The House was called to order at 8:00 a.m. by the Speaker (Representative Ormsby presiding).

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

REPORTS OF STANDING COMMITTEES

June 23, 2015

ESHB 1106  Prime Sponsor, Committee on Appropriations: Making 2015 fiscal year and 2015-2017 fiscal biennium operating appropriations. Reported by Committee on Appropriations

MAJORITY recommendation: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle; Cody; Dunsee; Hansen; Hudgins; Hunt, S.; Jinkins; Kagi; Lytton; Pettigrew; Sawyer; Senn; Springer; Sullivan; Tharinger and Walkinshaw.

MINORITY recommendation: Do not pass. Signed by Representatives Buys; Condotta; Dent; Haler; Harris; Hunt, G.; MacEwen; Magendanz; Schmick; Stokesby; Taylor and Van Werven.

MINORITY recommendation: Without recommendation. Signed by Representative Wilcox, Assistant Ranking Minority Member.

Referred to Committee on .

June 23, 2015

HB 1274  Prime Sponsor, Representative Cody: Implementing a value-based system for nursing home rates. Reported by Committee on Appropriations

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Buys; Condotta; Carlyle; Cody; Dunsee; Hansen; Hudgins; Hunt, S.; Jinkins; Kagi; Lytton; MacEwen; Magendanz; Pettigrew; Sawyer; Senn; Springer; Stokesby; Sullivan; Tharinger and Walkinshaw.

MINORITY recommendation: Without recommendation. Signed by Representative Wilcox, Assistant Ranking Minority Member.

Referred to Committee on .

June 23, 2015

HB 2239  Prime Sponsor, Representative Hunter: Concerning implementation of a plan for fulfilling Article IX obligations. Reported by Committee on Appropriations

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle; Cody; Dunsee; Hansen; Hudgins; Hunt, S.; Jinkins; Kagi; Lytton; Pettigrew; Sawyer; Senn; Springer; Sullivan; Tharinger and Walkinshaw.

MINORITY recommendation: Do not pass. Signed by Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Buys; Condotta; Dent; Haler; Harris; Hunt, G.; MacEwen; Magendanz; Schmick; Stokesby; Taylor and Van Werven.

MINORITY recommendation: Without recommendation. Signed by Representative Wilcox, Assistant Ranking Minority Member.

Referred to Committee on .

June 23, 2015

HB 2266  Prime Sponsor, Representative Sullivan: Deferring implementation of class size reduction and school employee staffing formula changes. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Carlyle; Cody; Dunsee; Hansen; Harris; Hudgins; Hunt, S.; Jinkins; Kagi; Lytton; Pettigrew; Sawyer; Schmick; Senn; Springer; Sullivan; Tharinger and Walkinshaw.

MINORITY recommendation: Do not pass. Signed by Representatives Buys; Condotta; Dent; Haler; Hunt, G.; MacEwen; Stokesby; Taylor and Van Werven.


Referred to Committee on .

June 23, 2015

HB 2267  Prime Sponsor, Representative Hunter: Suspending the state expenditure limit in order to implement the state's Article IX obligation to amply fund basic education. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Carlyle; Cody; Dunsee; Hansen; Harris;
HB 2268  Prime Sponsor, Representative Hunter: Directing the treasurer to transfer budget stabilization account deposits that are attributable to extraordinary revenue growth in the 2013-2015 and 2017-2019 fiscal biennia. Reported by Committee on Appropriations

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle; Cody; Dunsee; Hansen; Hudgins; Hunt, S.; Jinkins; Kagi; Lytton; Pettigrew; Sawyer; Senn; Springer; Sullivan; Tharinger and Walkinshaw.

MINORITY recommendation: Do not pass. Signed by Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle; Cody; Dunsee; Hansen; Hudgins; Hunt, G.; MacEwen; Magendanz; Schmick; Stokesbary; Taylor and Van Werven.

MINORITY recommendation: Without recommendation. Signed by Representatives Parker, Assistant Ranking Minority Member and Buys.

Referred to Committee on .

June 23, 2015

HB 2269  Prime Sponsor, Representative Hunter: Relating to investing in education and essential public services by modifying and improving the fairness of Washington’s tax system. Reported by Committee on Appropriations

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle; Cody; Dunsee; Hansen; Hudgins; Hunt, S.; Jinkins; Kagi; Lytton; Pettigrew; Sawyer; Senn; Springer; Sullivan; Tharinger and Walkinshaw.

MINORITY recommendation: Do not pass. Signed by Representatives Buys; Condotta; Dent; Haler; Harris; Hunt, G.; MacEwen; Magendanz; Schmick; Stokesbary; Taylor and Van Werven.

MINORITY recommendation: Without recommendation. Signed by Representative Wilcox, Assistant Ranking Minority Member.

Referred to Committee on .

There being no objection, the bills listed on the day’s committee reports under the fifth order of business were referred to the second reading calendar.

The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Greg Dickey and Dave Johnson. The Speaker (Representative Ormsby) led the Chamber in the Pledge of Allegiance. The prayer was offered by Representative Norma Smith, 10th District, Washington.

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

The Speaker (Representative Ormsby presiding) called upon Representative Orwall to preside.

The House advanced to the seventh order of business.

THIRD READING

There being no objection, the rules were suspended, and ENGROSSED HOUSE BILL NO. 2151 was returned to second reading for the purpose of amendment.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

ENGROSSED HOUSE BILL NO. 2151, by Representatives Jinkins, Schmick and Bergquist

Extending the hospital safety net assessment.

The bill was read the second time.

With the consent of the house, amendment (513) was withdrawn.

Representative Jinkins moved the adoption of amendment (517):
On page 2, line 5, after "approximately" strike "four hundred" and insert "((four hundred))"

On page 2, line 6, after "eight thousand")" strike "eighty-nine million" and insert "nine hundred and seventy-five million"

On page 2, line 7, strike "year" and insert "((year)) biennium"

On page 2, line 14, after "sources" insert ", but which include quality improvement incentive payments under RCW 74.09.611"

On page 2, line 16, after "two hundred" strike "eighty-three" and insert "ninety-two"

On page 2, line 23, strike "and" and insert "(and)"

On page 2, after line 32, insert "and (f) For each of the two biennia starting with fiscal year 2016 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.

For each of the two biennia starting with fiscal year 2016 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) 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.

On page 5, line 9, after "((forty-four))" strike "forty-five" and insert "fifty"

On page 5, line 21, after "((sixty-seven))" strike "sixty-eight" and insert "seventy"

On page 5, line 25, after "((sixty-seven))" strike "sixty-eight" and insert "seventy"

On page 10, line six, after "by July 1," strike "Four million four hundred" and insert "Ten million five hundred"

On page 10, line 8, after "2019" insert "as follows, except if the full amount of the payments required under RCW 74.60.120 and RCW 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.

On page 14, line 17, after "less than" strike "one hundred" and insert "ninety-six ((one hundred))"

Representatives Jinkins and Schmick spoke in favor of the adoption of the amendment.

Amendment (517) was adopted.

The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Jinkins and Schmick spoke in favor of the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Second Engrossed House Bill No. 2151.

MOTION

On motion of Representative Harris, Representative Hargrove was excused.

ROLL CALL

The Clerk called the roll on the final passage of Second Engrossed House Bill No. 2151, and the bill passed the House by the following vote: Yeas, 86; Nays, 11; Absent, 0; Excused, 1.


Excused: Representative Hargrove.

SECOND ENGROSSED HOUSE BILL NO. 2151, having received the necessary constitutional majority, was declared passed.

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

THIRD READING

ENGROSSED HOUSE BILL NO. 2212, by Representatives Cody, Schmick and Fagan.

Exempting hospitals licensed under chapter 70.41 RCW that receive capital funds to operate new psychiatric services from certain certificate of need requirements.

The bill was read the third time.

Representatives Cody and Schmick spoke in favor of the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 2212.

ROLL CALL
The Clerk called the roll on the final passage of Engrossed House Bill No. 2212, and the bill passed the House by the following vote: Yeas, 97; Nays, 0; Absent, 0; Excused, 1.


Excused: Representative Hargrove.

ENGROSSED HOUSE BILL NO. 2212, having received the necessary constitutional majority, was declared passed.

HOUSE BILL NO. 2217, by Representatives Hunter, Sullivan and Carlyle.

Concerning the state’s use of the juvenile offender basic training camp program.

The bill was read the third time.

Representatives Hunter and Klippert spoke in favor of the passage of the bill.

Representative Dent spoke against the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of House Bill No. 2217.

ROLL CALL

The Clerk called the roll on the final passage of House Bill No. 2217, and the bill passed the House by the following vote: Yeas, 77; Nays, 20; Absent, 0; Excused, 1.


Excused: Representative Hargrove.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Cody and Schmick spoke in favor of the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1274.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1274, and the bill passed the House by the following vote: Yeas, 95; Nays, 2; Absent, 0; Excused, 1.


Voting nay: Representatives Caldier and Young.

Excused: Representative Hargrove.

SUBSTITUTE HOUSE BILL NO. 1274, having received the necessary constitutional majority, was declared passed.

HOUSE BILL NO. 1391, by Representatives Hudgins, MacEwen, Parker, Appleton and Magendanz

Aligning functions of the consolidated technology services agency, office of the chief information officer, and department of enterprise services.

The bill was read the second time.

There being no objection, Second Substitute House Bill No. 1391 was substituted for House Bill No. 1391 and the second substitute bill was placed on the second reading calendar.
SECOND SUBSTITUTE HOUSE BILL NO. 1391 was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Hudgins and MacEwen spoke in favor of the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Second Substitute House Bill No. 1391.

ROLL CALL


SECOND SUBSTITUTE HOUSE BILL NO. 1391, having received the necessary constitutional majority, was declared passed.

HOUSE BILL NO. 1067, by Representatives Jinkins, Holy, Magendanz, Nealey, Goodman, Muri, Gregerson, Cody, Kilduff and Pollet

Reauthorizing the medicaid fraud false claims act.

The bill was read the second time.

There being no objection, Substitute House Bill No. 1067 was substituted for House Bill No. 1067 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1067 was read the second time.

Representative Rodne moved the adoption of amendment (523):

On page 2, after line 6, insert the following:

"Sec. 3. RCW 74.66.070 and 2012 c 241 s 207 are each amended to read as follows:

(1)(a) Subject to (b) of this subsection, if the attorney general proceeds with a qui tam action, the relator must receive at least fifteen percent but not more than twenty-five percent of the proceeds of the action or settlement of the claim, depending upon the extent to which the relator substantially contributed to the prosecution of the action.

(b) Where the action is one which the court finds to be based primarily on disclosures of specific information, other than information provided by the relator, relating to allegations or transactions in a criminal, civil, or administrative hearing, in a legislative or administrative report, hearing, audit, or investigation, or from the news media, the court may award an amount it considers appropriate, but in no case more than ten percent of the proceeds, taking into account the significance of the information and the role of the relator in advancing the case to litigation.

(c) Any payment to a relator under (a) or (b) of this subsection must be made from the proceeds. The relator must also receive an amount for reasonable expenses which the court finds to have been necessarily incurred, plus reasonable attorneys’ fees and costs. All expenses, fees, and costs must be awarded against the defendant.

(2) If the attorney general does not proceed with a qui tam action, the relator shall receive an amount which the court decides is reasonable for collecting the civil penalty and damages. The amount may not be less than twenty-five percent and not more than thirty percent of the proceeds of the action or settlement and must be paid out of the proceeds. The relator must also receive an amount for reasonable expenses, which the court finds to have been necessarily incurred, plus reasonable attorneys’ fees and costs. All expenses, fees, and costs must be awarded against the defendant.

(3) Whether or not the attorney general proceeds with the qui tam action, if the court finds that the action was brought by a person who planned and initiated the violation of RCW 74.66.020 upon which the action was brought, then the court may, to the extent the court considers appropriate, reduce the share of the proceeds of the action which the person would otherwise receive under subsection (1) or (2) of this section, taking into account the role of that person in advancing the case to litigation and any relevant circumstances pertaining to the violation. If the person bringing the action is convicted of criminal conduct arising from his or her role in the violation of RCW 74.66.020, that person must be dismissed from the civil action and may not receive any share of the proceeds of the action. The dismissal may not prejudice the right of the state to continue the action, represented by the attorney general.

(4) If the attorney general does not proceed with the qui tam action and the relator conducts the action, the court ((may)) shall award to the defendant reasonable attorneys’ fees and expenses if the defendant prevails in the action ((and the court finds that the claim of the relator was clearly frivolous, clearly vexatious, or brought primarily for purposes of harassment)).

(5) Any funds recovered that remain after calculation and distribution under subsections (1) through (3) of this section must be deposited into the medicaid fraud penalty account established in RCW 74.09.215." Correct the title.

Representatives Rodne, Shea, Holy and Shea (again) spoke in favor of the adoption of the amendment.

Representative Kilduff and Kilduff (again) spoke against the adoption of the amendment.

Amendment (523) was not adopted.
Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 74.66.010 and 2012 c 241 s 201 are each amended to read as follows:

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

(1)(a) "Claim" means any request or demand made for a medicaid payment under chapter 74.09 RCW, whether under a contract or otherwise, for money or property and whether or not a government entity has title to the money or property, that:

(i) Is presented to an officer, employee, or agent of a government entity; or
(ii) Is made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the government entity's behalf or to advance a government entity program or interest, and the government entity:

(A) Provides or has provided any portion of the money or property requested or demanded; or
(B) Will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded.

(b) A "claim" does not include requests or demands for money or property that the government entity has paid to an individual as compensation for employment or as an income subsidy with no restrictions on that individual's use of the money or property.

(2) "Custodian" means the custodian, or any deputy custodian, designated by the attorney general.

(3) "Documentary material" includes the original or any copy of any book, record, report, memorandum, paper, communication, tabulation, chart, or other document, or data compilations stored in or accessible through computer or other information retrieval systems, together with instructions and all other materials necessary to use or interpret the data compilations, and any product of discovery.

(4) "False claims act investigation" means any inquiry conducted by any false claims act investigator for the purpose of ascertaining whether any person is or has been engaged in any violation of this chapter.

(5) "False claims act investigator" means any attorney or investigator employed by the state attorney general who is charged with the duty of enforcing or carrying into effect any provision of this chapter, or any officer or employee of the state of Washington acting under the direction and supervision of the attorney or investigator in connection with an investigation pursuant to this chapter.

(6) "Government entity" means all Washington state agencies that administer medicaid-funded programs under this chapter.

(7)(a) "Knowing" and "knowingly" mean that a person, with respect to information:

(i) Has actual knowledge of the information;
(ii) Acts in deliberate ignorance of the truth or falsity of the information; or
(iii) Acts in reckless disregard of the truth or falsity of the information.

(b) "Knowing" and "knowingly" do not require proof of specific intent to defraud.

(8) "Material" means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.

(9) "Obligation" means an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensor relationship, from a fee-based or similar relationship, from statute or rule, or from the retention of any overpayment.

(10) "Official use" means any use that is consistent with the law, and the rules and policies of the attorney general, including use in connection with: Internal attorney general memoranda and reports; communications between the attorney general and a federal, state, or local government agency, or a contractor of a federal, state, or local government agency, undertaken in furtherance of an investigation or prosecution of a case; interviews of any ((qui tam relator or other)) witness; oral examinations; depositions; preparation for and response to civil discovery requests; introduction into the record of a case or proceeding; applications, motions, memoranda, and briefs submitted to a court or other tribunal; and communications with attorney general investigators, auditors, consultants and experts, the counsel of other parties, and arbitrators or mediators, concerning an investigation, case, or proceeding.

(11) "Person" means any natural person, partnership, corporation, association, or other legal entity, including any local or political subdivision of a state.

(12) "Product of discovery" includes:

(a) The original or duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission, which is obtained by any method of discovery in any judicial or administrative proceeding of an adversarial nature;

(b) Any digest, analysis, selection, compilation, or derivation of any item listed in (a) of this subsection; and

(c) Any index or other manner of access to any item listed in (a) of this subsection.

((13) "Qui tam action" is an action brought by a person under RCW 74.66.050.

(14) "Qui tam relator" or "relator" is a person who brings an action under RCW 74.66.050.))

Sec. 2. RCW 74.66.100 and 2012 c 241 s 210 are each amended to read as follows:

(1) A subpoena requiring the attendance of a witness at a trial or hearing conducted under RCW 74.66.040 ((74.66.050)) may be served at any place in the state of Washington.

(2) A civil action under RCW 74.66.040 ((74.66.050)) may be brought at any time, without limitation after the date on which the violation of RCW 74.66.020 is committed.

(3) (If the attorney general elects to intervene and proceed with a qui tam action, the attorney general may file its own complaint or amend the complaint of a relator to clarify or add detail to the claims in which the attorney general is intervening and to add any additional claims with respect to which the attorney general contends it is entitled to relief.

(4)) In any action brought under RCW 74.66.040 ((74.66.050)), the attorney general is required to prove all essential elements of the cause of action, including damages, by a preponderance of the evidence.

((3))) (4) Notwithstanding any other provision of law or the rules for superior court, a final judgment rendered in favor of the government entity in any criminal proceeding charging fraud or false statements, whether upon a verdict after trial or upon a plea of guilty or nolo contendere, estops the defendant from denying the essential elements of the offense in any action which involves the same transaction as in the criminal proceeding and which is brought under RCW 74.66.040 ((74.66.050)).)
Sec. 3. RCW 74.66.110 and 2012 c 241 s 211 are each amended to read as follows:

(1) Any action under RCW 74.66.040 ((or 74.66.050)) may be brought in the superior court in any county in which the defendant or, in the case of multiple defendants, any one defendant can be found, resides, transacts business, or in which any act proscribed by RCW 74.66.020 occurred. The appropriate court must issue a summons as required by the superior court civil rules and service must occur at any place within the state of Washington.

(2) The superior courts have jurisdiction over any action brought under the laws of any city or county for the recovery of funds paid by a government entity if the action arises from the same transaction or occurrence as an action brought under RCW 74.66.040 ((or 74.66.050)).

(3) With respect to any local government that is named as a plaintiff with the state in an action brought under RCW 74.66.050, a seal on the action ordered by the court under RCW 74.66.050 does not preclude the attorney general or the person bringing the action from serving the complaint, any other pleadings, or the written demand upon the person being served. (A copy of the demand upon the person from whom the discovery was obtained must be served upon the person from whom the discovery was obtained. (Any information obtained by the attorney general or a designee under this section may be shared with any qui tam relator if the attorney general or designee determines it is necessary as part of any false claims act investigation.))

2(a) Each civil investigative demand issued under subsection (1) of this section must state the nature of the conduct constituting the alleged violation of this chapter which is under investigation, and the applicable provision of law alleged to be violated.

(b) If the demand is for the production of documentary material, the demand must:

(i) Describe each class of documentary material to be produced with such definiteness and certainty as to permit the material to be fairly identified;

(ii) Prescribe a return date for each class which will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying; and

(iii) Identify the false claims act investigator to whom such material must be made available.

(c) If the demand is for answers to written interrogatories, the demand must:

(i) Set forth with specificity the written interrogatories to be answered;

(ii) Prescribe dates at which time answers to written interrogatories must be submitted; and

(iii) Identify the false claims act investigator to whom such answers must be submitted.

(d) If the demand is for the giving of oral testimony, the demand must:

(i) Prescribe a date, time, and place at which oral testimony must be commenced;

(ii) Identify a false claims act investigator who must conduct the examination and the custodian to whom the transcript of the examination must be submitted;

(iii) Specify that the attendance and testimony are necessary to the conduct of the investigation;

(iv) Notify the person receiving the demand of the right to be accompanied by an attorney and any other representative; and

(v) Describe the general purpose for which the demand is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the demand.

(e) Any civil investigative demand issued under this section which is an express demand for any product of discovery is not due until thirty days after a copy of the demand has been served upon the person from whom the discovery was obtained.

(f) The date prescribed for the commencement of oral testimony pursuant to a civil investigative demand issued under this section may not be sooner than six days after the date on which demand is received, unless the attorney general or an assistant attorney general designated by the attorney general determines that exceptional circumstances are present which warrant the commencement of the testimony sooner.

(g) The attorney general may not authorize the issuance under this section of more than one civil investigative demand for oral testimony by the same person unless the person requests otherwise or unless the attorney general, after investigation, notifies that person in writing that an additional demand for oral testimony is necessary.

(3) A civil investigative demand issued under subsection (1) or (2) of this section may not require the production of any documentary material, the submission of any answers to written interrogatories, or the giving of any oral testimony if the material, answers, or testimony would be protected from disclosure under:

(a) The standards applicable to subpoenas or subpoenas duces tecum issued by a court to aid in a special inquiry investigation; or

(b) The standards applicable to discovery requests under the superior court civil rules, to the extent that the application of these standards to any demand is appropriate and consistent with the provisions and purposes of this section.

(4) Any demand which is an express demand for any product of discovery supersedes any inconsistent order, rule, or provision of law, other than this section, preventing or restraining disclosure of the product of discovery to any person. Disclosure of any product of discovery pursuant to an express demand does not
constitute a waiver of any right or privilege which the person making such disclosure may be entitled to invoke to resist discovery of trial preparation materials.

(5) Any civil investigative demand issued under this section may be served by a false claims act investigator, or by a commissioned law enforcement official, at any place within the state of Washington.

(6) Service of any civil investigative demand issued under (a) of this subsection or of any petition filed under subsection (25) of this section may be made upon a partnership, corporation, association, or other legal entity by:

(a) Delivering an executed copy of the demand or petition to any partner, executive officer, managing agent, or general agent of the partnership, corporation, association, or entity, or to any agent authorized by appointment or by law to receive service of process on behalf of such partnership, corporation, association, or entity;

(b) Delivering an executed copy of the demand or petition to the principal office or place of business of the partnership, corporation, association, or entity;

(c) Depositing an executed copy of the demand or petition in the United States mail by registered or certified mail, with a return receipt requested, addressed to such partnership, corporation, association, or entity at its principal office or place of business.

(7) Service of any demand or petition may be made upon any natural person by:

(a) Delivering an executed copy of the demand or petition to the person; or

(b) Depositing an executed copy of the demand or petition in the United States mail by registered or certified mail, with a return receipt requested, addressed to the person at the person's residence or principal office or place of business.

(8) A verified return by the individual serving any civil investigative demand served under this section must be taken by the officer authorized to administer oaths and affirmations by the laws of the state of Washington or of the place where the examination is held. The officer before whom the testimony is to be taken must put the witness on oath or affirmation and must, personally or by someone acting under the direction of the officer and in the officer's presence, record the testimony of the witness. The testimony must be recorded and must be transcribed. When the testimony is fully transcribed, the officer before whom the testimony is taken shall promptly transmit a copy of the transcript of the testimony to the custodian. This subsection does not preclude the taking of testimony by any means authorized by, and in a manner consistent with, the superior court civil rules.

(13) The false claims act investigator conducting the examination shall exclude from the place where the examination is held all persons except the person giving the testimony, the attorney for and any other representative of the person giving the testimony, the attorney general, any person who may be agreed upon by the attorney for the government and the person giving the testimony, the officer before whom the testimony is to be taken, and any stenographer taking the testimony.

(14) The oral testimony of any person taken pursuant to a civil investigative demand served under this section must be taken in the county within which such person resides, is found, or transacts business, or in another place as may be agreed upon by the false claims act investigator conducting the examination and the person.

(15) When the testimony is fully transcribed, the false claims act investigator or the officer before whom the testimony is taken must afford the witness, who may be accompanied by counsel, a reasonable opportunity to examine and read the transcript, unless the examination and reading are waived by the witness. Any changes in form or substance which the witness desires to make must be entered and identified upon the transcript by the officer or the false claims act investigator, with a statement of the reasons given by the witness for making the changes. The transcript must then be signed by the witness, unless the witness in writing waives the signing, is ill, cannot be found, or refuses to sign. If the transcript is not signed by the witness within thirty days after being afforded a reasonable opportunity to examine it, the officer or the false claims act investigator must sign it and state on the record the fact of the waiver, illness, absence of the witness, or the refusal to sign, together with the reasons given.

(16) The officer before whom the testimony is taken must certify on the transcript that the witness was sworn by the officer and that the transcript is a true record of the testimony given by the witness, and the officer or false claims act investigator must
promptly deliver the transcript, or send the transcript by registered or certified mail, to the custodian.

17) Upon payment of reasonable charges therefor, the false claims act investigator must furnish a copy of the transcript to the witness only, except that the attorney general, the deputy attorney general, or an assistant attorney general may, for good cause, limit the witness to inspection of the official transcript of the witness' testimony.

18)(a) Any person compelled to appear for oral testimony under a civil investigative demand issued under subsection (1) or (2) of this section may be accompanied, represented, and advised by counsel. Counsel may advise the person, in confidence, with respect to any question asked of the person. The person or counsel may object on the record to any question, in whole or in part, and must briefly state for the record the reason for the objection. An objection may be made, received, and entered upon the record when it is claimed that the person is entitled to refuse to answer the question on the grounds of any constitutional or other legal right or privilege, including the privilege against self-incrimination. The person may not otherwise object to or refuse to answer any question, and may not directly or through counsel otherwise interrupt the oral examination. If the person refuses to answer any question, a special injury proceeding petition may be filed in the superior court under subsection (25) of this section for an order compelling the person to answer the question.

(b) If the person refuses to answer any question on the grounds of the privilege against self-incrimination, the testimony of the person may be compelled in accordance with the provisions of the superior court civil rules.

19) Any person appearing for oral testimony under a civil investigative demand issued under subsection (1) or (2) of this section is entitled to the same fees and allowances which are paid to witnesses in the superior courts.

20) The attorney general must designate a false claims act investigator to serve as custodian of documentary material, answers to interrogatories, and transcripts of oral testimony received under this section, and must designate such additional false claims act investigators as the attorney general determines from time to time to be necessary to serve as deputys to the custodian.

21)(a) A false claims act investigator who receives any documentary material, answers to interrogatories, or transcripts of oral testimony under this section must transmit them to the custodian. The custodian shall take physical possession of the material, answers, or transcripts and is responsible for the use made of them and for the return of documentary material under subsection (23) of this section.

(b) The custodian may cause the preparation of the copies of the documentary material, answers to interrogatories, or transcripts of oral testimony as may be required for official use by any false claims act investigator, or employee of the attorney general. The material, answers, and transcripts may be used by any authorized false claims act investigator or other officer or employee in connection with the taking of oral testimony under this section.

(c)(i) Except as otherwise provided in this subsection (21), no documentary material, answers to interrogatories, or transcripts of oral testimony, or copies thereof, while in the possession of the custodian, may be available for examination by any individual other than a false claims act investigator or other officer or employee of the attorney general authorized under (b) of this subsection.

(ii) The prohibition in (c)(i) of this subsection on the availability of material, answers, or transcripts does not apply if consent is given by the person who produced the material, answers, or transcripts, or, in the case of any product of discovery produced pursuant to an express demand for the material, consent is given by the person from whom the discovery was obtained. Nothing in this subsection is intended to prevent disclosure to the legislature, including any committee or subcommittee for use by such an agency in furtherance of its statutory responsibilities.

(d) While in the possession of the custodian and under the reasonable terms and conditions as the attorney general shall prescribe:

(i) Documentary material and answers to interrogatories must be available for examination by the person who produced the material or answers, or by a representative of that person authorized by that person to examine the material and answers; and

(ii) Transcripts of oral testimony must be available for examination by the person who produced the testimony, or by a representative of that person authorized by that person to examine the transcripts.

22) Whenever any official has been designated to appear before any court, special inquiry judge, or state administrative judge in any case or proceeding, the custodian of any documentary material, answers to interrogatories, or transcripts of oral testimony received under this section may deliver to the official the material, answers, or transcripts for official use in connection with any case or proceeding as the official determines to be required. Upon the completion of such a case or proceeding, the official must return to the custodian any material, answers, or transcripts so delivered which have not passed into the control of any court, grand jury, or agency through introduction into the record of such a case or proceeding.

23) If any documentary material has been produced by any person in the course of any false claims act investigation pursuant to a civil investigative demand under this section, and:

(a) any case or proceeding before the court or special inquiry judge arising out of the investigation, or any proceeding before any administrative judge involving the material, has been completed; or

(b) no case or proceeding in which the material may be used has been commenced within a reasonable time after completion of the examination and analysis of all documentary material and other information assembled in the course of the investigation:

Then, the custodian shall, upon written request of the person who produced the material, return to the person the material, other than copies furnished to the false claims act investigator under subsection (10) of this section or made for the attorney general under subsection (21)(b) of this section, which has not passed into the control of any court, grand jury, or agency through introduction into the record of the case or proceeding.

24)(a) In the event of the death, disability, or separation from service of the attorney general of the custodian of any documentary material, answers to interrogatories, or transcripts of oral testimony produced pursuant to civil investigative demand under this section, or in the event of the official relief of the custodian from responsibility for the custody and control of the material, answers, or transcripts, the attorney general must promptly:

(i) Designate another false claims act investigator to serve as custodian of the material, answers, or transcripts; and

(ii) Transmit in writing to the person who produced the material, answers, or testimony notice of the identity and address of the successor so designated.

(b) Any person who is designated as a successor under this subsection (24) has, with regard to the material, answers, or transcripts, the same duties and responsibilities as were imposed by this section upon that person's predecessor in office, except that the
successor may not be held responsible for any default or
dereliction which occurred before that designation.

(25) Whenever any person fails to comply with any civil
investigative demand issued under subsection (1) or (2) of this
section, or whenever satisfactory copying or reproduction of any
material requested in the demand cannot be done and the person
refuses to surrender the material, the attorney general may file, in
any superior court of the state of Washington for any county in
which the person resides, is found, or transacts business, and serve
upon the person a petition for an order of the court for the
enforcement of the civil investigative demand.

(26)(a) Any person who has received a civil investigative
demand issued under subsection (1) or (2) of this section may file,
in the superior court of the state of Washington for the county
within which the person resides, is found, or transacts business,
and serve upon the false claims act investigator identified in the
demand a petition for an order of the court to modify or set aside
the demand. In the case of a petition addressed to an express
demand for any product of discovery, a petition to modify or set
aside the demand may be brought only in the district court of the
United States for the judicial district in which the proceeding in
which the discovery was obtained is or was last pending. Any
petition filed under this subsection (26)(a) must be filed:

(i) Within thirty days after the date of service of the civil
investigative demand, or at any time before the return date
specified in the demand, whichever date is earlier; or
(ii) Within a longer period as may be prescribed in writing
by any false claims act investigator identified in the demand.

(b) The petition must specify each ground upon which the
petitioner relies in seeking relief under (a) of this subsection, and
may be based upon any failure of the demand to comply with the
provisions of this section or upon any constitutional or other legal
right or privilege of the person. During the pendency of the petition
in the court, the court may stay, as it deems proper, the running of
the time allowed for compliance with the demand, in whole or in
part, except that the person filing the petition shall comply with
any portions of the demand not sought to be modified or set aside.

(27)(a) In the case of any civil investigative demand issued
under subsection (1) or (2) of this section which is an express
demand for any product of discovery, the person from whom the
discovery was obtained may file, in the superior court of the state
of Washington for the county in which the proceeding in which the
discovery was obtained is or was last pending, and serve upon any
false claims act investigator identified in the demand and upon the
recipient of the demand, a petition for an order of the court to
modify or set aside those portions of the demand requiring
production of any product of discovery. Any petition under this
subsection (27)(a) must be filed:

(i) Within twenty days after the date of service of the civil
investigative demand, or at any time before the return date
specified in the demand, whichever date is earlier; or
(ii) Within a longer period as may be prescribed in writing
by any false claims act investigator identified in the demand.

(b) The petition must specify each ground upon which the
petitioner relies in seeking relief under (a) of this subsection, and
may be based upon any failure of the portions of the demand from
which relief is sought to comply with the provisions of this section,
or upon any constitutional or other legal right or privilege of the
petitioner. During the pendency of the petition, the court may stay,
as it deems proper, compliance with the demand and the running of
the time allowed for compliance with the demand.

(28) At any time during which any custodian is in custody
or control of any documentary material or answers to
interrogatories produced, or transcripts of oral testimony given, by
any person in compliance with any civil investigative demand
issued under subsection (1) or (2) of this section, the person, and in
the case of an express demand for any product of discovery, the
person from whom the discovery was obtained, may file, in the
superior court of the state of Washington for the county within
which the office of the custodian is situated, and serve upon the
custodian, a petition for an order of the court to require the
performance by the custodian of any duty imposed upon the
custodian by this section.

(29) Whenever any petition is filed in any superior court of
the state of Washington under this section, the court has
jurisdiction to hear and determine the matter so presented, and to
enter an order or orders as may be required to carry out the
provisions of this section. Any final order so entered is subject to
appeal under the rules of appellate procedure. Any disobedience
of any final order entered under this section by any court must be
punished as a contempt of the court.

(30) The superior court civil investigative demand apply to any petition
under this section, to the extent that the rules are not inconsistent
with the provisions of this section.

(31) Any documentary material, answers to written
interrogatories, or oral testimony provided under any civil
investigative demand issued under subsection (1) or (2) of this section
are exempt from disclosure under the public records act, chapter
42.56 RCW.

NEW SECTION. Sec. 5. The following acts or parts of acts are
each repealed:

(1) RCW 43.131.419 (Medicaid fraud false claims act—
Termination) and 2012 c 241 s 216;
(2) RCW 43.131.420 (Medicaid fraud false claims act—
Repeal) and 2012 c 241 s 217;
(3) RCW 74.66.050 (Qui tam action—Relator rights and
duties) and 2012 c 241 s 205;
(4) RCW 74.66.060 (Qui tam action—Attorney general authority)
and 2012 c 241 s 206;
(5) RCW 74.66.070 (Qui tam action—Award—Proceeds of
action or settlement of claim) and 2012 c 241 s 207;
(6) RCW 74.66.080 (Qui tam action—Restrictions—Dismissal)
and 2012 c 241 s 208; and
(7) RCW 74.66.130 (Reporting) and 2012 c 241 s 213.”
Correct the title.

Representative Haler spoke in favor of the adoption of the
striking amendment.

Representative Jinkins spoke against the adoption of the
striking amendment.

Amendment (521) was not adopted.

There being no objection, the rules were suspended, the second
reading considered the third and the bill was placed on final
passage.

Representative Jinkins spoke in favor of the passage of the bill.

Representative Rodne spoke against the passage of the bill.

The Speaker (Representative Orwall presiding) stated the
question before the House to be the final passage of Substitute
House Bill No. 1067.

ROLL CALL

The Clerk called the roll on the final passage of Substitute
House Bill No. 1067, and the bill passed the House by the
following vote: Yeas, 58; Nays, 39; Absent, 0; Excused, 1.


Excused: Representative Hargrove.

HOUSE BILL NO. 2195, having received the necessary constitutional majority, was declared passed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representative Lytton spoke in favor of the passage of the bill.

Representative Parker spoke against the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of House Bill No. 2195.

ROLL CALL
Committee Report

Second Reading

Amendment Offered

Third Reading Final Passage

1106-S

Committee Report

Second Reading

1274

Committee Report

Second Reading

1274-S

Third Reading Final Passage

1391

Second Reading

1391-S2

Third Reading Final Passage

1541-S2

Other Action

2151

Second Reading

Amendment Offered

Third Reading Final Passage

Other Action

2195

Second Reading

Third Reading Final Passage

2212

Third Reading

Third Reading Final Passage

2217

Third Reading

Third Reading Final Passage

2239

Committee Report

2266

Committee Report

2267

Committee Report

2268

Committee Report

2269

Committee Report

2270

Committee Report