18.20 RCW, or an adult family home licensed under chapter 70.128 RCW.

(12) "Peer counselor" means a nonprofessional person who has equal standing with another person, providing advice on a topic about which the nonprofessional person is more experienced or knowledgeable, and who is a counselor for a peer counseling program that contracts with or is otherwise approved by the department, another state or local agency, or the court.

(13) "Unsupervised" means not in the presence of:

(a) Another employee or volunteer from the same business or organization as the applicant; or

(b) Any relative or guardian of any of the children or developmentally disabled persons or vulnerable adults to which the applicant has access during the course of his or her employment or involvement with the business or organization.

With regard to peer counselors, "unsupervised" does not include incidental contact with children under age sixteen at the location at which the peer counseling is taking place. "Incidental contact" means minor or casual contact with a child in an area accessible to and within visual or auditory range of others. It could include passing a child while walking down a hallway but would not include being alone with a child for any period of time in a closed room or office.

(14) "Vulnerable adult" means "vulnerable adult" as defined in chapter 74.34 RCW, except that for the purposes of requesting and receiving background checks pursuant to RCW 43.43.832, it shall also include adults of any age who lack the functional, mental, or physical ability to care for themselves.

NEW SECTION. **Sec. 6.** A new section is added to chapter 7.36 RCW to read as follows:

Notwithstanding RCW 36.18.040, the sheriff may waive fees associated with service of a writ of habeas corpus that was issued for the return of a child when the person who was granted the writ is, by reason of poverty, unable to pay the cost of service.

NEW SECTION. **Sec. 7.** (1) The administrative office of the courts shall, through the Washington state gender and justice commission of the supreme court, convene a work group to address the issue of domestic violence perpetrator treatment and the role of certified perpetrator treatment programs in holding domestic violence perpetrators accountable.

(2) The work group must include a representative for each of the following organizations or interests: Superior court judges, district court judges, municipal court judges, court probation officers, prosecuting attorneys, defense attorneys, civil legal aid attorneys, domestic violence victim advocates, domestic violence perpetrator treatment providers, the department of social and health services, the department of corrections, the Washington state institute for public policy, and the University of Washington evidence based practice institute. At least two domestic violence perpetrator treatment providers must be represented as members of the work group.

(3) The work group shall: (a) Review laws, regulations, and court and agency practices pertaining to domestic violence perpetrator treatment used in civil and criminal contexts, including criminal domestic violence felony and misdemeanor offenses, family law, child welfare, and protection orders; (b) consider the development of a universal diagnostic evaluation tool to be used by treatment providers and the department of corrections to assess the treatment needs of domestic violence perpetrators; and (c) develop recommendations on changes to existing laws, regulations, and court and agency practices to improve victim safety, decrease recidivism, advance treatment outcomes, and increase the courts' confidence in domestic violence perpetrator treatment.

(4) The work group shall report its recommendations to the affected entities and the appropriate committees of the legislature no later than June 30, 2018.

(5) The work group must operate within existing funds.

(6) This section expires June 30, 2019.

NEW SECTION. **Sec. 8.** (1) The legislature finds that Washington state has a serious problem with domestic violence offender recidivism and lethality. The Washington state institute for public policy studied domestic violence offenders finding not just high rates of domestic violence recidivism but among the highest rates of general criminal and violent recidivism. The Washington state coalition against domestic violence has issued fatality reviews of domestic violence homicides in Washington under chapter 43.235 RCW for over fifteen years. These fatality reviews demonstrate the significant impact of domestic violence on our communities as well as the barriers and high rates of lethality faced by victims. The legislature further notes there have been several high profile domestic violence homicides with multiple prior domestic violence incidents not accounted for in the legal response. Many jurisdictions nationally have encountered the same challenges as Washington and now utilize risk assessment as a best practice to assist in the response to domestic violence.

The Washington domestic violence risk assessment work group is established to study how and when risk assessment can best be used to improve the response to domestic violence offenders and victims and find effective strategies to reduce domestic violence homicides, serious injuries, and recidivism that are a result of domestic violence incidents in Washington state.

(2)(a) The Washington state gender and justice commission, in collaboration with the Washington state coalition against domestic violence and the

Washington State University criminal justice program, shall coordinate the work group and provide staff support.

(b) The work group must include a representative from each of the following organizations:

(i) The Washington state gender and justice commission;

(ii) The department of corrections;

(iii) The department of social and health services;

(iv) The Washington association of sheriffs and police chiefs;

(v) The superior court judges' association;

(vi) The district and municipal court judges' association;

(vii) The Washington state association of counties;

(viii) The Washington association of prosecuting attorneys;

(ix) The Washington defender association;

(x) The Washington association of criminal defense lawyers;

(xi) The Washington state association of cities;

(xii) The Washington state coalition against domestic violence;

(xiii) The Washington state office of civil legal aid; and

(xiv) The family law section of the Washington state bar association.

(c) The work group must additionally include representation from:

(i) Treatment providers;

(ii) City law enforcement;

(iii) County law enforcement;

(iv) Court administrators; and

(v) Domestic violence victims or family members of a victim.

(3) At a minimum, the work group shall research, review, and make recommendations on the following:

(a) How to best develop and use risk assessment in domestic violence response utilizing available research and Washington state data;

(b) Providing effective strategies for incorporating risk assessment in domestic violence response to reduce deaths, serious injuries, and recidivism due to domestic violence;

(c) Promoting access to domestic violence risk assessment for advocates, police, prosecutors, corrections, and courts to improve domestic violence response;

(d) Whether or how risk assessment could be used as an alternative to mandatory arrest in domestic violence;

(e) Whether or how risk assessment could be used in bail determinations in domestic violence cases, and in civil protection order hearings;

(f) Whether or how offender risk, needs, and responsivity could be used in determining eligibility for diversion, sentencing alternatives, and treatment options;

(g) Whether or how victim risk, needs, and responsivity could be used in improving domestic violence response;

(h) Whether or how risk assessment can improve prosecution and encourage prosecutors to aggressively enforce domestic violence laws; and

(i) Encouraging private sector collaboration.

(4) The work group shall compile its findings and recommendations into a final report and provide its report to the appropriate committees of the legislature and governor by June 30, 2018.

(5) The work group must operate within existing funds.

(6) This section expires June 30, 2019.

Sec. 9. RCW 9.96.060 and 2014 c 176 s 1 and 2014 c 109 s 1 are each reenacted and amended to read as follows:

(1) Every person convicted of a misdemeanor or gross misdemeanor offense who has completed all of the terms of the sentence for the misdemeanor or gross misdemeanor offense may apply to the sentencing court for a vacation of the applicant's record of conviction for the offense. If the court finds the applicant meets the tests prescribed in subsection (2) of this section, the court may in its discretion vacate the record of conviction by: (a)(i) Permitting the applicant to withdraw the applicant's plea of guilty and to enter a plea of not guilty; or (ii) if the applicant has been convicted after a plea of not guilty, the court setting aside the verdict of guilty; and (b) the court dismissing the information, indictment, complaint, or citation against the applicant and vacating the judgment and sentence.

(2) An applicant may not have the record of conviction for a misdemeanor or gross misdemeanor offense vacated if any one of the following is present:

(a) There are any criminal charges against the applicant pending in any court of this state or another state, or in any federal court;

(b) The offense was a violent offense as defined in RCW 9.94A.030 or an attempt to commit a violent offense;

(c) The offense was a violation of RCW 46.61.502 (driving while under the influence), 46.61.504 (actual physical control while under the influence), 9.91.020 (operating a railroad, etc. while intoxicated), or the offense is considered a "prior offense" under RCW 46.61.5055 and the applicant has had a subsequent alcohol or drug violation within ten years of the date of arrest for the prior offense;

(d) The offense was any misdemeanor or gross misdemeanor violation, including attempt, of chapter 9.68 RCW (obscenity and pornography), chapter 9.68A RCW (sexual exploitation of children), or chapter 9A.44 RCW (sex offenses);

(e) The applicant was convicted of a misdemeanor or gross misdemeanor offense as defined in RCW 10.99.020, or the court determines after a review of the court file that the offense was committed by one family member or household member against another, or the court, after considering the damage to person or property that resulted in the conviction, any prior convictions for crimes defined in RCW 10.99.020, or for comparable offenses in another state or in federal court, and the totality of the records under review by the court regarding the conviction being considered for vacation, determines that the offense involved domestic violence, and any one of the following factors exist:

(i) The applicant has not provided written notification of the vacation petition to the prosecuting attorney's office that prosecuted the offense for which vacation is sought, or has not provided that notification to the court;

(ii) The applicant has previously had a conviction for domestic violence. For purposes of this subsection, however, if the current application is for more than one conviction that arose out of a single incident, none of those convictions counts as a previous conviction;

(iii) The applicant has signed an affidavit under penalty of perjury affirming that the applicant has not previously had a conviction for a domestic violence

offense, and a criminal history check reveals that the applicant has had such a conviction; or

(iv) Less than five years have elapsed since the person completed the terms of the original conditions of the sentence, including any financial obligations and successful completion of any treatment ordered as a condition of sentencing;

(f) For any offense other than those described in (e) of this subsection, less than three years have passed since the person completed the terms of the sentence, including any financial obligations;

(g) The offender has been convicted of a new crime in this state, another state, or federal court since the date of conviction;

(h) The applicant has ever had the record of another conviction vacated; or

(i) The applicant is currently restrained, or has been restrained within five years prior to the vacation application, by a domestic violence protection order, a no-contact order, an antiharassment order, or a civil restraining order which restrains one party from contacting the other party.

(3) Subject to RCW 9.96.070, every person convicted of prostitution under RCW 9A.88.030 who committed the offense as a result of being a victim of trafficking, RCW 9A.40.100, promoting prostitution in the first degree, RCW 9A.88.070, promoting commercial sexual abuse of a minor, RCW 9.68A.101, or trafficking in persons under the trafficking victims protection act of 2000, 22 U.S.C. Sec. 7101 et seq. may apply to the sentencing court for vacation of the applicant's record of conviction for the prostitution offense. An applicant may not have the record of conviction for prostitution vacated if any one of the following is present:

(a) There are any criminal charges against the applicant pending in any court of this state or another state, or in any federal court, for any crime other than prostitution; or

(b) The offender has been convicted of another crime, except prostitution, in this state, another state, or federal court since the date of conviction.

(4) Every person convicted prior to January 1, 1975, of violating any statute or rule regarding the regulation of fishing activities, including, but not limited to, RCW 75.08.260, 75.12.060, 75.12.070, 75.12.160, 77.16.020, 77.16.030, 77.16.040, 77.16.060, and 77.16.240 who claimed to be exercising a treaty Indian fishing right, may apply to the sentencing court for vacation of the applicant's record of the misdemeanor, gross misdemeanor, or felony conviction for the offense. If the person is deceased, a member of the person's family or an official representative of the tribe of which the person was a member may apply to the court on behalf of the deceased person. Notwithstanding the requirements of RCW 9.94A.640, the court shall vacate the record of conviction if:

(a) The applicant is a member of a tribe that may exercise treaty Indian fishing rights at the location where the offense occurred; and

(b) The state has been enjoined from taking enforcement action of the statute or rule to the extent that it interferes with a treaty Indian fishing right as determined under *United States v. Washington*, 384 F. Supp. 312 (W.D. Wash. 1974), or *Sohappy v. Smith*, 302 F. Supp. 899 (D. Oregon 1969), and any posttrial orders of those courts, or any other state supreme court or federal court decision.

(5)(a) Once the court vacates a record of conviction under this section, the person shall be released from all penalties and disabilities resulting from the

offense and the fact that the person has been convicted of the offense shall not be included in the person's criminal history for purposes of determining a sentence in any subsequent conviction. For all purposes, including responding to questions on employment or housing applications, a person whose conviction has been vacated under this section may state that he or she has never been convicted of that crime. Except as provided in (b) of this subsection, nothing in this section affects or prevents the use of an offender's prior conviction in a later criminal prosecution.

(b) When a court vacates a record of domestic violence as defined in RCW 10.99.020 under this section, the state may not use the vacated conviction in a later criminal prosecution unless the conviction was for: (i) Violating the provisions of a restraining order, no-contact order, or protection order restraining or enjoining the person or restraining the person from going on to the grounds of or entering a residence, workplace, school, or day care, or prohibiting the person from knowingly coming within, or knowingly remaining within, a specified distance of a location (RCW 10.99.040, 10.99.050, 26.09.300, 26.10.220, 26.26.138, 26.44.063, 26.44.150, 26.50.060, 26.50.070, 26.50.130, 26.52.070, or 74.34.145); or (ii) stalking (RCW 9A.46.110). A vacated conviction under this section is not considered a conviction of such an offense for the purposes of 27 C.F.R. 478.11.

(6) All costs incurred by the court and probation services shall be paid by the person making the motion to vacate the record unless a determination is made pursuant to chapter 10.101 RCW that the person making the motion is indigent, at the time the motion is brought.

(7) The clerk of the court in which the vacation order is entered shall immediately transmit the order vacating the conviction to the Washington state patrol identification section and to the local police agency, if any, which holds criminal history information for the person who is the subject of the conviction. The Washington state patrol and any such local police agency shall immediately update their records to reflect the vacation of the conviction, and shall transmit the order vacating the conviction to the federal bureau of investigation. A conviction that has been vacated under this section may not be disseminated or disclosed by the state patrol or local law enforcement agency to any person, except other criminal justice enforcement agencies.

Sec. 10. RCW 9.94A.515 and 2016 c 213 s 5, 2016 c 164 s 13, and 2016 c 6 s 1 are each reenacted and amended to read as follows:

TABLE 2

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

XVI	Aggravated Murder 1 (RCW 10.95.020)
XV	Homicide by abuse (RCW 9A.32.055)
	Malicious explosion 1 (RCW 70.74.280(1))
	Murder 1 (RCW 9A.32.030)
XIV	Murder 2 (RCW 9A.32.050)

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Trafficking 1 (RCW 9A.40.100(1))
XIII	Malicious explosion 2 (RCW 70.74.280(2))
	Malicious placement of an explosive 1 (RCW 70.74.270(1))
XII	Assault 1 (RCW 9A.36.011)
	Assault of a Child 1 (RCW 9A.36.120)
	Malicious placement of an imitation device 1 (RCW 70.74.272(1)(a))
	Promoting Commercial Sexual Abuse of a Minor (RCW 9.68A.101)
	Rape 1 (RCW 9A.44.040)
	Rape of a Child 1 (RCW 9A.44.073)
	Trafficking 2 (RCW 9A.40.100(3))
XI	Manslaughter 1 (RCW 9A.32.060)
	Rape 2 (RCW 9A.44.050)
	Rape of a Child 2 (RCW 9A.44.076)
	Vehicular Homicide, by being under the influence of intoxicating liquor or any drug (RCW 46.61.520)
	Vehicular Homicide, by the operation of any vehicle in a reckless manner (RCW 46.61.520)
X	Child Molestation 1 (RCW 9A.44.083)
	Criminal Mistreatment 1 (RCW 9A.42.020)
	Indecent Liberties (with forcible compulsion) (RCW 9A.44.100(1)(a))
	Kidnapping 1 (RCW 9A.40.020)
	Leading Organized Crime (RCW 9A.82.060(1)(a))
	Malicious explosion 3 (RCW 70.74.280(3))
	Sexually Violent Predator Escape (RCW 9A.76.115)
IX	Abandonment of Dependent Person 1 (RCW 9A.42.060)

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Assault of a Child 2 (RCW 9A.36.130)
	Explosive devices prohibited (RCW 70.74.180)
	Hit and Run—Death (RCW 46.52.020(4)(a))
	Homicide by Watercraft, by being under the influence of intoxicating liquor or any drug (RCW 79A.60.050)
	Inciting Criminal Profiteering (RCW 9A.82.060(1)(b))
	Malicious placement of an explosive 2 (RCW 70.74.270(2))
	Robbery 1 (RCW 9A.56.200)
	Sexual Exploitation (RCW 9.68A.040)
VIII	Arson 1 (RCW 9A.48.020)
	Commercial Sexual Abuse of a Minor (RCW 9.68A.100)
	Homicide by Watercraft, by the operation of any vessel in a reckless manner (RCW 79A.60.050)
	Manslaughter 2 (RCW 9A.32.070)
	Promoting Prostitution 1 (RCW 9A.88.070)
	Theft of Ammonia (RCW 69.55.010)
VII	Air bag diagnostic systems (causing bodily injury or death) (RCW 46.37.660(2)(b))
	Air bag replacement requirements (causing bodily injury or death) (RCW 46.37.660(1)(b))
	Burglary 1 (RCW 9A.52.020)
	Child Molestation 2 (RCW 9A.44.086)
	Civil Disorder Training (RCW 9A.48.120)
	Dealing in depictions of minor engaged in sexually explicit conduct 1 (RCW 9.68A.050(1))
	Drive-by Shooting (RCW 9A.36.045)

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Homicide by Watercraft, by disregard for the safety of others (RCW 79A.60.050)
	Indecent Liberties (without forcible compulsion) (RCW 9A.44.100(1) (b) and (c))
	Introducing Contraband 1 (RCW 9A.76.140)
	Malicious placement of an explosive 3 (RCW 70.74.270(3))
	Manufacture or import counterfeit, nonfunctional, damaged, or previously deployed air bag (causing bodily injury or death) (RCW 46.37.650(1)(b))
	Negligently Causing Death By Use of a Signal Preemption Device (RCW 46.37.675)
	Sale, install, ((~~[or]~~)) or reinstall counterfeit, nonfunctional, damaged, or previously deployed airbag (RCW 46.37.650(2)(b))
	Sending, bringing into state depictions of minor engaged in sexually explicit conduct 1 (RCW 9.68A.060(1))
	Unlawful Possession of a Firearm in the first degree (RCW 9.41.040(1))
	Use of a Machine Gun in Commission of a Felony (RCW 9.41.225)
	Vehicular Homicide, by disregard for the safety of others (RCW 46.61.520)
VI	Bail Jumping with Murder 1 (RCW 9A.76.170(3)(a))
	Bribery (RCW 9A.68.010)
	Incest 1 (RCW 9A.64.020(1))
	Intimidating a Judge (RCW 9A.72.160)
	Intimidating a Juror/Witness (RCW 9A.72.110, 9A.72.130)

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Malicious placement of an imitation device 2 (RCW 70.74.272(1)(b))
	Possession of Depictions of a Minor Engaged in Sexually Explicit Conduct 1 (RCW 9.68A.070(1))
	Rape of a Child 3 (RCW 9A.44.079)
	Theft of a Firearm (RCW 9A.56.300)
	Unlawful Storage of Ammonia (RCW 69.55.020)
V	Abandonment of Dependent Person 2 (RCW 9A.42.070)
	Advancing money or property for extortionate extension of credit (RCW 9A.82.030)
	Air bag diagnostic systems (RCW 46.37.660(2)(c))
	Air bag replacement requirements (RCW 46.37.660(1)(c))
	Bail Jumping with class A Felony (RCW 9A.76.170(3)(b))
	Child Molestation 3 (RCW 9A.44.089)
	Criminal Mistreatment 2 (RCW 9A.42.030)
	Custodial Sexual Misconduct 1 (RCW 9A.44.160)
	Dealing in Depictions of Minor Engaged in Sexually Explicit Conduct 2 (RCW 9.68A.050(2))
	Domestic Violence Court Order Violation (RCW 10.99.040, 10.99.050, 26.09.300, 26.10.220, 26.26.138, 26.50.110, 26.52.070, or 74.34.145)
	Driving While Under the Influence (RCW 46.61.502(6))
	Extortion 1 (RCW 9A.56.120)
	Extortionate Extension of Credit (RCW 9A.82.020)

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Extortionate Means to Collect Extensions of Credit (RCW 9A.82.040)
	Incest 2 (RCW 9A.64.020(2))
	Kidnapping 2 (RCW 9A.40.030)
	Manufacture or import counterfeit, nonfunctional, damaged, or previously deployed air bag (RCW 46.37.650(1)(c))
	Perjury 1 (RCW 9A.72.020)
	Persistent prison misbehavior (RCW 9.94.070)
	Physical Control of a Vehicle While Under the Influence (RCW 46.61.504(6))
	Possession of a Stolen Firearm (RCW 9A.56.310)
	Rape 3 (RCW 9A.44.060)
	Rendering Criminal Assistance 1 (RCW 9A.76.070)
	Sale, install, ((~~[or]~~)) or reinstall counterfeit, nonfunctional, damaged, or previously deployed airbag (RCW 46.37.650(2)(c))
	Sending, Bringing into State Depictions of Minor Engaged in Sexually Explicit Conduct 2 (RCW 9.68A.060(2))
	Sexual Misconduct with a Minor 1 (RCW 9A.44.093)
	Sexually Violating Human Remains (RCW 9A.44.105)
	Stalking (RCW 9A.46.110)
	Taking Motor Vehicle Without Permission 1 (RCW 9A.56.070)
IV	Arson 2 (RCW 9A.48.030)
	Assault 2 (RCW 9A.36.021)
	Assault 3 (of a Peace Officer with a Projectile Stun Gun) (RCW 9A.36.031(1)(h))

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

Assault 4 (third domestic violence offense) (RCW 9A.36.041(3))

Assault by Watercraft (RCW 79A.60.060)

Bribing a Witness/Bribe Received by Witness (RCW 9A.72.090, 9A.72.100)

Cheating 1 (RCW 9.46.1961)

Commercial Bribery (RCW 9A.68.060)

Counterfeiting (RCW 9.16.035(4))

Endangerment with a Controlled Substance (RCW 9A.42.100)

Escape 1 (RCW 9A.76.110)

Hit and Run—Injury (RCW 46.52.020(4)(b))

Hit and Run with Vessel—Injury Accident (RCW 79A.60.200(3))

Identity Theft 1 (RCW 9.35.020(2))

Indecent Exposure to Person Under Age Fourteen (subsequent sex offense) (RCW 9A.88.010)

Influencing Outcome of Sporting Event (RCW 9A.82.070)

Malicious Harassment (RCW 9A.36.080)

Possession of Depictions of a Minor Engaged in Sexually Explicit Conduct 2 (RCW 9.68A.070(2))

Residential Burglary (RCW 9A.52.025)

Robbery 2 (RCW 9A.56.210)

Theft of Livestock 1 (RCW 9A.56.080)

Threats to Bomb (RCW 9.61.160)

Trafficking in Stolen Property 1 (RCW 9A.82.050)

Unlawful factoring of a credit card or payment card transaction (RCW 9A.56.290(4)(b))

Unlawful transaction of health coverage as a health care service contractor (RCW 48.44.016(3))

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Unlawful transaction of health coverage as a health maintenance organization (RCW 48.46.033(3))
	Unlawful transaction of insurance business (RCW 48.15.023(3))
	Unlicensed practice as an insurance professional (RCW 48.17.063(2))
	Use of Proceeds of Criminal Profiteering (RCW 9A.82.080 (1) and (2))
	Vehicle Prowling 2 (third or subsequent offense) (RCW 9A.52.100(3))
	Vehicular Assault, by being under the influence of intoxicating liquor or any drug, or by the operation or driving of a vehicle in a reckless manner (RCW 46.61.522)
	Viewing of Depictions of a Minor Engaged in Sexually Explicit Conduct 1 (RCW 9.68A.075(1))
	Willful Failure to Return from Furlough (RCW 72.66.060)
III	Animal Cruelty 1 (Sexual Conduct or Contact) (RCW 16.52.205(3))
	Assault 3 (Except Assault 3 of a Peace Officer With a Projectile Stun Gun) (RCW 9A.36.031 except subsection (1)(h))
	Assault of a Child 3 (RCW 9A.36.140)
	Bail Jumping with class B or C Felony (RCW 9A.76.170(3)(c))
	Burglary 2 (RCW 9A.52.030)
	Communication with a Minor for Immoral Purposes (RCW 9.68A.090)
	Criminal Gang Intimidation (RCW 9A.46.120)
	Custodial Assault (RCW 9A.36.100)
	Cyberstalking (subsequent conviction or threat of death) (RCW 9.61.260(3))
	Escape 2 (RCW 9A.76.120)

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

Extortion 2 (RCW 9A.56.130)

Harassment (RCW 9A.46.020)

Intimidating a Public Servant (RCW 9A.76.180)

Introducing Contraband 2 (RCW 9A.76.150)

Malicious Injury to Railroad Property (RCW 81.60.070)

Mortgage Fraud (RCW 19.144.080)

Negligently Causing Substantial Bodily Harm By Use of a Signal Preemption Device (RCW 46.37.674)

Organized Retail Theft 1 (RCW 9A.56.350(2))

Perjury 2 (RCW 9A.72.030)

Possession of Incendiary Device (RCW 9.40.120)

Possession of Machine Gun or Short-Barreled Shotgun or Rifle (RCW 9.41.190)

Promoting Prostitution 2 (RCW 9A.88.080)

Retail Theft with Special Circumstances 1 (RCW 9A.56.360(2))

Securities Act violation (RCW 21.20.400)

Tampering with a Witness (RCW 9A.72.120)

Telephone Harassment (subsequent conviction or threat of death) (RCW 9.61.230(2))

Theft of Livestock 2 (RCW 9A.56.083)

Theft with the Intent to Resell 1 (RCW 9A.56.340(2))

Trafficking in Stolen Property 2 (RCW 9A.82.055)

Unlawful Hunting of Big Game 1 (RCW 77.15.410(3)(b))

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Unlawful Imprisonment (RCW 9A.40.040)
	Unlawful Misbranding of Food Fish or Shellfish 1 (RCW 69.04.938(3))
	Unlawful possession of firearm in the second degree (RCW 9.41.040(2))
	Unlawful Taking of Endangered Fish or Wildlife 1 (RCW 77.15.120(3)(b))
	Unlawful Trafficking in Fish, Shellfish, or Wildlife 1 (RCW 77.15.260(3)(b))
	Unlawful Use of a Nondesignated Vessel (RCW 77.15.530(4))
	Vehicular Assault, by the operation or driving of a vehicle with disregard for the safety of others (RCW 46.61.522)
	Willful Failure to Return from Work Release (RCW 72.65.070)
II	Commercial Fishing Without a License 1 (RCW 77.15.500(3)(b))
	Computer Trespass 1 (RCW 9A.90.040)
	Counterfeiting (RCW 9.16.035(3))
	Electronic Data Service Interference (RCW 9A.90.060)
	Electronic Data Tampering 1 (RCW 9A.90.080)
	Electronic Data Theft (RCW 9A.90.100)
	Engaging in Fish Dealing Activity Unlicensed 1 (RCW 77.15.620(3))
	Escape from Community Custody (RCW 72.09.310)
	Failure to Register as a Sex Offender (second or subsequent offense) (RCW 9A.44.130 prior to June 10, 2010, and RCW 9A.44.132)
	Health Care False Claims (RCW 48.80.030)
	Identity Theft 2 (RCW 9.35.020(3))

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

Improperly Obtaining Financial Information (RCW 9.35.010)

Malicious Mischief 1 (RCW 9A.48.070)

Organized Retail Theft 2 (RCW 9A.56.350(3))

Possession of Stolen Property 1 (RCW 9A.56.150)

Possession of a Stolen Vehicle (RCW 9A.56.068)

Retail Theft with Special Circumstances 2 (RCW 9A.56.360(3))

Scrap Processing, Recycling, or Supplying Without a License (second or subsequent offense) (RCW 19.290.100)

Theft 1 (RCW 9A.56.030)

Theft of a Motor Vehicle (RCW 9A.56.065)

Theft of Rental, Leased, Lease-purchased, or Loaned Property (valued at five thousand dollars or more) (RCW 9A.56.096(5)(a))

Theft with the Intent to Resell 2 (RCW 9A.56.340(3))

Trafficking in Insurance Claims (RCW 48.30A.015)

Unlawful factoring of a credit card or payment card transaction (RCW 9A.56.290(4)(a))

Unlawful Participation of Non-Indians in Indian Fishery (RCW 77.15.570(2))

Unlawful Practice of Law (RCW 2.48.180)

Unlawful Purchase or Use of a License (RCW 77.15.650(3)(b))

Unlawful Trafficking in Fish, Shellfish, or Wildlife 2 (RCW 77.15.260(3)(a))

Unlicensed Practice of a Profession or Business (RCW 18.130.190(7))

	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Voyeurism (RCW 9A.44.115)
I	Attempting to Elude a Pursuing Police Vehicle (RCW 46.61.024)
	False Verification for Welfare (RCW 74.08.055)
	Forgery (RCW 9A.60.020)
	Fraudulent Creation or Revocation of a Mental Health Advance Directive (RCW 9A.60.060)
	Malicious Mischief 2 (RCW 9A.48.080)
	Mineral Trespass (RCW 78.44.330)
	Possession of Stolen Property 2 (RCW 9A.56.160)
	Reckless Burning 1 (RCW 9A.48.040)
	Spotlighting Big Game 1 (RCW 77.15.450(3)(b))
	Suspension of Department Privileges 1 (RCW 77.15.670(3)(b))
	Taking Motor Vehicle Without Permission 2 (RCW 9A.56.075)
	Theft 2 (RCW 9A.56.040)
	Theft of Rental, Leased, Lease-purchased, or Loaned Property (valued at seven hundred fifty dollars or more but less than five thousand dollars) (RCW 9A.56.096(5)(b))
	Transaction of insurance business beyond the scope of licensure (RCW 48.17.063)
	Unlawful Fish and Shellfish Catch Accounting (RCW 77.15.630(3)(b))
	Unlawful Issuance of Checks or Drafts (RCW 9A.56.060)
	Unlawful Possession of Fictitious Identification (RCW 9A.56.320)
	Unlawful Possession of Instruments of Financial Fraud (RCW 9A.56.320)

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

Unlawful Possession of Payment Instruments (RCW 9A.56.320)

Unlawful Possession of a Personal Identification Device (RCW 9A.56.320)

Unlawful Production of Payment Instruments (RCW 9A.56.320)

Unlawful Releasing, Planting, Possessing, or Placing Deleterious Exotic Wildlife (RCW 77.15.250(2)(b))

Unlawful Trafficking in Food Stamps (RCW 9.91.142)

Unlawful Use of Food Stamps (RCW 9.91.144)

Unlawful Use of Net to Take Fish 1 (RCW 77.15.580(3)(b))

Unlawful Use of Prohibited Aquatic Animal Species (RCW 77.15.253(3))

Vehicle Prowl 1 (RCW 9A.52.095)

Violating Commercial Fishing Area or Time 1 (RCW 77.15.550(3)(b))

Passed by the House April 17, 2017.
Passed by the Senate April 11, 2017.
Approved by the Governor May 10, 2017.
Filed in Office of Secretary of State May 10, 2017.

CHAPTER 273

[Engrossed Second Substitute House Bill 1358]

FIRE DEPARTMENTS--COMMUNITY ASSISTANCE REFERRAL AND EDUCATION SERVICES PROGRAMS--REIMBURSEMENT

AN ACT Relating to reimbursement for services provided pursuant to community assistance referral and education services programs; amending RCW 35.21.930; adding a new section to chapter 74.09 RCW; adding a new section to chapter 43.70 RCW; and creating new sections.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 74.09 RCW to read as follows:

The authority shall adopt standards for the reimbursement of health care services provided to eligible clients by fire departments pursuant to a community assistance referral and education services program under RCW 35.21.930. The standards must allow payment for covered health care services provided to

individuals whose medical needs do not require ambulance transport to an emergency department.

Sec. 2. RCW 35.21.930 and 2015 c 93 s 1 are each amended to read as follows:

(1) Any fire department may develop a community assistance referral and education services program to provide community outreach and assistance to residents of its jurisdiction in order to improve population health and advance injury and illness prevention within its community. The program should identify members of the community who use the 911 system or emergency department for low acuity assistance calls (calls that are nonemergency or nonurgent) and connect them to their primary care providers, other health care professionals, low-cost medication programs, and other social services. The program may partner with hospitals to reduce readmissions. The program may also provide nonemergency contact information in order to provide an alternative resource to the 911 system. The program may hire or contract with health care professionals as needed to provide these services, including emergency medical technicians certified under chapter 18.73 RCW and advanced emergency medical technicians and paramedics certified under chapter 18.71 RCW. The services provided by emergency medical technicians, advanced emergency medical technicians, and paramedics must be under the responsible supervision and direction of an approved medical program director. Nothing in this section authorizes an emergency medical technician, advanced emergency medical technician, or paramedic to perform medical procedures they are not trained and certified to perform.

(2) ((~~A participating fire department may seek grant opportunities and private gifts~~)) In order to support its community assistance referral and education services program, a participating fire department may seek grant opportunities and private gifts, and, by resolution or ordinance, establish and collect reasonable charges for these services.

(3) In developing a community assistance referral and education services program, a fire department may consult with the health workforce council to identify health care professionals capable of working in a nontraditional setting and providing assistance, referral, and education services.

(4) Community assistance referral and education services programs implemented under this section must, at least annually, measure any reduction of repeated use of the 911 emergency system and any reduction in avoidable emergency room trips attributable to implementation of the program. Results of findings under this subsection must be reportable to the legislature or other local governments upon request. Findings should include estimated amounts of medicaid dollars that would have been spent on emergency room visits had the program not been in existence.

(5) For purposes of this section, "fire department" includes city and town fire departments, fire protection districts organized under Title 52 RCW, regional fire protection service authorities organized under chapter 52.26 RCW, providers of emergency medical services ((~~that~~)) eligible to levy a tax under RCW 84.52.069, and federally recognized Indian tribes.

NEW SECTION. **Sec. 3.** A new section is added to chapter 43.70 RCW to read as follows:

The department of health must review the professional certification and training of health professionals participating in a community assistance referral and education program, review the certification and training requirements in other states with similar programs, and coordinate with the health care authority to link the certification requirements with the covered health care services recommended for payment in section 1 of this act. The department shall submit recommendations to the appropriate committees of the legislature for any changes and suggestions for implementation within six months of the development of the payment standards.

NEW SECTION. **Sec. 4.** (1) The joint legislative audit and review committee shall conduct a cost-effectiveness review, in consultation with the health care authority, of the standards for reimbursement established in section 1 of this act. The review must evaluate the amount paid on behalf of eligible clients under chapter 74.09 RCW by the health care authority to fire departments for health care services that did not require an ambulance transport and the amount that would have been paid had the services been provided in a different care setting.

(2) The cost-effectiveness review must consider the savings realized by medical assistance programs under chapter 74.09 RCW as a result of fire departments providing health care services and make any recommendations for improving the cost-effectiveness of the standards for reimbursement and reducing the potential for excessive billing or billing for unnecessary services. If the review finds that the standards of reimbursement have not resulted in savings to the state's medical assistance programs, the joint legislative audit and review committee shall recommend the repeal of section 1 of this act.

(3) The joint legislative audit and review committee shall submit the cost-effectiveness review, including its findings and recommendations, to the fiscal committees and health policy committees of the legislature by December 1, 2021.

NEW SECTION. **Sec. 5.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void.

Passed by the House April 17, 2017.
Passed by the Senate April 12, 2017.
Approved by the Governor May 10, 2017.
Filed in Office of Secretary of State May 10, 2017.

CHAPTER 274

[House Bill 1616]

AFFORDABLE HOUSING LAND ACQUISITION REVOLVING LOAN FUND PROGRAM--ELIGIBLE PROPERTY

AN ACT Relating to affordable housing loan programs; and amending RCW 43.185A.110.

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

Sec. 1. RCW 43.185A.110 and 2008 c 112 s 1 are each amended to read as follows:

(1) The affordable housing land acquisition revolving loan fund program is created in the department to assist eligible organizations, described under RCW 43.185A.040, to purchase land for affordable housing development. The department shall contract with the Washington state housing finance commission to administer the affordable housing land acquisition revolving loan fund program. Within this program, the Washington state housing finance commission shall establish and administer the Washington state housing finance commission land acquisition revolving loan fund.

(2) As used in this chapter, "market rate" means the current average market interest rate that is determined at the time any individual loan is closed upon using a widely recognized current market interest rate measurement to be selected for use by the Washington state housing finance commission with the department's approval. This interest rate must be noted in an attachment to the closing documents for each loan.

(3) Under the affordable housing land acquisition revolving loan fund program:

(a) Loans may be made to purchase vacant or improved land on which to develop affordable housing. In addition to affordable housing, facilities intended to provide supportive services to affordable housing residents and low-income households in the nearby community may be developed on the land.

(b) Eligible organizations applying for a loan must include in the loan application a proposed affordable housing development plan indicating the number of affordable housing units planned, a description of any other facilities being considered for the property, and an estimated timeline for completion of the development. The Washington state housing finance commission may require additional information from loan applicants and may consider the efficient use of land, project readiness, organizational capacity, and other factors as criteria in awarding loans.

(c) Forty percent of the loans shall go to eligible applicants operating homeownership programs for low-income households in which the households participate in the construction of their homes. Sixty percent of loans shall go to other eligible organizations. If the entire forty percent for applicants operating self-help homeownership programs cannot be lent to these types of applicants, the remainder shall be lent to other eligible organizations.

(d) Within five years of receiving a loan, a loan recipient must present the Washington state housing finance commission with an updated development plan, including a proposed development design, committed and anticipated additional financial resources to be dedicated to the development, and an estimated development schedule, which indicates completion of the development within eight years of loan receipt. This updated development plan must be substantially consistent with the development plan submitted as part of the original loan application as required in (b) of this subsection.

(e) Within eight years of receiving a loan, a loan recipient must develop affordable housing on the property for which the loan was made and place the affordable housing into service.

(f) A loan recipient must preserve the affordable rental housing developed on the property acquired under this section as affordable housing for a minimum of thirty years.

(4) If a loan recipient does not place affordable housing into service on a property for which a loan has been received under this section within the eight-year period specified in subsection (3)(e) of this section, or if a loan recipient fails to use the property for the intended affordable housing purpose consistent with the loan recipient's original affordable housing development plan, then the loan recipient must pay to the Washington state housing finance commission an amount consisting of the principal of the original loan plus compounded interest calculated at the current market rate. The Washington state housing finance commission shall develop guidelines for the time period in which this repayment must take place, which must be noted in the original loan agreement. The Washington state housing finance commission may grant a partial or total exemption from this repayment requirement if it determines that a development is substantially complete or that the property has been substantially used in keeping with the original affordable housing purpose of the loan. Any repayment funds received as a result of noncompliance with loan requirements shall be deposited into the Washington state housing finance commission land acquisition revolving loan fund for the purposes of the affordable housing land acquisition revolving loan fund program.

(5) The Washington state housing finance commission, with approval from the department, may adopt guidelines and requirements that are necessary to administer the affordable housing land acquisition revolving loan fund program.

(6) Interest rates on property loans granted under this section may not exceed one percent. All loan repayment moneys received shall be deposited into the Washington state housing finance commission affordable housing land acquisition revolving loan fund for the purposes of the affordable housing land acquisition revolving loan fund program.

(7) The Washington state housing finance commission must develop performance measures for the program, which must be approved by the department, including, at a minimum, measures related to:

(a) The ability of eligible organizations to access land for affordable housing development;

(b) The total number of dwelling units by housing type and the total number of low-income households and persons served; and

(c) The financial efficiency of the program as demonstrated by factors, including the cost per unit developed for affordable housing units in different areas of the state and a measure of the effective use of funds to produce the greatest number of units for low-income households.

(8) By December 1st of each year, beginning in 2007, the Washington state housing finance commission shall report to the department and the appropriate committees of the legislature using, at a minimum, the performance measures developed under subsection (7) of this section.

Passed by the House February 28, 2017.

Passed by the Senate March 31, 2017.

Approved by the Governor May 10, 2017.

Filed in Office of Secretary of State May 10, 2017.

AUTHENTICATION

I, K. Kyle Thiessen, Code Reviser of the State of Washington, certify that, with the exception of such corrections as I have made in accordance with the powers vested in me by RCW 44.20.060, the laws published in this volume are a true and correct reproduction of the copies of the enrolled laws of the 2017 session (65th Legislature), chapters 1 through 274, as certified and transmitted to the Statute Law Committee by the Secretary of State under RCW 44.20.020.

IN TESTIMONY WHEREOF, I have hereunto set my hand at Olympia, Washington, this 15th day of August, 2017.

K. KYLE THIESSEN
Code Reviser