
SIXTY FIRST DAY

House Chamber, Olympia, Friday, March 15, 2013

The House was called to order at 9:55 a.m. by the Speaker (Representative Moeller presiding).

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

There being no objection, the House advanced to the fourth order of business.

INTRODUCTIONS AND FIRST READING

HB 2002 by Representatives Condotta and Reykdal

AN ACT Relating to snowmobile license fees; amending RCW 46.17.350 and 46.17.350; providing an effective date; and providing an expiration date.

Referred to Committee on Transportation.

SB 5015 by Senator Benton

AN ACT Relating to aggravated first degree murder; amending RCW 10.95.020; and prescribing penalties.

Referred to Committee on Judiciary.

SSB 5031 by Senate Committee on Law & Justice (originally sponsored by Senator Padden)

AN ACT Relating to actions for damage to real property resulting from construction, alteration, or repair on adjacent property; adding a new section to chapter 4.16 RCW; and creating a new section.

Referred to Committee on Judiciary.

SB 5059 by Senators Carrell, Hewitt, Pearson, Roach, Delvin, Benton, Hargrove, Harper and Shin

AN ACT Relating to rendering criminal assistance; and amending RCW 9A.76.050 and 9.94A.535.

Referred to Committee on Public Safety.

SSB 5123 by Senate Committee on Ways & Means (originally sponsored by Senators Ranker, Hatfield, Hobbs, Parlette and Conway)

AN ACT Relating to a farm internship program; reenacting and amending RCW 49.46.010; adding a new section to chapter 49.12 RCW; adding a new section to chapter 51.16 RCW; adding a new section to chapter 50.04 RCW; and providing an expiration date.

Referred to Committee on Labor & Workforce Development.

E2SSB 5193 by Senate Committee on Ways & Means (originally sponsored by Senators Smith, Roach, Honeyford and Delvin)

AN ACT Relating to gray wolf conflict management; amending RCW 77.36.100, 77.36.130, 46.17.220, and 46.68.425; reenacting and amending RCW 77.36.010; adding new sections to chapter 77.36 RCW; creating a new section; and providing an effective date.

Referred to Committee on Agriculture & Natural Resources.

SSB 5195 by Senate Committee on Ways & Means (originally sponsored by Senators Rolfes, Hill, Tom, Bailey and Fain)

AN ACT Relating to allowing nonprofit institutions recognized by the state of Washington to be eligible to participate in the state need grant program; amending RCW 28B.92.030, 28B.105.020, 28B.133.010, and 28B.133.050; creating a new section; and providing an effective date.

Referred to Committee on Higher Education.

SSB 5202 by Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Chase, Kohl-Welles, Conway, Shin, Nelson, Darneille, Frockt, McAuliffe, Keiser, Kline, Harper and Rolfes)

AN ACT Relating to local animal care and control functions; amending RCW 18.92.260; adding a new chapter to Title 16 RCW; prescribing penalties; and providing an effective date.

Referred to Committee on Agriculture & Natural Resources.

SSB 5211 by Senate Committee on Commerce & Labor (originally sponsored by Senators Hobbs, Eide, Kline, Ranker, Hatfield, Harper, Billig, Hasegawa, Kohl-Welles, Shin, Keiser, Frockt, Rolfes, Hill, Conway and Nelson)

AN ACT Relating to social networking accounts and profiles; adding new sections to chapter 49.44 RCW; and prescribing penalties.

Referred to Committee on Labor & Workforce Development.

ESB 5236 by Senators Kline and Padden

AN ACT Relating to the uniform correction or clarification of defamation act; and adding a new chapter to Title 7 RCW.

Referred to Committee on Judiciary.

SSB 5239 by Senate Committee on Transportation (originally sponsored by Senators Eide, Benton, King, Hobbs, Mullet and Shin)

AN ACT Relating to project selection by the freight mobility strategic investment board; and amending RCW 47.06A.020, 47.06A.050, 46.68.300, and 46.68.310.

Referred to Committee on Transportation.

E2SSB 5267 by Senate Committee on Ways & Means (originally sponsored by Senators Becker, Keiser, Conway, Ericksen, Bailey, Dammeier, Frockt and Schlicher)

AN ACT Relating to developing standardized prior authorization for medical and pharmacy management; creating a new section; and providing an expiration date.

Referred to Committee on Health Care & Wellness.

ESSB 5290 by Senate Committee on Energy, Environment & Telecommunications (originally sponsored by Senators Delvin, Ericksen, Sheldon, Roach, Becker, Bailey, Rivers, Honeyford, Braun, Carrell, Schoesler, Parlette and Hewitt)

AN ACT Relating to designating certain hydroelectric generation from a generation facility located in irrigation pipes, irrigation canals, water pipes whose primary purpose is for conveyance of water for domestic use, and wastewater pipes as an eligible renewable resource under chapter 19.285 RCW; and reenacting and amending RCW 19.285.030.

Referred to Committee on Environment.

ESSB 5338 by Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Hobbs, Mullet, Fain and Benton)

AN ACT Relating to debt adjusters; and creating a new section.

Referred to Committee on Business & Financial Services.

SSB 5381 by Senate Committee on Governmental Operations (originally sponsored by Senators Benton and Padden)

AN ACT Relating to cellular device use by state employees; amending RCW 43.41A.025, 43.41A.100, and 43.88.160; and adding a new section to chapter 43.41A RCW.

Referred to Committee on Government Operations & Elections.

SSB 5396 by Senate Committee on Commerce & Labor (originally sponsored by Senators Hewitt, Holmquist Newbry, Conway, Kohl-Welles, Hatfield, Hobbs, Schoesler, Delvin and Kline)

AN ACT Relating to limited on-premise spirits sampling; and adding a new section to chapter 66.24 RCW.

Referred to Committee on Government Accountability & Oversight.

E2SSB 5405 by Senate Committee on Ways & Means (originally sponsored by Senators Murray, Tom, Kohl-Welles, Darneille, Hobbs, Harper and Frockt)

AN ACT Relating to extended foster care services; amending RCW 13.34.145, 13.34.267, 74.13.020, and 74.13.031; reenacting and amending RCW 13.34.030, 74.13.020, and 74.13.031; creating new sections; providing an effective date; and providing an expiration date.

Referred to Committee on Early Learning & Human Services.

SB 5417 by Senators Mullet, Fain, Hasegawa and Roach

AN ACT Relating to the annexation of unincorporated territory within a code city; and amending RCW 35A.14.295.

Referred to Committee on Local Government.

SSB 5456 by Senate Committee on Human Services & Corrections (originally sponsored by Senators Schlicher, Becker, Keiser, Bailey, Frockt, Cleveland, Hargrove, Darneille and McAuliffe)

AN ACT Relating to detentions under the involuntary treatment act; amending RCW 71.05.040; and adding new sections to chapter 71.05 RCW.

Referred to Committee on Judiciary.

ESSB 5458 by Senate Committee on Energy, Environment & Telecommunications (originally sponsored by Senators Billig, Ranker, Kohl-Welles and Kline)

AN ACT Relating to the labeling of certain asbestos-containing building materials; amending RCW 70.94.431; adding a new chapter to Title 70 RCW; and prescribing penalties.

Referred to Committee on Environment.

ESB 5484 by Senators Kline, Frockt, Ranker, Rolfes, Padden, Fain and Kohl-Welles

AN ACT Relating to assault in the third degree occurring in areas used in connection with court proceedings; amending RCW 9.94A.535; reenacting and amending RCW 9A.36.031; and prescribing penalties.

Referred to Committee on Public Safety.

SSB 5517 by Senate Committee on Commerce & Labor (originally sponsored by Senators Hobbs, Hewitt, Hatfield, Honeyford and Shin)

AN ACT Relating to the beer and wine tasting endorsement for grocery stores; and amending RCW 66.24.363.

Referred to Committee on Government Accountability & Oversight.

ESSB 5551 by Senate Committee on Ways & Means (originally sponsored by Senators Conway, Carrell and Shin)

AN ACT Relating to competency to stand trial evaluations; adding a new section to chapter 10.77 RCW; creating a new section; and providing an expiration date.

Referred to Committee on Judiciary.

ESSB 5595 by Senate Committee on Ways & Means (originally sponsored by Senators Billig, Litzow, Darneille, Fain, Hargrove, McAuliffe, Harper, Nelson, Hobbs, Mullet, Frockt, Cleveland, Rolfes, Kohl-Welles, Shin, Kline and Conway)

AN ACT Relating to child care reform; reenacting and amending RCW 43.215.010; adding new sections to chapter 43.215 RCW; creating new sections; and providing an expiration date.

Referred to Committee on Early Learning & Human Services.

ESB 5603 by Senators Hatfield, Kohl-Welles, Shin and Ranker

AN ACT Relating to establishing the Washington coastal marine advisory council and the Washington marine resources advisory council; amending RCW 43.372.070; adding new sections to chapter 43.143 RCW; creating a new section; and providing an expiration date.

Referred to Committee on Environment.

SB 5658 by Senators Ericksen, McAuliffe and Hobbs

AN ACT Relating to mercury-containing lights; amending RCW 70.275.060, 70.275.070, 70.275.090, 70.275.100, 70.275.110, and 70.275.140; reenacting and amending RCW 70.275.020; adding a new section to chapter 70.275 RCW; and repealing RCW 70.275.030, 70.275.040, 70.275.050, 70.275.120, and 70.275.130.

Referred to Committee on Environment.

ESB 5666 by Senator Dammeier

AN ACT Relating to clarifying the law regarding disclosing health care quality improvement, quality assurance, peer review, and credentialing information; amending RCW 7.71.030, 70.41.230, 70.230.080, and 70.230.140; and reenacting and amending RCW 70.41.200.

Referred to Committee on Judiciary.

ESSB 5735 by Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Carrell and Darneille)

AN ACT Relating to registered sex or kidnapping offenders; amending RCW 4.24.550, 9A.44.128, 9A.44.130, 9A.44.132, 9A.44.140, 9A.44.142, 9A.44.143, 43.43.754, 9.94A.030, 28A.300.147, and 72.09.345; reenacting and amending RCW 9.94A.515; adding new sections to chapter 28A.320 RCW; prescribing penalties; and providing an effective date.

Referred to Committee on Public Safety.

SB 5797 by Senators Hobbs and Padden

AN ACT Relating to specialty courts; adding a new section to chapter 2.28 RCW; creating a new section; and providing an effective date.

Referred to Committee on Judiciary.

E2SSB 5802 by Senate Committee on Ways & Means (originally sponsored by Senators Ranker, Litzow, Frockt, Cleveland, Billig, Kohl-Welles, Murray and McAuliffe)

AN ACT Relating to developing recommendations to achieve the state's greenhouse gas emissions targets; creating new sections; and declaring an emergency.

Referred to Committee on Environment.

SB 5806 by Senators Smith, Rolfes, Pearson and Hargrove

AN ACT Relating to repealing an obsolete provision for a credit against property taxes paid on timber on public land; creating a new section; and repealing RCW 84.33.077.

Referred to Committee on Finance.

ESSB 5811 by Senate Committee on Ways & Means (originally sponsored by Senators Tom, Fain, Hill, Rivers, Baumgartner and Shin)

AN ACT Relating to employee wellness programs; amending RCW 47.64.270 and 41.05.540; reenacting and amending RCW 41.80.020; and adding a new section to chapter 41.05 RCW.

Referred to Committee on Labor & Workforce Development.

SB 5824 by Senators Honeyford, Hatfield, Schoesler and Shin

AN ACT Relating to the financing of irrigation district improvements; amending RCW 84.34.310, 87.03.480, 87.03.485, 87.03.490, 87.03.495, 87.03.510, 87.03.515, 87.03.527, 87.06.020, 87.28.103, and 87.28.200; and adding a new section to chapter 87.03 RCW.

Referred to Committee on Local Government.

SSB 5834 by Senate Committee on Governmental Operations (originally sponsored by Senators Roach, Holmquist Newbry, Conway and McAuliffe)

AN ACT Relating to veteran-owned businesses; amending RCW 43.60A.190, 43.60A.195, and 43.60A.200; and reenacting and amending RCW 43.60A.010.

Referred to Committee on Community Development, Housing & Tribal Affairs.

ESSB 5849 by Senate Committee on Transportation (originally sponsored by Senators Tom, Frockt, Keiser, Hatfield and Kline)

AN ACT Relating to electric vehicle charging stations; adding a new section to chapter 46.08 RCW; and prescribing penalties.

Referred to Committee on Transportation.

There being no objection, the bills listed on the day's introduction sheet under the fourth order of business were referred to the committees so designated.

REPORTS OF STANDING COMMITTEES

March 14, 2013
SSB 5008 Prime Sponsor, Committee on Financial Institutions, Housing & Insurance: Addressing portable electronics insurance. Reported by Committee on Business & Financial Services

MAJORITY recommendation: Do pass. Signed by Representatives Kirby, Chair; Ryu, Vice Chair; Parker, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Blake; Chandler; Habib; Hawkins; Hudgins; Hurst; Kochmar; MacEwen; Santos and Stanford.

Passed to Committee on Rules for second reading.

March 14, 2013
ESSB 5082 Prime Sponsor, Committee on Financial Institutions, Housing & Insurance: Concerning exchange facilitator requirements. Reported by Committee on Business & Financial Services

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 19.310.010 and 2009 c 70 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) A person or entity "affiliated" with a specific person or entity, means a person or entity who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person or entity specified.

(2) "Client" means the taxpayer with whom the exchange facilitator enters into an agreement as described in subsection ~~((3))~~ (4)(a)(i) of this section.

(3) "Covered dishonest act" means a crime involving fraud, embezzlement, misappropriation of funds, robbery, or other theft of property.

(4)(a) "Exchange facilitator" means a person who:

(i)(A) Facilitates, for a fee, an exchange of like-kind property by entering into an agreement with a taxpayer by which the exchange facilitator acquires from the taxpayer the contractual rights to sell the taxpayer's relinquished property located in this state and transfer a replacement property to the taxpayer as a qualified intermediary, as defined under treasury regulation section 1.1031(k)-1(g)(4); (B) enters into an agreement with a taxpayer to take title to a property in this state as an exchange accommodation titleholder, as defined in internal revenue service revenue procedure 2000-37; or (C) enters into an agreement with a taxpayer to act as a qualified trustee or qualified escrow holder, as both terms are defined under treasury regulation section 1.1031(k)-1(g)(3); or

(ii) Maintains an office in this state for the purpose of soliciting business as an exchange facilitator.

(b) "Exchange facilitator" does not include:

(i) A taxpayer or a disqualified person, as defined under treasury regulation section 1.1031(k)-1(k), seeking to qualify for the nonrecognition provisions of section 1031 of the internal revenue code of 1986, as amended;

(ii) A financial institution that is (A) acting as a depository for exchange funds and is not facilitating an exchange or (B) acting

solely as a qualified escrow holder or qualified trustee, as both terms are defined under treasury regulation section 1.1031(k)-1(g)(3), and is not facilitating an exchange;

(iii) A title insurance company, underwritten title company, or escrow company that is acting solely as a qualified escrow holder or qualified trustee, as both terms are defined under treasury regulation section 1.1031(k)-1(g)(3), and is not facilitating an exchange;

(iv) A person that advertises for and teaches seminars or classes, or otherwise makes a presentation, to attorneys, accountants, real estate professionals, tax professionals, or other professionals, when the primary purpose is to teach the professionals about tax-deferred exchanges or to train them to act as exchange facilitators;

(v) A qualified intermediary, as defined under treasury regulation section 1.1031(k)-1(g)(4), who holds exchange funds from the disposition of relinquished property located outside of this state; or

(vi) An affiliated entity that is used by the exchange facilitator to facilitate exchanges or to take title to property in this state as an exchange accommodation titleholder.

(c) For the purposes of this subsection, "fee" means compensation of any nature, direct or indirect, monetary or in kind, that is received by a person or related person, as defined in section 267(b) or 707(b) of the internal revenue code, for any services relating to or incidental to the exchange of like-kind property.

~~((4))~~ (5) "Financial institution" means a state chartered or federally chartered bank, credit union, savings and loan association, savings bank, or trust company ~~((chartered under the laws of this state or the United States))~~ whose accounts are insured by the full faith and credit of the United States, the federal deposit insurance corporation, the national credit union share insurance fund, or other similar or successor programs.

~~((5))~~ (6) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, or any other form of a legal entity, and includes the agents and employees of that person.

~~((6))~~ (7) "Prudent investor standard" means the standard for investment as described under RCW 11.100.020.

Sec. 2. RCW 19.310.040 and 2012 c 34 s 2 are each amended to read as follows:

(1) A person who engages in business as an exchange facilitator must:

(a)(i) Maintain a fidelity bond or bonds in an amount of not less than one million dollars executed by an insurer authorized to do business in this state for the benefit of a client of the exchange facilitator that suffers a direct financial loss as a result of the exchange facilitator's covered dishonest act. Such fidelity bond must cover the acts of employees of an exchange facilitator and owners of a nonpublicly traded exchange facilitator; or

(ii) Deposit all exchange funds in a qualified escrow account or qualified trust, as both terms are defined under treasury regulation section 1.1031(k)-1(g)(3), with a financial institution. ~~((The qualified escrow account or qualified trust must provide that))~~ If an exchange facilitator deposits exchange funds in a qualified escrow account or qualified trust:

(A) A withdrawal ((from that escrow account or trust)) of exchange funds requires the exchange facilitator and the client to independently authenticate a record, as defined under RCW 62A.9A-102, of the transaction; and

~~((B))~~ (B) The client of the exchange facilitator must receive independently from the depository financial institution, by any commercially reasonable means, a current statement for verification of the deposited exchange funds; and

(b) Disclose on the company web site and contractual agreement the following statement in large, bold, or otherwise conspicuous typeface calculated to draw the eye: "Washington state law, RCW 19.310.040, requires an exchange facilitator to either maintain a fidelity bond in an amount of not less than one million dollars that

protects clients against losses caused by criminal acts of the exchange facilitator, or to hold all client funds in a qualified escrow account or qualified trust that requires your consent for withdrawals. All exchange funds must be deposited in a separately identified account using your taxpayer identification number. You must receive written notification of how your exchange funds have been deposited. Your exchange facilitator is required to provide you with written directions of how to independently verify the deposit of the exchange funds. Exchange facilitation services are not regulated by any agency of the state of Washington or of the United States government. It is your responsibility to determine that your exchange funds will be held in a safe manner." If recommending other products or services, the exchange facilitator must disclose to the client that the exchange facilitator may receive a financial benefit, such as a commission or referral fee, as a result of such recommendation. The exchange facilitator must not recommend or suggest to a client the use of services of another organization or business entity in which the exchange facilitator has a direct or indirect interest without full disclosure of such interest at the time of recommendation or suggestion.

(2) An exchange facilitator must provide evidence to each client that the requirements of this section are satisfied before entering into an exchange agreement.

(3) Upon request of a current or prospective client, or the attorney general under chapter 19.86 RCW, the exchange facilitator must offer evidence proving that the requirements of this section are satisfied at the time of the request.

Sec. 3. RCW 19.310.050 and 2009 c 70 s 6 are each amended to read as follows:

(1) A person who claims to have sustained damages by reason of the fraudulent act or covered dishonest act((s)) of an exchange facilitator or an exchange facilitator's employee may file a claim on the fidelity bond ~~((or approved alternative described in RCW 19.310.040 to recover the damages)).~~

(2) The remedies provided under this section are cumulative and nonexclusive and do not affect any other remedy available at law.

Sec. 4. RCW 19.310.080 and 2009 c 70 s 9 are each amended to read as follows:

(1) A person who engages in business as an exchange facilitator shall act as a custodian for all exchange funds, including money, property, other consideration, or instruments received by the exchange facilitator from, or on behalf of, the client, except funds received as the exchange facilitator's compensation. The exchange facilitator shall hold the exchange funds in a manner that provides liquidity and preserves both principal and any earned interest, and if invested, shall invest those exchange funds in investments that meet a prudent investor standard and satisfy investment goals of liquidity and preservation of principal and any earned interest. For purposes of this section, a violation of the prudent investor standard includes, but is not limited to, a transaction in which:

(a) Exchange funds are knowingly commingled by the exchange facilitator with the operating accounts of the exchange facilitator, except that the exchange facilitator's fee may be deposited as part of the exchange transaction into the same account as that containing exchange funds, in which event the exchange facilitator must promptly withdraw the fee;

(b) Exchange funds are loaned or otherwise transferred to any person or entity, other than a financial institution, that is affiliated with or related to the exchange facilitator, except that this subsection (1)(b) does not apply to the transfer of funds from an exchange facilitator to an exchange accommodation titleholder in accordance with an exchange contract;

(c) Exchange funds are invested in a manner that does not provide sufficient liquidity to meet the exchange facilitator's contractual obligations to its clients, unless insufficient liquidity occurs as the result of: (i) Events beyond the prediction or control of the exchange

facilitator including, but not limited to, failure of a financial institution; or (ii) an investment specifically requested by the client; or

(d) Exchange funds are invested in a manner that does not preserve the principal of the exchange funds, unless loss of principal occurs as the result of: (i) Events beyond the prediction or control of the exchange facilitator; or (ii) an investment specifically requested by the client.

(2) Exchange funds are not subject to execution or attachment on any claim against the exchange facilitator.

Sec. 5. RCW 19.310.100 and 2009 c 70 s 11 are each amended to read as follows:

A person who engages in business as an exchange facilitator shall not, with respect to a like-kind exchange transaction(~~(-knowingly or with criminal negligence))~~:

(1) Make a false, deceptive, or misleading material representation, directly or indirectly, concerning a like-kind transaction;

(2) Make a false, deceptive, or misleading material representation, directly or indirectly, in advertising or by any other means, concerning a like-kind transaction;

(3) Engage in any unfair or deceptive practice toward any person;

(4) Obtain property by fraud or misrepresentation;

(5) Fail to account for any moneys or property belonging to others that may be in the possession or under the control of the exchange facilitator;

(6) Comingle funds held for a client in any account that holds the exchange facilitator's own funds, except as provided in RCW 19.310.080(1)(a);

(7) Loan or otherwise transfer exchange funds to any person or entity, other than a financial institution, that is affiliated with or related to the exchange facilitator, except for the transfer of funds from an exchange facilitator to an exchange accommodation title holder in accordance with an exchange contract;

(8) Keep, or cause to be kept, any money in any bank, credit union, or other financial institution under a name designating the money as belonging to the client of any exchange facilitator, unless that money belongs to that client and was entrusted to the exchange facilitator by that client;

(9) Fail to fulfill its contractual duties to the client to deliver property or funds to the taxpayer in a material way unless such a failure is due to ~~((circumstances beyond the control of the exchange facilitator))~~: (a) Events beyond the prediction or control of the exchange facilitator; or (b) an investment specifically requested by the client;

(10) Commit, including commission by its owners, officers, directors, employees, agents, or independent contractors, any crime involving fraud, misrepresentation, deceit, embezzlement, misappropriation of funds, robbery, or other theft of property;

(11) Fail to make disclosures required by any applicable state law; or

(12) Make any false statement or omission of material fact in connection with any reports filed by an exchange facilitator or in connection with any investigation conducted by the department of financial institutions.

Sec. 6. RCW 19.310.110 and 2009 c 70 s 12 are each amended to read as follows:

(1) An exchange facilitator must deposit all client funds in(~~(a) For accounts with a value of five hundred thousand dollars or more;~~) a separately identified account, as defined in treasury regulation section 1.468B-6(c)(ii), for the particular client or client's matter, and the client must receive all the earnings credited to the separately identified account(~~(b) For accounts with a value less than five hundred thousand dollars, (i) a pooled interest bearing trust account if the client agrees to pooling in writing; or (ii) if the client does not agree to pooling, in a~~

~~separately identified account, as defined in treasury regulation section 1.468B-6(c)(ii)).~~

(2) An exchange facilitator must provide the client with written notification of how the exchange proceeds have been invested or deposited.

Sec. 7. RCW 19.310.120 and 2012 c 34 s 4 are each amended to read as follows:

(1) Failure to fulfill the requirements under RCW 19.310.040 constitutes prima facie evidence that the exchange facilitator intended to defraud a client who suffered a subsequent loss of the asset entrusted to the exchange facilitator.

(2) A person who engages in business as an exchange facilitator and who knowingly violates RCW 19.310.100 (1) through ~~((§))~~ (9) or fails to comply with the requirements under RCW 19.310.040 is guilty of a class B felony under chapter 9A.20 RCW. However, an exchange facilitator is not guilty of a class B felony for failure to comply with the requirements under RCW 19.310.040 if: (a) Failure to comply is due to the cancellation or amendment of the fidelity bond by the bond issuer; and (b) the exchange facilitator:

(i) Within thirty days, takes all reasonable steps to comply with the requirements under RCW 19.310.040; and

(ii) Deposits any new exchange funds into a qualified escrow account or qualified trust until a fidelity bond is obtained that meets the requirements under RCW 19.310.040(1)(a)(i)."

Correct the title.

Signed by Representatives Kirby, Chair; Ryu, Vice Chair; Parker, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Blake; Chandler; Habib; Hawkins; Hudgins; Hurst; Kochmar; MacEwen; Santos and Stanford.

Passed to Committee on Rules for second reading.

There being no objection, the bills listed on the day's committee reports under the fifth order of business were referred to the committees so designated.

RESOLUTIONS

HOUSE RESOLUTION NO. 2013-4628, by Representative Sullivan

WHEREAS, British Columbia and Washington State share a border, many natural resources, and geological and geographic similarities; and

WHEREAS, British Columbia and Washington State often work together to achieve mutual goals; and

WHEREAS, The Washington State Constitution expresses the paramount importance of education, which will help prepare young people to lead us into the future; and

WHEREAS, British Columbia recognizes the importance and value of quality civic education; and

WHEREAS, Washington State and British Columbia are sponsors of internationally renowned legislative internship programs; and

WHEREAS, Washington State undergraduate interns work during their winter quarter or spring semester with staff and members of the Washington State House of Representatives or Senate in Olympia; and

WHEREAS, In addition to their legislative work, interns participate in weekly academic seminars and workshops to learn about the process of a representative democracy with a bicameral legislature; and

WHEREAS, The British Columbia parliamentary internship program offers an opportunity to university graduates to supplement their academic training by observing the daily operations of

Washington State's Legislature and British Columbia's Parliament firsthand; and

WHEREAS, Interns acquire skills and knowledge they can apply in their chosen careers and future life experiences that will further contribute to a greater public understanding and appreciation of parliamentary government; and

WHEREAS, British Columbia and Washington State Legislative interns have participated in an exchange program to explore and learn about each other's government processes on ten prior occasions; and

WHEREAS, We welcome the British Columbia Parliamentary interns to the Washington State Legislature and commend their numerous academic achievements;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives honor the hardworking and dedicated British Columbian Parliamentary intern program facilitators: Karen Aitken and Jennifer Ives, as well as the British Columbian Parliamentary interns: Katie Dittrich, Maya Fernandez, Emma Fraser, Thomas Lattimer, Jared Marley, Kate Russell, Stephen Satterfield, Vanesa Tomasino Rodriguez, Rebecca Whitmore, and Braeden Wiens; and

BE IT FURTHER RESOLVED, That the House of Representatives of the State of Washington hereby honor, thank, and celebrate the British Columbian Parliamentary internship participants here today.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4628.

HOUSE RESOLUTION NO. 4628 was adopted.

HOUSE RESOLUTION NO. 2013-4630, by Representative Chopp

WHEREAS, The Washington State Park system, one of the oldest, largest, and most beautiful in the country, turns 100 years old on March 19, 2013; and

WHEREAS, Washington was the fourth state in the country to inaugurate a statewide parks commission - a tribute to the core Washington values of natural beauty, exploration, and adventure - values that are still cherished today; and

WHEREAS, The Washington State Park system, one of the most ecologically diverse in the nation, offers a variety of recreational activities such as hiking, biking, camping, boating, and winter recreation; and

WHEREAS, Washington State Parks also acquire, operate, enhance, and protect a diverse range of natural, cultural, and historical resources - including iconic geologic sites, 35 heritage areas, interpretive centers, and 700 historic structures - that chronicle our state's history; and

WHEREAS, Washington's 117 state parks are in every corner of the state, within an hour's drive for almost all citizens; and

WHEREAS, The public benefits of state parks include health, education, environmental stewardship, and quality of life for all citizens; and

WHEREAS, The treasures cared for, operated, and preserved by Washington State Parks must be protected for future generations of Washingtonians; and

WHEREAS, Washington State Parks receive approximately 40 million visits a year, generating \$30 million in direct annual state tax receipts and contributing significant revenue for the local communities; and

WHEREAS, The Washington State Park system now prepares to celebrate its 100th birthday with dozens of activities and events planned in parks across the state;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives hereby wish Washington State Parks a Happy 100th Birthday and urge all citizens to celebrate this momentous occasion by getting outdoors and enjoying our Washington State Parks in 2013.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4630.

HOUSE RESOLUTION NO. 4630 was adopted.

HOUSE RESOLUTION NO. 2013-4631, by Representatives Hayes, Kristiansen, Scott, Smith, Lytton, and Morris

WHEREAS, Every April the tulips are in bloom, celebrating the beginning of spring; and

WHEREAS, The beautiful Skagit Valley is the Northwest's tulip capital and the number one producer of tulip bulbs in North America; and

WHEREAS, The Skagit Valley Tulip Festival kicks off the festival season in Washington; and

WHEREAS, Nearly half a million people visited the Skagit Valley Tulip Festival last year, participating in the joy and excitement of the event and contributing to the economy of the Skagit Valley; and

WHEREAS, This year's 30th annual festival will run from April 1st through 30th, focusing on the communities of Sedro-Woolley, Burlington, Anacortes, La Conner, Mount Vernon, Concrete, and Conway; and

WHEREAS, Visitors will be greeted by more than 700 acres of tulips reflecting all the vibrant colors of the rainbow, by the fullness of life in the valley, and by its wonderful people; and

WHEREAS, This year's Tulip Festival Ambassadors, Jennifer Ramirez and Carlos Roques, will ably and personably perform their responsibilities as representatives of the festival; and

WHEREAS, Highlights of the event include the Mount Vernon Street Fair, PACCAR Open House, Air Show and Fly-in, Skagit County wineries, RoozenGaarde, Tulip Town, art shows, bike rides, foot races, and much more;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives salute all the communities of the Skagit Valley, their Chambers of Commerce, the Skagit Valley Tulip Festival Ambassadors, and the Tulip Festival Committee; and

BE IT FURTHER RESOLVED, That the House of Representatives commend the community leaders and corporate sponsors for the success of this important event and encourage citizens from across Washington to take the time to enjoy this spectacular display; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the Skagit Valley Tulip Festival Executive Director, Cindy Verge, and the Tulip Festival Ambassadors.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4631.

HOUSE RESOLUTION NO. 4631 was adopted.

HOUSE RESOLUTION NO. 2013-4633, by Representatives Fagan, Schmick, Haler, Vick, Kochmar, Angel, Hargrove, Harris, Springer, Pollet, Moscoso, Maxwell, Wylie, Kirby, Tharinger, Santos, Blake, Takko, Hunter, Ryu, Riccelli, Ormsby, Orcutt, O'Ban, Holy, Haigh, Stonier, Ross, Smith, Scott, Klippert, Johnson, Dahlquist, Bergquist, Liias, MacEwen, and Warnick

WHEREAS, It is the policy of the Washington State Legislature to recognize excellence in all fields of endeavor; and

WHEREAS, The Colton Wildcats Girls Basketball team displayed extraordinary excellence in winning the 2013 Class 1B state championship; and

WHEREAS, The Colton Wildcats Girls Basketball Head Coach Clark Vining led his team to win five consecutive state basketball championships, setting a new state record for any classification; and

WHEREAS, The Colton Wildcats Girls Basketball team's record was 125-4 in those five years; and

WHEREAS, The Colton Wildcats Girls Basketball team was the State Academic Champion in 2012 and 2013, with a GPA of 3.94 this season; and

WHEREAS, The Colton Wildcats Girls Basketball team has qualified for the state tournament for the last seven years straight and brought home seven trophies, including six straight Southeast League Championships and six straight District 9 Championships with a winning streak of 44 games, a league record of 63-1, and an eight-year record of 187-23; and

WHEREAS, The Colton Wildcats Girls Basketball team was elected the Lewis Clark State College Warrior Athletic Team of the Year in 2010 and 2011 and the Spokane Regional Sports commission Junior Female Team of Year; and

WHEREAS, The Wildcat girls are known for their tenacious defense, ability to run the floor, and mental toughness; and

WHEREAS, The Wildcat girls are also known for their hard work, humbleness, dedication, and focus;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives recognize and honor the Colton Wildcats Girls Basketball team members: Savannah Chadwick, Kaden Dahmen, Kaitlin Druffel, Hannah Kramer, Payton Meyer, Jenna Moser, Zoe Moser, Winnie Schultheis, Raylynn Smith, Paige Vincent, and Jackie Warner, and Head Coach Clark Vining, Assistant Coach Ben Emerson, Athletic Director Jim Moehrle, and Managers Meghan Devorak, Kendyl Druffel, Georgia Meyer, Jordyn Moehrle, Dakota Patchen, and Rylee Vining for their outstanding accomplishment; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the Colton Wildcats Girls Basketball Head Coach Clark Vining, the members of the Colton Wildcats Girls Basketball team, and the Colton High School Superintendent and Principal Nate Smith.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4633.

HOUSE RESOLUTION NO. 4633 was adopted.

HOUSE RESOLUTION NO. 2013-4635, by Representatives Zeiger, Morrell, Dahlquist, Hurst, Kochmar, Jinkins, Fey, Freeman, and Wilcox

WHEREAS, The annual Daffodil Festival is a cherished tradition for the people of Pierce County and the Northwest; and

WHEREAS, 2013 marks the eightieth annual Daffodil Festival; and

WHEREAS, The mission of the Daffodil Festival is to focus national and regional attention on our local area as a place to live and visit, to give citizens of Pierce County a civic endeavor where the "Magic of Music" comes alive, to foster civic pride, to give young people and organizations of the local area an opportunity to display their talents and abilities, to give vent to citizens' enthusiasm in

parades, pageantry, and events, and to stimulate the business economy through expenditures by and for the Festival and by visitors attracted during Festival Week; and

WHEREAS, The Festival began in 1926 as a modest garden party in Sumner and grew steadily each year until 1934, when flowers, which previously had been largely discarded in favor of daffodil bulbs, were used to decorate cars and bicycles for a short parade through Tacoma; and

WHEREAS, The Festival's 2013 events are ongoing with the 52nd Annual Junior Parade on April 20, 2013, the 80th Annual Grand Floral Street Parade on April 13, 2013--winding its way from downtown Tacoma through the communities of Puyallup, Sumner, and Orting and consisting of approximately 150 entries, including bands, marching and mounted units, and floats that are decorated with fresh-cut Daffodils numbering in the thousands--and will culminate with the Marine parade on April 21, 2013; and

WHEREAS, This year's Festival royalty includes Queen McKenna Erhardt, Rogers High School; and Princesses Kayla Prewitt, Curtis High School; Grace Collins, Fife High School; Annie Litzenberger, Eatonville High School; Amy Bernstein, Graham Kapowsin High School; Kayla Williams, Orting High School; Kabrina Kidd, Cascade Christian High School; Mikayla Flores, Chief Leschi High School; Cierra McMahon, Emerald Ridge High School; Bri Pedicone, Puyallup High School; Shelondra Harris, Henry Foss High School; Tara Harris, Lincoln High School; Carly Knox, Stadium High School; Zoe Mix, Wilson High School; Noelle Kaku, Bethel High School; Suga Iopu, Clover Park High School; Helena Laubach, Lakes High School; Marissa Gregg, Sumner High School; Angelica Maria, Mt. Tahoma High School; Anna Kessner, Spanaway Lake High School; Lexie Reyes, Washington High School; Taylor Friend,

Bonney Lake High School; Bobbi McGinnis, Franklin Pierce High School; and Jessica Gamble, White River High School;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives recognize and honor the many contributions made to our state by the Daffodil Festival and its organizers for the past eighty years; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the 2013 Daffodil Festival Officers and to the members of the Festival Royalty.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4635.

HOUSE RESOLUTION NO. 4635 was adopted.

There being no objection, the House advanced to the eleventh order of business.

There being no objection, the House adjourned until 9:55 a.m., March 18, 2013, the 64th Day of the Regular Session.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk

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