Senate Chamber, Olympia, Saturday, February 11, 2012

The Senate was called to order at 9:00 a.m. by President Owen. The Secretary called the roll and announced to the President that all Senators were present with the exception of Senators Hargrove, Morton and Zarelli.

The Sergeant at Arms Color Guard consisting of Interns David Stanton and Jonathan Fowler, presented the Colors. Senator Shin offered the prayer.

**MOTION**

On motion of Senator Eide, the reading of the Journal of the previous day was dispensed with and it was approved.

**MOTION**

On motion of Senator Eide, the Senate advanced to the third order of business.

**MESSAGE FROM THE GOVERNOR GUBERNATORIAL APPOINTMENTS**

February 10, 2012

TO THE HONORABLE, THE SENATE OF THE STATE OF WASHINGTON

Ladies and Gentlemen:

I have the honor to submit the following appointment, subject to your confirmation.

PHILIP N. MORRELL, appointed January 25, 2012, for the term ending December 26, 2015, as Member of the Board of Pilotage Commissioners.

Sincerely,

CHRISTINE O. GREGOIRE, Governor

Referred to Committee on Transportation.

**MOTION**

On motion of Senator Eide, the appointee listed on the Gubernatorial Appointment report was referred to the committee as designated.

**MOTION**

On motion of Senator Eide, the Senate advanced to the fifth order of business.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

**SHB 1753** by House Committee on Education (originally sponsored by Representatives Liias, Hope, Clibborn, Maxwell and Billig)

AN ACT Relating to clarifying the authority of a nurse working in a school setting; adding a new section to chapter 28A.210 RCW; and creating a new section.

Referred to Committee on Early Learning & K-12 Education.

**SHB 1852** by House Committee on Local Government (originally sponsored by Representatives Kelley, McCune, Ladenburg, Kirby and Green)

AN ACT Relating to the lien for collection of sewer utility charges by counties; and amending RCW 36.94.150.

Referred to Committee on Government Operations, Tribal Relations & Elections.

**ESHB 2048** by House Committee on Ways & Means (originally sponsored by Representatives Kenney, Daneille, Dunhee, Hasegawa, Green, Upthegrove, Ormsby, Haigh, McCoy, Pedersen, Ryu, Pettigrew, Ladenburg, Moscoso, Hunt, Kagi, Dickerson, Appleton, Sells, Roberts, Reykdal, Frockt, Fitzgibbon, Finn, Goodman and Rolffes)

AN ACT Relating to low-income and homeless housing assistance surcharges; amending RCW 36.22.179; adding a new section to chapter 43.185C RCW; and providing an expiration date.

Referred to Committee on Ways & Means.

**SHB 2056** by House Committee on Health Care & Wellness (originally sponsored by Representatives Van De Wege, Bailey, Cody, Johnson and Warnick)

AN ACT Relating to assisted living facilities; amending RCW 18.20.030, 18.20.050, 18.20.090, 18.20.100, 18.20.115, 18.20.130, 18.20.140, 18.20.150, 18.20.160, 18.20.170, 18.20.190, 18.20.220, 18.20.230, 18.20.270, 18.20.280, 18.20.290, 18.20.300, 18.20.310, 18.20.320, 18.20.330, 18.20.340, 18.20.350, 18.20.360, 18.20.370, 18.20.380, 18.20.390, 18.20.400, 18.20.410, 18.20.420, 18.20.430, 18.20.440, 18.20.900, 18.51.010, 18.52C.020, 18.79.260, 18.100.140, 35.21.766, 35A.70.020, 43.43.832, 46.19.020, 48.43.125, 69.41.010, 69.41.085, 69.50.308, 70.79.090, 70.87.305, 70.97.060, 70.97.090, 70.122.020, 70.127.040, 70.128.030, 70.128.210, 70.129.005, 70.129.160, 71.24.025, 74.09.120, 74.15.020, 74.39A.009, 74.39A.010, 74.39A.020, 74.39A.030, 74.39A.320, 74.41.040, 74.42.055, 82.04.2908, 82.04.4264, 82.04.4337, 84.36.381, and 84.36.383; reenacting and amending RCW 18.20.010, 18.20.020, 70.38.105, 70.38.111, and 74.34.020; and creating a new section.

Referred to Committee on Health & Long-Term Care.

**SHB 2149** by House Committee on Ways & Means (originally sponsored by Representatives Eddy and Kenney)

AN ACT Relating to personal property tax assessment administration, authorizing waiver of penalties and interest under specified circumstances; amending RCW 84.40.130; and declaring an emergency.

Referred to Committee on Ways & Means.

**ESHB 2197** by House Committee on Judiciary (originally sponsored by Representatives Pedersen, Rodne and Eddy)

Referred to Committee on Judiciary.

HB 2224 by Representatives Nealey and Pedersen

AN ACT Relating to Washington estate tax apportionment; and amending RCW 83.110A.020.

Referred to Committee on Judiciary.

ESHB 2229 by House Committee on Health Care & Wellness (originally sponsored by Representatives Jinkins, Hasegawa, Darnell, Wylie, Codey and Roberts)

AN ACT Relating to reporting of compensation for certain hospital employees; and amending RCW 43.70.052.

Referred to Committee on Health & Long-Term Care.

SHB 2234 by House Committee on Transportation (originally sponsored by Representatives Hurst and Dahlquist)

AN ACT Relating to commercial driver's license suspension; amending RCW 46.25.090; and providing an effective date.

Referred to Committee on Transportation.

HB 2244 by Representatives Hargrove, Sullivan and Moeller

AN ACT Relating to aircraft and ultra-light operations on public or private airstrips; and reenacting and amending RCW 4.24.210.

Referred to Committee on Transportation.

SHB 2252 by House Committee on Transportation (originally sponsored by Representative Fitzgibbon)

AN ACT Relating to proof of payment for certain transportation fares; amending RCW 35.58.580, 36.57A.230, and 81.112.220; and prescribing penalties.

Referred to Committee on Transportation.

SHB 2261 by House Committee on Judiciary (originally sponsored by Representatives Takko, Reykdal, Wilcox, Jinkins, Finn and Hudgins)

AN ACT Relating to charitable donations of eye glasses and hearing instruments; and adding a new section to chapter 4.24 RCW.

Referred to Committee on Health & Long-Term Care.

HB 2275 by Representatives Goodman and Armstrong

AN ACT Relating to allowing a registered tow truck operator to reimpound a vehicle that has been redeemed from storage or purchased at auction and not removed from the operator's business premises; and amending RCW 46.55.035.

Referred to Committee on Transportation.

HB 2287 by Representatives Goodman, Dickerson, Kagi, Orwall, Kenney, Moeller, Kelley, Moscoso and Roberts

AN ACT Relating to providing credit towards child support obligations for veterans benefits; and amending RCW 26.18.190.

Referred to Committee on Human Services & Corrections.

HB 2292 by Representatives Maxwell, Sells, Dahlquist, Hasegawa, Hudkins, Sequest, Springer, Pettigrew, Lytton, Clibborn, Kenney, Orwall, Carlyle, Ryu, Roberts and Santos

AN ACT Relating to the aerospace training student loan program; amending RCW 28B.122.010, 28B.122.020, 28B.122.040, 28B.122.050, and 28B.122.060; and providing an effective date.

Referred to Committee on Higher Education & Workforce Development.

ESHB 2301 by House Committee on Business & Financial Services (originally sponsored by Representatives Green, Kirby, Pettigrew, Condotta and Jinkins)

AN ACT Relating to boxing, martial arts, and wrestling; amending RCW 67.08.002, 67.08.015, 67.08.017, 67.08.050, 67.08.110, 67.08.170, and 67.08.240; and reenacting and amending RCW 67.08.090 and 67.08.100.

Referred to Committee on Transportation.

HB 2329 by Representatives Takko, Orcutt, Blake, Chandler, Stanford, Taylor and Van De Wege

AN ACT Relating to providing credit towards child support obligations for veterans benefits; and amending RCW 26.18.190.

Referred to Committee on Human Services & Corrections.

An ACT Relating to proof of payment for certain transportation fares; amending RCW 35.58.580, 36.57A.230, and 81.112.220; and prescribing penalties.

Referred to Committee on Transportation.

An ACT Relating to charitable donations of eye glasses and hearing instruments; and adding a new section to chapter 4.24 RCW.

Referred to Committee on Health & Long-Term Care.

An ACT Relating to allowing a registered tow truck operator to reimpound a vehicle that has been redeemed from storage or purchased at auction and not removed from the operator's business premises; and amending RCW 46.55.035.

Referred to Committee on Transportation.
AN ACT Relating to replacing encumbered state forest lands for the benefit of multiple participating counties; amending RCW 79.02.010, 79.64.100, 79.64.110, and 79.22.060; reenacting and amending RCW 43.30.385; adding new sections to chapter 79.22 RCW; and creating a new section.

Referred to Committee on Energy, Natural Resources & Marine Waters.

ESHB 2331 by House Committee on Early Learning & Human Services (originally sponsored by Representatives Dickerson, Darneille, Takko, Roberts, Pettigrew, Goodman, Jinkins, Miloscia, Ryu, Hurst and Santos)

AN ACT Relating to mandatory reporting regarding abuse or neglect; and amending RCW 26.44.030 and 26.44.080.

Referred to Committee on Human Services & Corrections.

ESHB 2335 by House Committee on Environment (originally sponsored by Representatives Short, Upthegrove and Springer)

AN ACT Relating to standards for the use of science to support public policy; adding a new section to chapter 34.05 RCW; and creating a new section.

Referred to Committee on Government Operations, Tribal Relations & Elections.

HB 2339 by Representatives Sells, Condotta, Reykdal, Taylor and Springer

AN ACT Relating to unemployment insurance benefit charging relief for part-time employers who continue to employ a claimant on a part-time basis and the claimant qualified for two consecutive claims with wages attributable to at least one employer who employed the claimant in both base years; amending RCW 50.29.021; creating a new section; and providing an effective date.

Referred to Committee on Labor, Commerce & Consumer Protection.

ESHB 2344 by House Committee on Labor & Workforce Development (originally sponsored by Representatives Angel, Sells, Condotta and Moscoso)

AN ACT Relating to not disqualifying certain corporate officers from receiving unemployment benefits; amending RCW 50.04.310; creating a new section; and providing an effective date.

Referred to Committee on Labor, Commerce & Consumer Protection.

ESHB 2347 by House Committee on Judiciary (originally sponsored by Representatives Dammeier, Kelley, Wilcox, Van De Wege, Pearson, Hurst, Zeiger, Seaquist, Rodne, Ladenburg, Hope, Green, Klippert and Moscoso)

AN ACT Relating to the possession of spring blade knives; amending RCW 9.41.250; adding a new section to chapter 9.41 RCW; and prescribing penalties.

Referred to Committee on Government Operations, Tribal Relations & Elections.

E2SHB 2365 by House Committee on General Government Appropriations & Oversight (originally sponsored by Representatives Blake, Kretz, Dunshee and McCune)

AN ACT Relating to large wild carnivore conflict management; amending RCW 77.08.030, 77.36.100, 77.36.130, 77.15.160, 77.15.120, and 77.36.030; reenacting and amending RCW 77.08.010 and 77.36.010; adding new sections to chapter 77.36 RCW; adding new sections to chapter 77.15 RCW; and prescribing penalties.

Referred to Committee on Energy, Natural Resources & Marine Waters.

EHB 2368 by Representatives Seaquist, Hasegawa, Probst, Hunt, McCoy, Sells, Appleton, Moscoso, Maxwell,
AN ACT Relating to including a member from labor on community college boards of trustees; and amending RCW 28B.50.100.

Referred to Committee on Higher Education & Workforce Development.

HB 2393 by Representatives Rodne, Pedersen, Moscoso and Condotta

AN ACT Relating to federal new hire reporting requirements; and amending RCW 26.23.040.

Referred to Committee on Human Services & Corrections.


AN ACT Relating to clarifying the number of employees within certain classifications within the consolidated technology services agency; and reenacting and amending RCW 41.06.070.

Referred to Committee on Government Operations, Tribal Relations & Elections.

SHB 2422 by House Committee on Technology, Energy & Communications (originally sponsored by Representatives Billig, Haler, Stanford, McCoy, Maxwell, Eddy, Nealey, Crouse, Probst, Lias, Parker, Van De Wege, Uphetegrove, Ormsby, Kenney, Morris and Moscoso)

AN ACT Relating to aviation biofuels production; reenacting and amending RCW 43.157.010; adding a new section to chapter 43.180 RCW; adding a new section to chapter 43.333 RCW; creating a new section; and providing an expiration date.

Referred to Committee on Energy, Natural Resources & Marine Waters.

SHB 2439 by House Committee on Health Care & Wellness (originally sponsored by Representatives Green, Warnick, Cody, Harris, Kelley, Clibborn, Jinkins, Roberts and Hurst)

AN ACT Relating to exemptions from licensure as a physical therapist; and amending RCW 18.74.150.

Referred to Committee on Health & Long-Term Care.

FHB 2449 by Representatives Goodman and Pedersen

AN ACT Relating to the applicability of statutes of limitation in arbitration proceedings; and amending RCW 7.04A.090.

Referred to Committee on Judiciary.

HB 2459 by Representatives Kagi, Armstrong and Johnson

AN ACT Relating to the confiscation of commercial motor vehicle license plates when operated with a revoked registration; and amending RCW 46.32.100.

Referred to Committee on Transportation.

HB 2476 by Representatives Jinkins, Ladenburg, Armstrong, Clibborn and Hargrove

AN ACT Relating to heavy haul corridors; and amending RCW 46.44.0915.

Referred to Committee on Transportation.

HB 2482 by Representatives Kenney, Finn, Ryu, Hasegawa and Stanford

AN ACT Relating to designating innovation partnership zones; and amending RCW 43.330.270.

Referred to Committee on Economic Development, Trade & Innovation.

HB 2485 by Representatives Probst, Uphetegrove and Dahlquist

AN ACT Relating to authorizing school districts to use electronic formats for warrants; and amending RCW 28A.330.080.

Referred to Committee on Early Learning & K-12 Education.

SHB 2491 by House Committee on Labor & Workforce Development (originally sponsored by Representatives Uphetegrove and Orwall)

AN ACT Relating to specifying when predecessor-successor relationships do not exist for purposes of unemployment experience rating; amending RCW 50.29.062; and creating a new section.

Referred to Committee on Labor, Commerce & Consumer Protection.

SHB 2492 by House Committee on Education Appropriations & Oversight (originally sponsored by Representatives Haigh, Dammeier, Maxwell, Dahlquist, Lias, Finn and Santos)

AN ACT Relating to requiring the state board of education to provide fiscal impact statements before making rule changes; amending RCW 34.05.320; and adding a new section to chapter 28A.305 RCW.

Referred to Committee on Ways & Means.

HB 2499 by Representatives Billig, Finn, Hunt, Appleton, Hasegawa, Reykdal, Lias, Ormsby, Sells, Jinkins, Fitzgibbon, Kagi, Miloscia, Kelley, Hudgins, Roberts and Pollet
AN ACT Relating to expanding disclosure of political advertising to include advertising supporting or opposing ballot measures; and amending RCW 42.17A.320.

Referred to Committee on Government Operations, Tribal Relations & Elections.

EHB 2509 by Representatives Chandler, Bailey and Pearson

AN ACT Relating to improving workplace safety and health by enacting the blueprint for safety program; and adding a new section to chapter 49.17 RCW.

Referred to Committee on Labor, Commerce & Consumer Protection.

SHB 2512 by House Committee on Health Care & Wellness (originally sponsored by Representatives Harris, Kelley, Rivers, Appleton, Dahlquist, Cody and Buys)

AN ACT Relating to including pharmacists in the legend drug act; and reenacting and amending RCW 69.41.030.

Referred to Committee on Health & Long-Term Care.

EHB 2513 by Representatives Roberts, Condotta, Hurst, Pedersen, Buys, Ryu, Kirby and Kelley

AN ACT Relating to exempting common interest community managers from real estate broker and managing broker licensing requirements; and amending RCW 18.85.151.

Referred to Committee on Labor, Commerce & Consumer Protection.

HB 2524 by Representatives Orwall, Bailey, Hudgins, Hurst, Kenney and Kelley

AN ACT Relating to military spouses or registered domestic partners occupational licensing status during deployment or placement outside Washington state; and amending RCW 43.24.130 and 43.70.270.

Referred to Committee on Government Operations, Tribal Relations & Elections.

HB 2535 by Representatives Ladenburg, Johnson, Moscoso, Walsh, Ross, Klippert, Goodman, Nealey, Fitzgibbon, Appleton, Pollet, Green, Billig, Roberts, Kirby, Probst, Jinkins, Kagi, Lytton, Dickerson, Darnelle, Santos and Kenney

AN ACT Relating to creating a juvenile gang court; adding new sections to chapter 13.40 RCW; and creating a new section.

Referred to Committee on Human Services & Corrections.

SHB 2541 by House Committee on Early Learning & Human Services (originally sponsored by Representatives Darnelle, Dickerson, Jinkins, Roberts, Appleton, Kagi and Kenney)

AN ACT Relating to sealing juvenile records; amending RCW 13.40.127; and reenacting and amending RCW 13.50.050.

Referred to Committee on Human Services & Corrections.

ESHB 2545 by House Committee on Technology, Energy & Communications (originally sponsored by Representatives Zeiger, Ladenburg, Dammeier, Seaquist, Angel, Dahlquist, Wilcox, Jinkins, McCune and Kelley)

AN ACT Relating to fuel usage by local governments; and amending RCW 43.19.648.

Referred to Committee on Energy, Natural Resources & Marine Waters.

EHB 2558 by Representative Moeller

AN ACT Relating to theater licenses; and adding a new section to chapter 66.24 RCW.

Referred to Committee on Labor, Commerce & Consumer Protection.

HB 2566 by Representatives Stanford, Takko, Blake and Hudgins

AN ACT Relating to maintenance of a surety bond for appraisal management companies; and amending RCW 18.310.040.

Referred to Committee on Labor, Commerce & Consumer Protection.

SHB 2574 by House Committee on Transportation (originally sponsored by Representatives Kristiansen and Pearson)

AN ACT Relating to special license plates with a special year tab for persons with disabilities; amending RCW 46.19.060; and providing an effective date.

Referred to Committee on Transportation.

SHB 2578 by House Committee on Health Care & Wellness (originally sponsored by Representative Moeller)

AN ACT Relating to disciplinary actions against the health professions license of the subject of a department of social and health services finding; amending RCW 18.130.050; adding a new section to chapter 18.130 RCW; and providing an effective date.

Referred to Committee on Health & Long-Term Care.

AN ACT Relating to billing practices for health care services; adding a new section to chapter 70.01 RCW; and providing an effective date.

Referred to Committee on Health & Long-Term Care.

HB 2595  by Representatives Hinkle, Eddy, Warnick, Kristiansen and Angel

AN ACT Relating to the Washington state horse park authority; amending RCW 79A.30.030; and creating a new section.

Referred to Committee on Government Operations, Tribal Relations & Elections.

EHB 2602  by Representatives Eddy, Springer, Takko, Carlyle and Tharinger

AN ACT Relating to a joint select committee on junior taxing districts; and creating new sections.

Referred to Committee on Government Operations, Tribal Relations & Elections.

SHB 2603  by House Committee on Early Learning & Human Services (originally sponsored by Representatives Goodman, Kagi and Walsh)

AN ACT Relating to juvenile offender sentencing standards; and reenacting and amending RCW 13.40.0357.

Referred to Committee on Human Services & Corrections.

HB 2610  by Representatives Springer, Eddy, Goodman, Stanford, Moscoso and Kagi


Referred to Committee on Government Operations, Tribal Relations & Elections.

HB 2639  by Representative Takko

AN ACT Relating to improving the function of the treasurer's office in handling advance taxes and assessments; amending RCW 58.08.040; providing an effective date; and declaring an emergency.

Referred to Committee on Government Operations, Tribal Relations & Elections.

FHB 2645  by House Committee on Agriculture & Natural Resources (originally sponsored by Representatives McCune and Blake)

AN ACT Relating to state and private partnerships for managing salmonid hatcheries; and amending RCW 77.95.320.

Referred to Committee on Energy, Natural Resources & Marine Waters.

HB 2653  by Representatives Hansen and Upthegrove

AN ACT Relating to correcting technical statutory cross-references in previous private infrastructure development legislation for certain provisions relating to regulatory fees for wastewater companies; amending RCW 80.04.580; and providing an effective date.

Referred to Committee on Environment.

SHB 2657  by House Committee on Health & Human Services Appropriations & Oversight (originally sponsored by Representatives Roberts, Kagi, Maxwell and Kenney)

AN ACT Relating to adoption support expenditures; adding new sections to chapter 74.13A RCW; adding a new section to chapter 71.36 RCW; and providing an expiration date.

Referred to Committee on Human Services & Corrections.

SHB 2658  by House Committee on Early Learning & Human Services (originally sponsored by Representative Kagi)

AN ACT Relating to exempting qualified licensed child care providers from school district and educational service district records check requirements; and amending RCW 28A.400.303.

Referred to Committee on Human Services & Corrections.

FHB 2664  by House Committee on Technology, Energy & Communications (originally sponsored by Representative Morris)

AN ACT Relating to the voluntary option to purchase qualified energy resources; and reenacting and amending RCW 19.29A.090.

Referred to Committee on Energy, Natural Resources & Marine Waters.

HB 2705  by Representatives Sullivan and Kretz

AN ACT Relating to the consolidation of legislative support functions into an office of legislative support services; amending RCW 44.04.260 and 43.88.230; adding a new chapter to Title 44 RCW; and providing an effective date.

Referred to Committee on Ways & Means.

HB 2741  by Representatives Rodne, Eddy, Dammeyer and Haler

AN ACT Relating to health care claims against state and governmental health care providers arising out of tortious conduct; and amending RCW 4.92.100 and 4.96.020.

Referred to Committee on Judiciary.

MOTION
On motion of Senator Eide, all measures listed on the Introduction and First Reading report were referred to the committees as designated.

**MOTION**

On motion of Senator Eide, Senators Hargrove and Hatfield were excused.

**MOTION**

On motion of Senator Eide, the Senate advanced to the sixth order of business.

**SECOND READING**

**CONFIRMATION OF GUBERNATORIAL APPOINTMENTS**

**MOTION**

Senator Fraser moved that Gubernatorial Appointment No. 9119, Joyce Turner, as Director of the Department of Enterprise Services, be confirmed.

Senator Fraser spoke in favor of the motion.

**MOTION**

On motion of Senator Ericksen, Senators Litzow, Morton and Zarelli were excused.

**MOTION**

On motion of Senator Frockt, Senators Hobbs and Keiser were excused.

**APPOINTMENT OF JOYCE TURNER**

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9119, Joyce Turner as Director of the Department of Enterprise Services.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9119, Joyce Turner, as Director of the Department of Enterprise Services and the appointment was confirmed by the following vote: Yeas, 43; Nays, 1; Absent, 0; Excused, 6.


Excused: Senators Hargrove, Hobbs, Keiser, Litzow, Morton

Gubernatorial Appointment No. 9119, Joyce Turner, having received the constitutional majority was declared confirmed as Director of the Department of Enterprise Services.

**SECOND READING**

**CONFIRMATION OF GUBERNATORIAL APPOINTMENTS**

**MOTION**

Senator Conway moved that Gubernatorial Appointment No. 9064, Robert Lenigan, as a member of the Board of Trustees, Clover Park Technical College District No. 29, be confirmed.

Senator Conway spoke in favor of the motion.

**APPOINTMENT OF ROBERT LENIGAN**

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9064, Robert Lenigan as a member of the Board of Trustees, Clover Park Technical College District No. 29.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9064, Robert Lenigan as a member of the Board of Trustees, Clover Park Technical College District No. 29 and the appointment was confirmed by the following vote: Yeas, 43; Nays, 1; Absent, 0; Excused, 5.


Voting nay: Senator Baumgartner

Excused: Senators Hargrove, Hobbs, Keiser, Litzow and Morton

Gubernatorial Appointment No. 9064, Robert Lenigan, having received the constitutional majority was declared confirmed as a member of the Board of Trustees, Clover Park Technical College District No. 29.

**SECOND READING**

**CONFIRMATION OF GUBERNATORIAL APPOINTMENTS**

**MOTION**

Senator Delvin moved that Gubernatorial Appointment No. 9211, Salvador Mendoza, as a member of the Board of Trustees, Columbia Basin Community College District No. 19, be confirmed.

Senator Delvin spoke in favor of the motion.

**APPOINTMENT OF SALVADOR MENDOZA**

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9211, Salvador Mendoza as a member of the Board of Trustees, Columbia Basin Community College District No. 19.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9211, Salvador Mendoza as a member of the Board of Trustees, Columbia Basin Community College District No. 19 and the appointment was confirmed by the following vote: Yeas, 43; Nays, 1; Absent, 0; Excused, 5.


Voting nay: Senator Baumgartner

Excused: Senators Hargrove, Hobbs, Keiser, Litzow and Morton

Gubernatorial Appointment No. 9211, Salvador Mendoza, having received the constitutional majority was declared
confirmed as a member of the Board of Trustees, Columbia Basin Community College District No. 19.

SECOND READING

SENATE BILL NO. 6571, by Senator Kohl-Welles

Strengthening the department of revenue's ability to collect spirits taxes imposed under RCW 82.08.150.

The measure was read the second time.

MOTION

On motion of Senator Kohl-Welles, the rules were suspended. Senate Bill No. 6571 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Kohl-Welles spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6571.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6571 and the bill passed the Senate by the following vote: Yeas, 44; Nays, 0; Absent, 0; Excused, 5.


Excused: Senators Hargrove, Hobbs, Keiser, Litzow and Morton

SENATE BILL NO. 5982, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 5982, by Senators Kastama, Shin, Hobbs, Harper, Eide, Kilmer, Conway, Sheldon, Haugen, Kohl-Welles, Frockt, Keiser, Fain, Tom, Chase and McAuliffe

Creating the joint center for aerospace technology innovation.

MOTIONS

On motion of Senator Kastama, Substitute Senate Bill No. 5982 was substituted for Senate Bill No. 5982 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Kastama, the rules were suspended, Substitute Senate Bill No. 5982 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Kastama spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5982.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5982 and the bill passed the Senate by the following vote: Yeas, 44; Nays, 0; Absent, 0; Excused, 5.


Excused: Senators Hargrove, Hobbs, Keiser, Litzow and Morton

SUBSTITUTE SENATE BILL NO. 5982, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6217, by Senators Holmquist Newby, Pridemore, Schoesler and Delvin

Regarding irrigation district administration.

The measure was read the second time.

MOTION

Senator Holmquist Newby moved that the following amendment by Senators Holmquist Newby and Hatfield be adopted:

On page 3, beginning on line 1, strike all of section 4 and insert the following:

"Sec. 4. RCW 87.06.030 and 2004 c 215 s 4 are each amended to read as follows:

Before preparing a certificate of delinquency, the treasurer shall ((order a title search of the property for which a certificate of delinquency has been prepared to determine or verify the legal description of the property to be sold and parties in interest. In districts with two hundred thousand acres or more, the board of directors, upon receiving the certificates of delinquency may, after reviewing the amount of delinquent assessment compared to the costs of foreclosure, including but not limited to title search, court filing fees, costs of service, and attorneys' fees, determine that it is not in the best interest of the district to commence legal action to foreclose the delinquent assessment lien(s)) provide to the board of directors a list of properties that may be subject to foreclosure for delinquent assessments. The board of directors shall review the list of delinquent properties. After comparing the amount of the delinquent assessment with the costs of foreclosure, including but not limited to title search, court filing fees, costs of service, and attorneys' fees, the board of directors may determine that it is not in the best interest of the district to commence legal action to foreclose the delinquent assessment lien(s)."

Senator Holmquist Newby spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators Holmquist Newby and Hatfield on page 3, line 1 to Senate Bill No. 6217.

The motion by Senator Holmquist Newby carried and the amendment was adopted by voice vote.
MOTION

On motion of Senator Holmquist Newby, the rules were suspended, Engrossed Senate Bill No. 6217 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Holmquist Newby and Hatfield spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 6217.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 6217 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.


Excused: Senator Hargrove

SUBSTITUTE SENATE BILL NO. 6088, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6108, by Senators Harper and Fain

Clarifying the location at which the crime of theft of rental, leased, lease-purchased, or loaned property occurs.

The measure was read the second time.

MOTION

On motion of Senator Harper, the rules were suspended, Senate Bill No. 6108 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Harper and Pflug spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6108.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6088 and the bill passed the Senate by the following vote: Yeas, 45; Nays, 3; Absent, 0; Excused, 1.


Voting nay: Senators Padden, Schoesler and Stevens

Excused: Senator Hargrove

ENGROSSED SENATE BILL NO. 6217, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6088, by Senators Pridemore, Swecker, Conway, Ranker, Shin, Keiser, Kilmer, Kline, Zarelli, Prentice, Rolfs, Eide, Fraser, Kastama, Hobbs, Kohl-Welles, Tom, Benton and Frockt

Strengthening the review of the legislature's goals for tax preferences by requiring that every new tax preference provide an expiration date and statement of legislative intent.

MOTIONS

On motion of Senator Pridemore, Substitute Senate Bill No. 6088 was substituted for Senate Bill No. 6088 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Pridemore, the rules were suspended, Substitute Senate Bill No. 6088 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pridemore and Frockt spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6088.
SENATE BILL NO. 6121, by Senators Frockt, Tom, Kastama, Shin and Kline

Requiring the office of student financial assistance to provide a financial aid counseling curriculum for institutions of higher education.

MOTIONS

On motion of Senator Frockt, Substitute Senate Bill No. 6121 was substituted for Senate Bill No. 6121 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Frockt, the rules were suspended, Substitute Senate Bill No. 6121 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Frockt spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6121.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6121 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.


Excused: Senator Hargrove

SUBSTITUTE SENATE BILL NO. 6121, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6009, by Senators Carrell, Schoesler, Becker, Morton, Fain, Holmquist Newby, Swecker, Delvin, Hill and Roach

Regarding ethics in public service.

MOTION

On motion of Senator Carrell, Substitute Senate Bill No. 6009 was substituted for Senate Bill No. 6009 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Carrell moved that the following amendment by Senators Carrell and Pridemore be adopted:

On page 6, after line 7, insert the following:

"Sec. 3. RCW 42.52.120 and 1997 c 318 s 1 are each amended to read as follows:

(1) No state officer or state employee may receive any thing of economic value under any contract or grant outside of his or her official duties. The prohibition in this subsection does not apply where the state officer or state employee has complied with RCW 42.52.030((1))) or each of the following conditions are met:

(a) The contract or grant is bona fide and actually performed;
(b) The performance or administration of the contract or grant is not within the course of the officer's or employee's official duties, or is not under the officer's or employee's official supervision;
(c) The performance of the contract or grant is not prohibited by RCW 42.52.040 or by applicable laws or rules governing outside employment for the officer or employee;
(d) The contract or grant is neither performed for nor compensated by any person from whom such officer or employee would be prohibited by RCW 42.52.150(4) from receiving a gift;
(e) The contract or grant is not one expressly created or authorized by the officer or employee in his or her official capacity;
(f) The contract or grant would not require unauthorized disclosure of confidential information; and
(g) The state officer or state employee has attended an ethics training approved by the appropriate ethics board within the past twenty-four months.

(2) In addition to satisfying the requirements of subsection (1) of this section, a state officer or state employee may have a beneficial interest in a grant or contract or a series of substantially identical contracts or grants with a state agency only if:

(a) The contract or grant is awarded or issued as a result of an open and competitive bidding process in which more than one bid or grant application was received; or
(b) The contract or grant is awarded or issued as a result of an open and competitive bidding or selection process in which the officer's or employee's bid or proposal was the only bid or proposal received and the officer or employee has been advised by the appropriate ethics board, before execution of the contract or grant, that the contract or grant would not be in conflict with the proper discharge of the officer's or employee's official duties; or
(c) The process for awarding the contract or issuing the grant is not open and competitive, but the officer or employee has been advised by the appropriate ethics board that the contract or grant would not be in conflict with the proper discharge of the officer's or employee's official duties.

(3) A state officer or state employee awarded a contract or grant in compliance with subsection (2) of this section shall file the contract or grant with the appropriate ethics board within thirty days after the date of execution; however, if proprietary formulae, designs, drawings, or research are included in the contract or grant, the proprietary formulae, designs, drawings, or research may be deleted from the contract or grant filed with the appropriate ethics board.

(4) This section does not prevent a state officer or state employee from receiving compensation contributed from the treasury of the United States, another state, county, or municipality if the compensation is received pursuant to arrangements entered into between such state, county, municipality, or the United States and the officer's or employee's agency. This section does not prohibit a state officer or state employee from serving or performing any duties under an employment contract with a governmental entity.

(5) As used in this section, "officer" and "employee" do not include officers and employees who, in accordance with the terms of their employment or appointment, are serving without compensation from the state of Washington or are receiving from the state only reimbursement of expenses incurred or a predetermined allowance for such expenses."

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 7, line 24, after "employment" strike all material through "thereafter." and insert ". Beginning January 1, 2013, every state officer and state employee shall attend an ethics training approved by the appropriate ethics board in coordination with other agency-provided training, including sexual harassment training, but
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no less than every three years. Every state officer and state employee subject to RCW 42.52.150(4) must be provided specialized or enhanced training approved by the appropriate ethics board every three years thereafter.

Senator Carrell spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators Carrell and Pridemore on page 6, after line 7 to Substitute Senate Bill No. 6009.

The motion by Senator Carrell carried and the amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, at the beginning of line 2 of the title, insert “42.52.120 and”

MOTION

On motion of Senator Pridemore, the rules were suspended, Engrossed Substitute Senate Bill No. 6009 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pridemore and Carrell spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6009.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6009 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.


Excused: Senator Hargrove

SENATE BILL NO. 6289, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6290, by Senators Kilmer, Swecker, Conway, Shin, Rolfs and Chase

Concerning military spouses or registered domestic partners occupational licensing status during deployment or placement outside Washington state.

The measure was read the second time.

MOTION

On motion of Senator Kilmer, the rules were suspended, Senate Bill No. 6290 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Kilmer spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6290.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6290 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.


Excused: Senator Hargrove

SENATE BILL NO. 6289, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6290, by Senators Kilmer, Swecker, Conway, Shin, Rolfs and Chase

Concerning military spouses or registered domestic partners occupational licensing status during deployment or placement outside Washington state.

The measure was read the second time.

MOTION

On motion of Senator Kilmer, the rules were suspended, Senate Bill No. 6290 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Kilmer spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6290.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6290 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.


Excused: Senator Hargrove

SENATE BILL NO. 6289, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING
SENATE BILL NO. 6371, by Senators Shin, Benton, Chase, Haugen, Kilmer, Delvin, Hatfield, Schoesler, Becker, McAuliffe and Conway

Extending the customized employment training program.

MOTIONS

On motion of Senator Shin, Substitute Senate Bill No. 6371 was substituted for Senate Bill No. 6371 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Shin, the rules were suspended, Substitute Senate Bill No. 6371 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Shin spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6371.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6371 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 1; Excused, 1.


Absent: Senator Zarelli

Excused: Senator Hargrove

SUBSTITUTE SENATE BILL NO. 6371, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6359, by Senators Eide, Kastama, Kilmer and McAuliffe

Modifying provisions related to the office of regulatory assistance.

MOTIONS

On motion of Senator Kastama, Substitute Senate Bill No. 6359 was substituted for Senate Bill No. 6359 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Kastama, the rules were suspended, Substitute Senate Bill No. 6359 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Kastama spoke in favor of passage of the bill.

MOTION

On motion of Senator Delvin, Senator Zarelli was excused.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6359.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6359 and the bill passed the Senate by the following vote: Yeas, 36; Nays, 12; Absent, 0; Excused, 1.


Voting nay: Senators Carrell, Erickson, Hewitt, Holmquist Newbry, Honeyford, King, Padden, Parlette, Roach, Schoesler, Stevens and Zarelli

Excused: Senator Hargrove

SUBSTITUTE SENATE BILL NO. 6359, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 5996, by Senators Schoesler, Hatfield, Haugen, Becker and Fraser

Concerning contiguous land under the current use open space property tax programs.

MOTIONS

On motion of Senator Hatfield, Substitute Senate Bill No. 5996 was substituted for Senate Bill No. 5996 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Hatfield, the rules were suspended, Substitute Senate Bill No. 5996 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Schoesler spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5996.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5996 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.


Excused: Senator Hargrove

SUBSTITUTE SENATE BILL NO. 5996, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING


Extending the customized employment training program.
Concerning associate development organizations.

MOTION
On motion of Senator Rolfes, Substitute Senate Bill No. 6355 was substituted for Senate Bill No. 6355 and the substitute bill was placed on the second reading and read the second time.

MOTION
On motion of Senator Kastama, further consideration of Substitute Senate Bill No. 6355 was deferred and the bill held its place on the second reading calendar.

PERSONAL PRIVILEGE
Senator Ericksen: “Well thank you Mr. President. During this down time I would like to announce that my daughter’s fourth grade basketball team just won the championship. They won 11-10 and my daughter Adelle went off for three points this morning and of course she plays for the Business Bank Team of Whatcom County. I know all of you are very concerned about who won that championship game today but just wanted to share that with you all.”

REPLY BY THE PRESIDENT
President Owen: “Congratulations.”

SECOND READING
SENATE BILL NO. 6356, by Senators Rolfes, Kastama, Chase, Shin, Tom and Frockt
Concerning an interagency work group on establishing a single portal for Washington businesses.

MOTION
On motion of Senator Kastama, Substitute Senate Bill No. 6356 was substituted for Senate Bill No. 6356 and the substitute bill was placed on the second reading and read the second time.

MOTION
Senator Kastama moved that the following amendment by Senators Kastama and Zarelli be adopted:
On page 1, line 7, after “must” strike “convene an interagency work group to review business community needs and evaluate technical options for” and insert “establish”
On page 2, line 12, after “The” strike “work group must examine” and insert “chief information officer must consider”
On page 2, beginning on line 17, strike all of subsections (3) and (4) and insert the following:
“(3) The single portal for Washington businesses must be implemented by January 1, 2013.”

Senator Kastama spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators Kastama and Zarelli on page 1, line 7 to Substitute Senate Bill No. 6356.

The motion by Senator Kastama carried and the amendment was adopted by voice vote.

MOTION
There being no objection, the following title amendment was adopted:
On page 1, line 1 of the title, after “Relating to” strike “an interagency work group on establishing” and insert “the establishment of”

MOTION
On motion of Senator Kastama, the rules were suspended, Engrossed Substitute Senate Bill No. 6356 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Kastama spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6356.

ROLL CALL
The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6356 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.
Excused: Senator Hargrove

ENGROSSED SUBSTITUTE SENATE BILL NO. 6356, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION
On motion of Senator Eide, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE
February 10, 2012

MR. PRESIDENT:
The House has passed:
SUBSTITUTE HOUSE BILL NO. 1253,
SUBSTITUTE HOUSE BILL NO. 1552,
HOUSE BILL NO. 2370,
SUBSTITUTE HOUSE BILL NO. 2389,
SUBSTITUTE HOUSE BILL NO. 2608,
HOUSE BILL NO. 2643,
SUBSTITUTE HOUSE BILL NO. 2748.
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE
February 10, 2012
MR. PRESIDENT:
The House has passed:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1256,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2228,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2366,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2567,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2592.

and the same are herewith transmitted.

BARRABARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

February 10, 2012

MR. PRESIDENT:
The House has passed:

SUBSTITUTE HOUSE BILL NO. 1518,
SUBSTITUTE HOUSE BILL NO. 2010,
HOUSE BILL NO. 2280,
SUBSTITUTE HOUSE BILL NO. 2352,
HOUSE BILL NO. 2456,
SUBSTITUTE HOUSE BILL NO. 2617,
HOUSE BILL NO. 2651,
SUBSTITUTE HOUSE BILL NO. 2668,
HOUSE BILL NO. 2698,
HOUSE BILL NO. 2725.

and the same are herewith transmitted.

BARRABARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

February 10, 2012

MR. PRESIDENT:
The House has passed:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1983,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2232,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2361,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2384,
HOUSE BILL NO. 2442,
ENGROSSED HOUSE BILL NO. 2457,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2473,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2502,
HOUSE BILL NO. 2523,
SUBSTITUTE HOUSE BILL NO. 2601,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2692.

and the same are herewith transmitted.

BARRABARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

February 10, 2012

MR. PRESIDENT:
The House has passed:

ENGROSSED HOUSE BILL NO. 2205,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2233,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2553.

and the same are herewith transmitted.

BARRABARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

February 10, 2012

MR. PRESIDENT:
The House has passed:

SUBSTITUTE HOUSE BILL NO. 2326,
SUBSTITUTE HOUSE BILL NO. 2349,
SUBSTITUTE HOUSE BILL NO. 2458.

and the same are herewith transmitted.

BARRABARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

February 10, 2012

On motion of Senator Eide, the Senate advanced to the sixth order of business.

The Senate resumed consideration of Substitute Senate Bill No. 6355 which had been deferred earlier in the day.

MOTION

Senator Baumgartner moved that the following amendment by Senators Baumgartner and Kastama be adopted:

On page 3, line 31, after "and", strike "must"
On page 3, line 32, after "strategy.", insert "Regional associate development organizations retain their independence to address local concerns and goals."

Senator Baumgartner spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators Baumgartner and Kastama on page 3, line 31 to Engrossed Substitute Senate Bill No. 6355.

The motion by Senator Baumgartner carried and the amendment was adopted by voice vote.

MOTION

On motion of Senator Kastama, the rules were suspended, Engrossed Substitute Senate Bill No. 6355 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Kastama spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6355.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6355 and the bill passed the Senate by the following vote: Yea, 46; Nays, 0; Absent, 2; Excused, 1.


Absent: Senators Benton and Hatfield

Excused: Senator Hargrove

ENGROSSED SUBSTITUTE SENATE BILL NO. 6355, having received the constitutional majority, was declared passed.
There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

At 11:32 a.m., on motion of Senator Eide, the Senate was declared to be at ease subject to the call of the President.

AFTERNOON SESSION

The Senate was called to order at 2:56 p.m. by President Owen.

SECOND READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Pridemore moved that Gubernatorial Appointment No. 9246, Mark Brown, as a member of the Parks and Recreation Commission, be confirmed.

Senators Pridemore and Benton spoke in favor of passage of the motion.

MOTION

On motion of Senator Fain, Senator Litzow was excused.

MOTION

On motion of Senator Eide, Senator McAuliffe was excused.

MOTION

On motion of Senator Ericksen, Senator Zarelli was excused.

APPOINTMENT OF MARK BROWN

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9246, Mark Brown as a member of the Parks and Recreation Commission.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9246, Mark Brown as a member of the Parks and Recreation Commission and the appointment was confirmed by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 3.


Excused: Senators Hargrove, Litzow and McAuliffe

Gubernatorial Appointment No. 9246, Mark Brown, having received the constitutional majority was declared confirmed as a member of the Parks and Recreation Commission.

SECOND READING

SENATE BILL NO. 6141, by Senators Kilmer, Tom, Shin, Kastama, Ericksen, Chase and Frockt

Creating a lifelong learning program.
SECOND READING

SENATE BILL NO. 6138, by Senator Ericksen

Increasing the allowable maximum length for vehicles operated on public highways.

MOTIONS

On motion of Senator Ericksen, Substitute Senate Bill No. 6138 was substituted for Senate Bill No. 6138 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Ericksen, the rules were suspended, Substitute Senate Bill No. 6138 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Ericksen spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6138.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5251 and the bill passed the Senate by the following vote: Yeas, 31; Nays, 16; Absent, 0; Excused, 2.


Voting nay: Senators Baumgartner, Benton, Carrell, Fain, Frockt, Hill, Holquist Newbry, Kastama, Kilmer, Litzow, McAuliffe, Murray, Padden, Roach, Sheldon and Tom

Excused: Senators Hargrove and Stevens

SECOND SUBSTITUTE SENATE BILL NO. 5251, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 6138, by Senate Committee on Transportation (originally sponsored by Senators Haugen, Swecker, Sheldon, Hobbs and White)

Imposing an additional vehicle license fee on electric vehicles. Revised for 2nd Substitute: Concerning electric vehicle license fees.

MOTIONS

On motion of Senator Haugen, Second Substitute Senate Bill No. 5251 was substituted for Second Engrossed Substitute Senate Bill No. 5251 and the second substitute bill was placed on the second reading and read the second time.

On motion of Senator Haugen, the rules were suspended, Second Substitute Senate Bill No. 5251 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Haugen, King and Nelson spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 5251.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6349 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 1; Absent, 0; Excused, 2.


Voting nay: Senator Eide

Excused: Senators Hargrove and Stevens

SENATE BILL NO. 6349, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SECOND READING

SENATE BILL NO. 6349, by Senators Fain, Eide, Litzow, Haugen and Hill

Modifying the delivery of notifications to habitual traffic offenders.

The measure was read the second time.

MOTION

On motion of Senator Fain, the rules were suspended, Senate Bill No. 6349 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Fain spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6349.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6444 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 1; Absent, 0; Excused, 2.


Voting nay: Senator Eide

Excused: Senators Hargrove and Stevens

SENATE BILL NO. 6444, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SECOND READING

SENATE BILL NO. 6444, by Senators Haugen and Fain

Concerning eligible toll facilities.

MOTIONS
On motion of Senator Haugen, Substitute Senate Bill No. 6444 was substituted for Senate Bill No. 6444 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Haugen, the rules were suspended, Substitute Senate Bill No. 6444 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Haugen and King spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6444.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6444 and the bill passed the Senate by the following vote: Yeas, 42; Nays, 5; Absent, 0; Excused, 2.


Voting nay: Senators Carrell, Holmquist Newby, Morton, Padden and Schoesler

Excused: Senators Hargrove and Stevens

SECOND READING

SENATE BILL NO. 6081, by Senators Haugen, Swecker, Ranker, King, Hatfield, Becker, Erickson, Nelson, Regala and Shin

Authorizing counties and ferry districts operating ferries to impose a vessel replacement surcharge on ferry fares sold.

MOTIONS

On motion of Senator Haugen, Substitute Senate Bill No. 6081 was substituted for Senate Bill No. 6081 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Haugen, the rules were suspended, Substitute Senate Bill No. 6081 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Haugen and King spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6081.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6081 and the bill passed the Senate by the following vote: Yeas, 44; Nays, 3; Absent, 0; Excused, 2.


Voting nay: Senators Carrell, Padden and Roach

Excused: Senators Hargrove and Stevens

SECOND READING

SENATE BILL NO. 6155, by Senators Kilmer, Carrell, Hobbs, Kastama, Regala, Fain, Conway and Keiser

Concerning the definition of debt adjusters.

The measure was read the second time.

MOTION

On motion of Senator Kilmer, Senate Bill No. 6155 was not substituted for Substitute Senate Bill No. 6155 and the substitute bill was not adopted.

MOTION

Senator Kilmer moved that the following striking amendment by Senator Kilmer and others be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 18.28.010 and 1999 c 151 s 101 are each amended to read as follows:

Unless a different meaning is plainly required by the context, the following words and phrases as hereinafter used in this chapter shall have the following meanings:

(1) "Debt adjusting" means the managing, counseling, settling, adjusting, prorating, or liquidating of the indebtedness of a debtor, or receiving funds for the purpose of distributing said funds among creditors in payment or partial payment of obligations of a debtor.

(2) "Debt adjuster", which includes any person known as a debt pooler, debt manager, debt consolidator, debt prorater, or credit counselor, is any person engaging in or holding himself or herself out as engaging in the business of debt adjusting for compensation. The term shall not include:

(a) Attorneys-at-law, escrow agents, accountants, broker-dealers in securities, or investment advisors in securities, while performing services solely incidental to the practice of their professions;
(b) Any person, partnership, association, or corporation doing business under and as permitted by any law of this state or of the United States relating to banks, consumer finance businesses, consumer loan companies, trust companies, mutual savings banks, savings and loan associations, building and loan associations, credit unions, crop credit associations, development credit corporations, industrial development corporations, title insurance companies, or third-party account administrators;
(c) Persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt adjusting, perform credit services for their employer;
(d) Public officers while acting in their official capacities and persons acting under court order;"
(e) Any person while performing services incidental to the dissolution, winding up or liquidation of a partnership, corporation, or other business enterprise;

(f) Nonprofit organizations dealing exclusively with debts owing from commercial enterprises to business creditors;

(g) Nonprofit organizations engaged in debt adjusting and which do not assess against the debtor a service charge in excess of fifteen dollars per month.

(3) "Debt adjusting agency" is any partnership, corporation, or association engaging in or holding itself out as engaging in the business of debt adjusting.

(4) "Financial institution" means any person doing business under the laws of any state or the United States relating to commercial banks, bank holding companies, savings banks, savings and loan associations, trust companies, or credit unions.

(5) "Third-party account administrator" means an entity that holds or administers a dedicated bank account for fees and payments to creditors or debt collectors in connection with the renegotiation, settlement, reduction, or other alteration of the terms of payment or other terms of a debt.

Sec. 2. RCW 18.28.080 and 1999 c 151 s 102 are each amended to read as follows:

(1) By contract a debt adjuster may charge a reasonable fee for debt adjusting services. The total fee for debt adjusting services, including, but not limited to, any fee charged by a financial institution or a third-party account administrator, may not exceed fifteen percent of the total debt listed by the debtor on the contract. The fee retained by the debt adjuster from any one payment made by or on behalf of the debtor may not exceed fifteen percent of the payment. The debt adjuster may make an initial charge of up to twenty-five dollars which shall be considered part of the total fee. If an initial charge is made, no additional fee may be retained which will bring the total fee retained to date to more than fifteen percent of the total payments made to date. No fee whatsoever shall be applied against rent and utility payments for housing.

In the event of cancellation or default on performance of the contract by the debtor prior to its successful completion, the debt adjuster may collect in addition to fees previously received, six percent of that portion of the remaining indebtedness listed on said contract which was due when the contract was entered into, but not to exceed twenty-five dollars.

(2) A debt adjuster shall not be entitled to retain any fee until notifying all creditors listed by the debtor that the debtor has engaged the debt adjuster in a program of debt adjusting.

NEW SECTION. Sec. 3. A new section is added to chapter 19.230 RCW to read as follows:

(1) A third-party account administrator must be licensed as a money transmitter under this chapter and comply with the following additional requirements:

(a) A debtor's funds must be held in an account at an insured financial institution;

(b) A debtor owns the funds held in the account and must be paid accrued interest on the account, if any;

(c) A third-party account administrator may not be owned or controlled by, or in any way affiliated with, a debt adjuster;

(d) A third-party account administrator may not give or accept any money or other compensation in exchange for referrals of business involving a debt adjuster;

(e) A debtor may withdraw from the service provided by a third-party account administrator at any time without penalty and must receive all funds in the account, other than funds earned by a debt adjuster in compliance with chapter 18.28 RCW, within seven business days of the debtor's request; and

(f) A contract between a third-party account administrator and a debtor must disclose in precise terms the rate and amount of all charges and fees.

(2) The legislature finds and declares that any violation of this section substantially affects the public interest and is an unfair and deceptive act or practice and unfair method of competition in the conduct of trade or commerce as set forth in RCW 19.86.020. In addition to all remedies available in chapter 19.86 RCW, a person injured by a violation of this section may bring a civil action to recover the actual damages proximately caused by a violation of this section, or one thousand dollars, whichever is greater.

(3) For purposes of this section:

(a) "Debt adjuster" has the same meaning as that term is defined in RCW 18.28.010;

(b) "Third-party account administrator" means an entity that holds or administers a dedicated bank account for fees and payments to creditors or debt collectors in connection with the renegotiation, settlement, reduction, or other alteration of the terms of payment or other terms of a debt.

NEW SECTION. Sec. 4. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Senators Kilmer and Benton spoke in favor of adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of the striking amendment by Senator Kilmer and others to Senate Bill No. 6155.

The motion by Senator Kilmer carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 1 of the title, after "Relating to" strike the remainder of the title and insert "third-party account administrators; amending RCW 18.28.010 and 18.28.080; and adding a new section to chapter 19.230 RCW."

MOTION

On motion of Senator Kilmer, the rules were suspended, Engrossed Senate Bill No. 6155 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Kilmer and Conway spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 6155.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 6155 and the bill passed the Senate by the following vote: Yea, 46; Nays, 1; Absent, 0; Excused, 2.


Voting nay: Senator Holmquist Newby

Excused: Senators Hargrove and Stevens

ENGROSSED SENATE BILL NO. 6155, having received the constitutional majority, was declared passed. There being no
objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6465, by Senators Holmquist Newbry and Kohl-Welles

Concerning raffles exceeding five thousand dollars.

The measure was read the second time.

MOTION

On motion of Senator Holmquist Newbry, the rules were suspended, Senate Bill No. 6465 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Holmquist Newbry and Kohl-Welles spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6465.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6465 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.


Excused: Senators Hargrove and Stevens

SENATE BILL NO. 6465, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6204, by Senator Hargrove

Modifying community supervision provisions.

MOTION

On motion of Senator Holmquist Newbry, the rules were suspended, Senate Bill No. 6465 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Holmquist Newbry and Kohl-Welles spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6465.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6465 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.


Excused: Senators Hargrove and Stevens

SENATE BILL NO. 6465, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6555, by Senators Hargrove, Shin and Roach

this subsection unless the state or its officers, agents, and employees acted with reckless disregard.”

Senator Harper spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Hargrove and others on page 8, line 34 to Second Substitute Senate Bill No. 6204.

The motion by Senator Harper carried and the amendment was adopted by voice vote.

MOTION

On motion of Senator Harper, the rules were suspended, Engrossed Second Substitute Senate Bill No. 6204 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Harper spoke in favor of passage of the bill.

POINT OF INQUIRY

Senator Benton: “Will the previous speaker or the maker of the bill yield to a question? Senator, can you tell me is there anything in this bill to reduce the Department of Corrections supervision of offenders in the community or is this really all about liability to the Department and so on? Is there anything to reduce the state’s time monitoring convicted criminals in this bill?”

Senator Harper: “To my knowledge, absolutely not Senator Benton. The savings in the bill are through procedural changes, we’re not reducing community supervision time.”

MOTION

On motion of Senator Fraser, Senator Prentice was excused.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 6204.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6204 and the bill passed the Senate by the following vote: Yeas, 45; Nays, 2; Absent, 0; Excused, 2.


Excused: Senators Hargrove and Stevens

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6204, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6555, by Senators Hargrove, Shin and Roach
Providing for family assessments in cases involving child abuse or neglect.

**MOTION**

On motion of Senator Harper, Substitute Senate Bill No. 6555 was substituted for Senate Bill No. 6555 and the substitute bill was placed on the second reading and read the second time.

**MOTION**

Senator Harper moved that the following amendment by Senators Harper and Stevens be adopted:

On page 11, after line 22, insert the following:

"(c) The department may not be held civilly liable for the decision to respond to an allegation of child abuse or neglect by using the family assessment track under this section unless the state or its officers, agents, or employees acted with reckless disregard."

Senator Harper spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators Harper and Stevens on page 11, after line 22 to Substitute Senate Bill No. 6555.

The motion by Senator Harper carried and the amendment was adopted by voice vote.

**MOTION**

On motion of Senator Harper, the rules were suspended, Engrossed Substitute Senate Bill No. 6555 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Harper and Carrell spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6555.

**ROLL CALL**

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6555 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 3.


Excused: Senators Hargrove, Prentice and Stevens

SUBSTITUTE SENATE BILL NO. 6187, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

**SECOND READING**

SENATE BILL NO. 6187, by Senators Pflug, Harper and Frockt

Concerning claims against the state and governmental entities arising out of tortious conduct. Revised for 1st Substitute: Concerning health care claims against state and governmental health care providers arising out of tortious conduct.

**MOTIONS**

On motion of Senator Pflug, Substitute Senate Bill No. 6187 was substituted for Senate Bill No. 6187 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Pflug, the rules were suspended, Substitute Senate Bill No. 6187 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Pflug spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6187.

**ROLL CALL**

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6187 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 3.


Excused: Senators Hargrove, Prentice and Stevens

SENATE BILL NO. 5978, by Senators Pflug, Keiser, Frockt, Conway and Kohl-Welles

Concerning medicaid fraud.

**MOTION**

On motion of Senator Pflug, Substitute Senate Bill No. 5978 was substituted for Senate Bill No. 5978 and the substitute bill was placed on the second reading and read the second time.

**MOTION**

Senator Pflug moved that the following striking amendment by Senators Pflug and Keiser be adopted:

Strike everything after the enacting clause and insert the following:

"PART I

WASHINGTON MEDICAID FRAUD PROVISIONS

NEW SECTION. Sec. 101. The legislature intends to enact a state false claims act in order to provide this state with another tool to combat medicaid fraud. The legislature finds that between 1996
and 2009 state-initiated false claims acts resulted in over five billion dollars in total recoveries to those states. The highest recoveries in those cases were from claims relating to billing fraud, off-label marketing, and withholding safety information; these cases were primarily related to the pharmaceutical industry and hospital networks, hospitals, and medical centers. By this act, the legislature does not intend to target a certain industry, profession, or retailer of medical equipment, or to place an undue burden on health care professionals. This act is not intended to harass health care professionals, nor is intended to be used as a tool to target actions that are related to incidental errors or clerical errors, which should not be considered fraud. The intent is to use the false claims act to root out significant areas of fraud that result in higher health care costs to this state and to use the false claims act to recover state money that could and should be used to support the medicaid program.

Sec. 102. RCW 74.09.210 and 2011 1st sp.s. c 15 s 15 are each amended to read as follows:

(1) No person, firm, corporation, partnership, association, agency, institution, or other legal entity, but not including an individual public assistance recipient of health care, shall, on behalf of himself or others, obtain or attempt to obtain benefits or payments under this chapter in a greater amount than that to which entitled by means of:

(a) A willful false statement;
(b) By willful misrepresentation, or by concealment of any material facts; or
(c) By other fraudulent scheme or device, including, but not limited to:
(i) Billing for services, drugs, supplies, or equipment that were unfurnished, of lower quality, or a substitution or misrepresentation of items billed; or
(ii) Repeated billing for purportedly covered items, which were not in fact so covered.

(2) Any person or entity knowingly violating any of the provisions of subsection (1) of this section shall be liable for repayment of any excess benefits or payments received, plus interest at the rate and in the manner provided in RCW 43.20B.695. Such person or other entity shall further, in addition to any other penalties provided by law, be subject to civil penalties. The (secretary or) director((as appropriate)) or the attorney general may assess civil penalties in an amount not to exceed three times the amount of such excess benefits or payments: PROVIDED, That these civil penalties shall not apply to any acts or omissions occurring prior to September 1, 1979. RCW 43.20A.215 governs notice of a civil fine assessed by the director and provides the right to an adjudicative proceeding.

(3) A criminal action need not be brought against a person for that person to be civilly liable under this section.

(4) In all administrative proceedings under this section, service, adjudicative proceedings, and judicial review of such determinations shall be in accordance with chapter 34.05 RCW, the administrative procedure act.

(5) Civil penalties shall be deposited ((in the general fund)) upon their receipt into the medicaid fraud penalty account established in section 103 of this act.

(6) The attorney general may contract with private attorneys and local governments in bringing actions under this section as necessary.

NEW SECTION. Sec. 103. A new section is added to chapter 74.09 RCW to read as follows:

The medicaid fraud penalty account is created in the state treasury. All receipts from civil penalties collected under RCW 74.09.210, all receipts received under judgments or settlements that originated under a filing under the federal false claims act, and all receipts received under judgments or settlements that originated under the state medicaid fraud false claims act, chapter 74.--- RCW (the new chapter created in section 215 of this act) must be deposited into the account. Moneys in the account may be spent only after appropriation and must be used only for medicaid services, fraud detection and prevention activities, recovery of improper payments, and for other medicaid fraud enforcement activities.

NEW SECTION. Sec. 104. A new section is added to chapter 74.09 RCW to read as follows:

(1) For the purposes of this section:
(a) "Employer" means any person, firm, corporation, partnership, association, agency, institution, or other legal entity.
(b) "Whistleblower" means an employee of an employer that obtains or attempts to obtain benefits or payments under this chapter in violation of RCW 74.09.210, who in good faith reports a violation of RCW 74.09.210 to the authority.
(c) "Workplace reprisal or retaliatory action" includes, but is not limited to: Denial of adequate staff to fulfill duties; frequent staff changes; frequent and undesirable office changes; refusal to assign meaningful work; unwarranted and unsubstantiated report of misconduct under Title 18 RCW; unwarranted and unsubstantiated letters of reprimand or unsatisfactory performance evaluations; demotion; reduction in pay; denial of promotion; suspension; dismissal; denial of employment; or a supervisor or superior behaving in or encouraging coworkers to behave in a hostile manner toward the whistleblower; or a change in the physical location of the employee's workplace or a change in the basic nature of the employee's job, if either are in opposition to the employee's expressed wish.

(2) A whistleblower who has been subjected to workplace reprisal or retaliatory action has the remedies provided under chapter 49.60 RCW. RCW 4.24.500 through 4.24.520, providing certain protection to persons who communicate to government agencies, apply to complaints made under this section. The identity of a whistleblower who complains, in good faith, to the authority about a suspected violation of RCW 74.09.210 may remain confidential if requested. The identity of the whistleblower must subsequently remain confidential unless the authority determines that the complaint was not made in good faith.

(3) This section does not prohibit an employer from exercising its authority to terminate, suspend, or discipline an employee who engages in workplace reprisal or retaliatory action against a whistleblower. The protections provided to whistleblowers under this chapter do not prevent an employer from: (a) Terminating, suspending, or disciplining a whistleblower for other lawful purposes; or (b) Reducing the hours of employment or terminating employment as a result of the demonstrated inability to meet payroll requirements. The authority shall determine if the employer cannot meet payroll in cases where a whistleblower has been terminated or had hours of employment reduced due to the inability of a facility to meet payroll.

(4) The authority shall adopt rules to implement procedures for filing, investigation, and resolution of whistleblower complaints that are integrated with complaint procedures under this chapter. The authority shall adopt rules designed to discourage whistleblower complaints made in bad faith or for retaliatory purposes.

NEW SECTION. Sec. 105. A new section is added to chapter 74.09 RCW to read as follows:

The following must be medicare providers in order to be paid under the medicaid program: Providers of durable medical equipment and related supplies and providers of medical supplies and related services.

PART II

MEDICAID FRAUD FALSE CLAIMS ACT
NEW SECTION. Sec. 201. 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 title.

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

(i) Has actual knowledge of the information;

(ii) Acts in deliberate ignorance of the truth or falsity of the information; or

(iii) Acts in reckless disregard of the truth or falsity of the information.

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

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

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

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

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

(12) "Product of discovery" includes:

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

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

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

(13) "Qui tam action" is an action brought by a person under section 205 of this act.

(14) "Qui tam relator" or "relator" is a person who brings an action under section 205 of this act.

NEW SECTION. Sec. 202. (1) Subject to subsections (2) and (4) of this section, a person is liable to the government entity for a civil penalty of not less than five thousand five hundred dollars and not more than eleven thousand dollars, plus three times the amount of damages which the government entity sustains because of the act of that person, if the person:

(a) Knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;

(b) Knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;

(c) Conspires to commit one or more of the violations in this subsection (1);

(d) Has possession, custody, or control of property or money used, or to be used, by the government entity and knowingly delivers, or causes to be delivered, less than all of that money or property;

(e) Is authorized to make or deliver a document certifying receipt of property used, or to be used, by the government entity and knowingly delivers, or causes to be delivered, less than all of that money or property;

(f) Knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the government entity, who lawfully may not sell or pledge property; or

(g) Knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the government entity, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the government entity.

(2) The court may assess not less than two times the amount of damages which the government entity sustains because of the act of a person, if the court finds that:

(a) The person committing the violation of subsection (1) of this section furnished the Washington state attorney general with all information known to him or her about the violation within thirty days after the date on which he or she first obtained the information;

(b) The person fully cooperated with any investigation by the attorney general of the violation; and
(c) At the time the person furnished the attorney general with the information about the violation, no criminal prosecution, civil action, or administrative action had commenced under this title with respect to the violation, and the person did not have actual knowledge of the existence of an investigation into the violation.

(3) A person violating this section is liable to the attorney general for the costs of a civil action brought to recover any such penalty or damages.

(4) For the purposes of determining whether an insurer has a duty to provide a defense or indemnification for an insured and if coverage may be denied if the terms of the policy exclude coverage for intentional acts, a violation of subsection (1) of this section is an intentional act.

(5) The office of the attorney general must, by rule, annually adjust the civil penalties established in subsection (1) of this section so that they are equivalent to the civil penalties provided under the federal false claims act and in accordance with the federal civil penalties inflation adjustment act of 1990.

NEW SECTION. Sec. 203. Any information furnished pursuant to this chapter is exempt from disclosure under the public records act, chapter 42.56 RCW, until final disposition and all court ordered seals are lifted.

NEW SECTION. Sec. 204. The attorney general must diligently investigate a violation under section 202 of this act. If the attorney general finds that a person has violated or is violating section 202 of this act, the attorney general may bring a civil action under this section against the person.

NEW SECTION. Sec. 205. (1) A person may bring a civil action for a violation of section 202 of this act for the person and for the government entity.

(2) A relator filing an action under this chapter must serve a copy of the complaint and written disclosure of substantially all material evidence and information the person possesses on the attorney general in electronic format. The relator must file the complaint in camera. The complaint must remain under seal for at least sixty days, and may not be served on the defendant until the court so orders. The attorney general may elect to intervene and proceed with the action within sixty days after it receives both the complaint and the material evidence and information.

(3) The attorney general may, for good cause shown, move the court for extensions of the time during which the complaint remains under seal under subsection (2) of this section. The motions may be supported by affidavits or other submissions in camera. The defendant may not be required to respond to any complaint filed under this section until twenty days after the complaint is unsealed and served upon the defendant.

(4) If the attorney general does not proceed with the action prior to the expiration of the sixty-day period or any extensions obtained under subsection (3) of this section, then the relator has the right to conduct the action.

(5) When a person brings an action under this section, no person other than the attorney general may intervene or bring a related action based on the facts underlying the pending action.

NEW SECTION. Sec. 206. (1) If the attorney general proceeds with the qui tam action, the attorney general shall have the primary responsibility for prosecuting the action, and is not bound by an act of the relator. The relator has the right to continue as a party to the action, subject to the limitations set forth in subsection (2) of this section.

(2)(a) The attorney general may move to dismiss the qui tam action notwithstanding the objections of the relator if the relator has been notified by the attorney general of the filing of the motion and the court has provided the relator with an opportunity for a hearing on the motion.

(b) The attorney general may settle the action with the defendant notwithstanding the objections of the relator if the court determines, after a hearing, that the proposed settlement is fair, adequate, and reasonable under all the circumstances. Upon a showing of good cause, the hearing may be held in camera.

(c) Upon a showing by the attorney general that unrestricted participation during the course of the litigation by the relator would interfere with or unduly delay the attorney general’s prosecution of the case, or would be repetitious, irrelevant, or for purposes of harassment, the court may, in its discretion, impose limitations on the relator’s participation, such as:

(i) Limiting the number of witnesses the relator may call;

(ii) Limiting the length of the testimony of the witnesses;

(iii) Limiting the relator’s cross-examination of witnesses; or

(iv) Otherwise limiting the participation by the relator in the litigation.

(d) Upon a showing by the defendant that unrestricted participation during the course of the litigation by the relator would be for purposes of harassment or would cause the defendant undue burden or unnecessary expense, the court may limit the participation by the relator in the litigation.

(3) If the attorney general elects not to proceed with the qui tam action, the relator has the right to conduct the action. If the attorney general so requests, the relator must serve on the attorney general copies of all pleadings filed in the action and shall supply copies of all deposition transcripts, at the attorney general’s expense. When the relator proceeds with the action, the court, without limiting the status and rights of the relator, may nevertheless permit the attorney general to intervene at a later date upon a showing of good cause.

(4) Whether or not the attorney general proceeds with the qui tam action, upon a showing by the attorney general that certain actions of discovery by the relator would interfere with the attorney general’s investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay such discovery for a period of not more than sixty days. The showing must be conducted in camera. The court may extend the sixty-day period upon a further showing in camera that the attorney general has pursued the criminal or civil investigation or proceedings with reasonable diligence and any proposed discovery in the civil action will interfere with the ongoing criminal or civil investigation or proceedings.

(5) Notwithstanding section 205 of this act, the attorney general may elect to pursue its claim through any alternate remedy available to the state, including any administrative proceeding to determine a civil money penalty. If any alternate remedy is pursued in another proceeding, the relator has the same rights in the proceeding as the relator would have had if the action had continued under this section. Any finding of fact or conclusion of law made in the other proceeding that has become final is conclusive on all parties to an action under this section. For purposes of this subsection, a finding or conclusion is final if it has been finally determined on appeal to the appropriate court of the state of Washington, if all time for filing the appeal with respect to the finding or conclusion has expired, or if the finding or conclusion is not subject to judicial review.

NEW SECTION. Sec. 207. (1) 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 section 202 of this act 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 section 202 of this act, 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 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 section 103 of this act.

NEW SECTION. Sec. 208. (1) In no event may a person bring a qui tam action which is based upon allegations or transactions which are the subject of a civil suit or an administrative civil money penalty proceeding in which the state is already a party; or (2)(a) The court must dismiss an action or claim under this section, unless opposed by the attorney general, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed:

(i) In a state criminal, civil, or administrative hearing in which the attorney general or other governmental entity is a party;

(ii) In a legislative report, or other state report, hearing, audit, or investigation; or

(iii) By the news media;

unless the action is brought by the attorney general or the relator is an original source of the information.

(b) For purposes of this section, "original source" means an individual who either (i) prior to a public disclosure under (a) of this subsection, has voluntarily disclosed to the attorney general the information on which allegations or transactions in a claim are based, or (ii) has knowledge that is independent of, and materially adds to, the publicly disclosed allegations or transactions, and who has voluntarily provided the information to the attorney general before filing an action under this section.

NEW SECTION. Sec. 209. (1) Any employee, contractor, or agent is entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent, is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, agent, or associated others in furtherance of an action under this chapter or other efforts to stop one or more violations of this chapter.

(2) Relief under subsection (1) of this section must include reinstatement with the same seniority status that employee, contractor, or agent would have had but for the discrimination, two times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees, and any and all relief available under RCW 49.60.030(2). An action under this subsection may be brought in the appropriate superior court of the state of Washington for the relief provided in this subsection.

(3) A civil action under this section may not be brought more than three years after the date when the retaliation occurred.

NEW SECTION. Sec. 210. (1) A subpoena requiring the attendance of a witness at a trial or hearing conducted under section 204 or 205 of this act may be served at any place in the state of Washington.

(2) A civil action under section 204 or 205 of this act may be brought at any time, without limitation after the date on which the violation of section 202 of this act 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 section 204 or 205 of this act, the attorney general is required to prove all essential elements of the cause of action, including damages, by a preponderance of the evidence.

(5) 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 section 204 or 205 of this act.

NEW SECTION. Sec. 211. (1) Any action under section 204 or 205 of this act 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 section 202 of this act 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 section 204 or 205 of this act.

(3) With respect to any local government that is named as a coplaintiff with the state in an action brought under section 205 of this act, a seal on the action ordered by the court under section 205 of this act does not preclude the attorney general or the person bringing the action from serving the complaint, any other pleadings,
or the written disclosure of substantially all material evidence and information possessed by the person bringing the action on the law enforcement authorities that are authorized under the law of the local government to investigate and prosecute the action on behalf of the local government, except that the seal applies to the law enforcement authorities so served to the same extent as the seal applies to other parties in the action.

NEW SECTION. Sec. 212. (1) Whenever the attorney general, or a designee, for purposes of this section, has reason to believe that any person may be in possession, custody, or control of any documentary material or information relevant to a false claims act investigation, the attorney general, or a designee, may, before commencing a civil proceeding under section 204 of this act or making an election under section 205 of this act, issue in writing and serve upon the person, a civil investigative demand requiring the person:

(i) To produce the documentary material for inspection and copying;
(ii) To answer in writing written interrogatories with respect to the documentary material or information;
(iii) To give oral testimony concerning the documentary material or information; or
(iv) To furnish any combination of such material, answers, or testimony.

(b) The attorney general may delegate the authority to issue civil investigative demands under this subsection (1). Whenever a civil investigative demand is an express demand for any product of discovery, the attorney general, the deputy attorney general, or an assistant attorney general must serve, in any manner authorized by this section, a copy of the demand upon the person from whom the discovery was obtained and must notify the person to whom the demand is issued of the date on which the copy was served. Any information obtained by the attorney general or a designee of the attorney general 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 law 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 any 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; or
(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;

(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 issued under subsection (1) or (2) of this section or any petition filed under subsection (25) of this section setting forth the manner of the service constitutes proof of the service. In the case of service by registered or certified mail, the return must be accompanied by the return post office receipt of delivery of the demand.

(9)(a) The production of documentary material in response to a civil investigative demand served under this section must be made upon a sworn certificate, in the form as the demand designates, by:

(i) In the case of a natural person, the person to whom the demand is directed; or

(ii) In the case of a person other than a natural person, a person having knowledge of the facts and circumstances relating to the production and authorized to act on behalf of the person.

(b) The certificate must state that all of the documentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the false claims act investigator identified in the demand.

(10) Any person upon whom any civil investigative demand for the production of documentary material has been served under this section shall make such material available for inspection and copying to the false claims act investigator identified in the demand at the principal place of business of the person, or at another place as the false claims act investigator and the person thereafter may agree and prescribe in writing, or as the court may direct under subsection (25) of this section. The material must be made available on the return date specified in the demand, or on a later date as the false claims act investigator may prescribe in writing. The person may, upon written agreement between the person and the false claims act investigator, substitute copies for originals of all or any part of the material.

(11)(a) Each interrogatory in a civil investigative demand served under this section must be answered separately and fully in writing under oath and must be submitted under a sworn certificate, in the form as the demand designates, by:

(i) In the case of a natural person, the person to whom the demand is directed; or

(ii) In the case of a person other than a natural person, the person or persons responsible for answering each interrogatory.

(b) If any interrogatory is objected to, the reasons for the objection must be stated in the certificate instead of an answer. The certificate must state that all information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted. To the extent that any information is not furnished, the information must be identified and reasons set forth with particularity regarding the reasons why the information was not furnished.

(12) The examination of any person pursuant to a civil investigative demand for oral testimony served under this section must be taken before an 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 deputies 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 (c)(ii) 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 to be 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.

(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

(c)(i) Transmit in writing to the person who produced the material, answers to interrogatories, or transcripts; and

(ii) Transmit in writing to the person who produced the material, answers to interrogatories, or transcripts; 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 court.

(30) The superior court civil rules 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. 213. Beginning November 15, 2012, and annually thereafter, the attorney general in consultation with the health care authority must report results of implementing the medicaid fraud false claims act. This report must include:

(1) The number of attorneys assigned to qui tam initiated actions;

(2) The number of cases brought by qui tam actions and indicate how many cases are brought by the attorney general and how many by the qui tam relator without attorney general participation;

(3) The results of any actions brought under subsection (2) of this section, delineated by cases brought by the attorney general and cases brought by the qui tam relator without attorney general participation; and

(4) The amount of recoveries attributable to the medicaid false claims.

NEW SECTION. Sec. 214. This chapter may be known and cited as the medicaid fraud false claims act.

NEW SECTION. Sec. 215. Sections 201 through 214 of this act constitute a new chapter in Title 74 RCW.

NEW SECTION. Sec. 216. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Senator Pflug spoke in favor of adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of the striking amendment by Senators Pflug and Keiser to Substitute Senate Bill No. 5987.

The motion by Senator Pflug carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 1, after "fraud;" strike the remainder of the title and insert "amending RCW 74.09.210; adding new sections to chapter 74.09 RCW; creating a new section; prescribing penalties; and declaring an emergency."

MOTION

On motion of Senator Pflug, the rules were suspended, Engrossed Substitute Senate Bill No. 5978 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pflug, Keiser and Conway spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5978.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5978 and the bill passed the Senate by the following vote: Yeas, 36; Nays, 11; Absent, 0; Excused, 2.


Voting nay: Senators Baumgartner, Delvin, Ericksen, Hewitt, Holmquist Newbry, Honeyford, King, Morton, Padden, Parlett and Schoesler

Excused: Senators Hargrove and Stevens

ENGROSSED SUBSTITUTE SENATE BILL NO. 5978, having received the constitutional majority, was declared passed.
THIRTY FOURTH DAY, FEBRUARY 11, 2012

There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6462, by Senators Fraser, Carrell, Regala, Stevens, Hargrove and Shin

Concerning determination of income and resources for the purposes of eligibility for public assistance. Revised for 1st Substitute: Redefining "income" and "resource" with regard to eligibility for public assistance programs.

MOTION

On motion of Senator Fraser, Substitute Senate Bill No. 6462 was substituted for Senate Bill No. 6462 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Fraser moved that the following amendment by Senator Fraser and others be adopted:
On page 2, line 20, after "asset," insert "To the extent this subsection conflicts with federal maintenance of effort requirements, it does not apply to medicaid."

Senator Fraser spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Fraser and others on page 2, line 20 to Substitute Senate Bill No. 6462.

The motion by Senator Fraser carried and the amendment was adopted by voice vote.

MOTION

On motion of Senator Fraser, the rules were suspended, Engrossed Substitute Senate Bill No. 6462 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Fraser spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6462.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6462 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 2; Absent, 0; Excused, 2.


Excused: Senators Hargrove and Stevens

ENGROSSED SUBSTITUTE SENATE BILL NO. 6462, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.
The President declared the question before the Senate to be the adoption of the amendment by Senators Kline and Padden on page 1, line 9 to Senate Bill No. 6255.

The motion by Senator Kline carried and the amendment was adopted by voice vote.

MOTION

On motion of Senator Kline, the rules were suspended, Engrossed Senate Bill No. 6255 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Fraser and Pflug spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 6255.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 6255 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.


Excused: Senators Hargrove and Stevens

ENGROSSED SENATE BILL NO. 6255, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6345, by Senators Kastama, Tom, Hatfield, Rolfes, Kilmer and Hill

Creating a commission to restructure state government.

MOTION

On motion of Senator Kastama, Substitute Senate Bill No. 6345 was substituted for Senate Bill No. 6345 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Kastama moved that the following amendment by Senator Kastama be adopted:

On page 3, line 34, after "house and" strike "put before each chamber" and insert "may not be referred to a committee. The bill must be put before each chamber for a vote on the bill according to the rules of each chamber, so long as those rules do not conflict with the provisions of this section"

WITHDRAWAL OF AMENDMENT

On motion of Senator Kastama, the amendment by Senator Kastama on page 3, line 34 to Substitute Senate Bill No. 6345 was withdrawn.

MOTION

Senator Kastama moved that the following amendment by Senators Kastama and Murray be adopted:

On page 3, line 34, after "house and" strike "put before each chamber" and insert "referred to the appropriate committees of the legislature. After the bill as introduced has been heard in committee, the bill as introduced must be put before each chamber for a vote on the bill"

Senator Kastama spoke in favor of adoption of the amendment.

POINT OF INQUIRY

Senator Frockt: “Would the gentleman yield to a question? Would the bill as it comes out of committee still require two-thirds vote to be amended?”

Senator Kastama: “The bill as it comes out of committee are recommendations, they would go before the legislature, go before the body, and at that point, while there before the body, it would require two-thirds vote, correct, for modifications.”

The President declared the question before the Senate to be the adoption of the amendment by Senators Kastama and Murray on page 3, line 34 to Substitute Senate Bill No. 6345.

The motion by Senator Kastama carried and the amendment was adopted by voice vote.

MOTION

On motion of Senator Kastama, the rules were suspended, Engrossed Substitute Senate Bill No. 6345 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Kastama spoke in favor of passage of the bill.

Senator Conway spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6345.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6345 and the bill passed the Senate by the following vote: Yeas, 31; Nays, 16; Absent, 0; Excused, 2.


Excused: Senators Hargrove and Stevens

ENGROSSED SUBSTITUTE SENATE BILL NO. 6345, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

On motion of Senator Kastama, Substitute Senate Bill No. 6345 was substituted for Senate Bill No. 6345 and the substitute bill was placed on final passage.

Senator Kastama spoke in favor of adoption of the amendment.

Senator Prentice assumed the chair.
THIRTY FOURTH DAY, FEBRUARY 11, 2012

SUBSTITUTE SENATE BILL NO. 5366, by Senate Committee on Transportation (originally sponsored by Senators Delvin, Hewitt and Stevens)

Authorizing the use of four-wheel, all-terrain vehicles on public roadways under certain conditions. Revised for 2nd Substitute: Regulating the use of off-road vehicles in certain areas.

MOTION

On motion of Senator Delvin, Second Substitute Senate Bill No. 5366 was substituted for Substitute Senate Bill No. 5366 and the second substitute bill was placed on the second reading and read the second time.

MOTION

Senator Carrell moved that the following amendment by Senator Carrell be adopted:

On page 9, beginning on line 33, after "is" strike "a misdemeanor with a penalty of five hundred dollars" and insert "a traffic infraction with a penalty of up to five hundred dollars"

On page 11, line 5, after "travel," strike "and"

Beginning on page 11, line 28, strike all of section 10

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 12, beginning on line 18, after "(3)" strike all material through "(4)" on line 8 and insert "(i)" as the adoption of the amendment.

On motion of Senator Carrell, Second Substitute Senate Bill No. 5366 was substituted for Senate Bill No. 5366 and the bill passed the Senate by the following vote:  Yeas, 41; Nays, 5; Absent, 0; Excused, 3.


Voting nay: Senators Chase, Kline, Nelson, Prentice and Rolles

Excused: Senators Hargrove, Holmquist Newbry and Stevens

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5366, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6472, by Senators Harper, Honeyford, Kline and Shin

Concerning disclosure of carbon monoxide alarms in real estate transactions.

MOTIONS

On motion of Senator Harper, Substitute Senate Bill No. 6472 was substituted for Senate Bill No. 6472 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Harper, the rules were suspended, Substitute Senate Bill No. 6472 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Harper spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6472.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6472 and the bill passed the Senate by the following vote:  Yeas, 47; Nays, 0; Absent, 0; Excused, 2.


Excused: Senators Hargrove and Stevens

SUBSTITUTE SENATE BILL NO. 6472, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.
SECOND READING

SENATE BILL NO. 6392, by Senators Ranker, Kohl-Welles, Conway and Shin

Establishing a farm internship program.

MOTION

On motion of Senator Ranker, Substitute Senate Bill No. 6392 was substituted for Senate Bill No. 6392 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Holmquist Newbry moved that the following amendment by Senators Holmquist Newbry and Ranker be adopted:

On page 8, after line 10, insert the following:

"NEW SECTION. Sec. 5. Appropriations made for the purposes of this act must be from the state general fund."

Renumber the remaining sections consecutively and correct any internal references accordingly.

Senators Holmquist Newbry and Ranker spoke in favor of adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senators Holmquist Newbry and Ranker on page 8, after line 10 to Substitute Senate Bill No. 6392.

The motion by Senator Holmquist Newbry carried and the amendment was adopted by voice vote.

MOTION

On motion of Senator Ranker, the rules were suspended, Engrossed Substitute Senate Bill No. 6392 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Ranker, Holmquist Newbry, Kohl-Welles and Parlette spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6392.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6392 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.


Voting nay: Senator Pflug

Excused: Senators Hargrove and Stevens

SECOND SUBSTITUTE SENATE BILL NO. 5576, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Delvin, Senator Zarelli was excused.
THIRTY FOURTH DAY, FEBRUARY 11, 2012

MOTION

Senator Kline moved that the following striking amendment by Senators Kline and Pflug be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 46.63.110 and 2010 c 252 s 5 are each amended to read as follows:

(1) A person found to have committed a traffic infraction shall be assessed a monetary penalty. No penalty may exceed two hundred and fifty dollars for each offense unless authorized by this chapter or title.

(2) The monetary penalty for a violation of (a) RCW 46.55.105(2) is two hundred fifty dollars for each offense; (b) RCW 46.61.210(1) is five hundred dollars for each offense. No penalty assessed under this subsection (2) may be reduced.

(3) The supreme court shall prescribe by rule a schedule of monetary penalties for designated traffic infractions. This rule shall also specify the conditions under which local courts may exercise discretion in assessing fines and penalties for traffic infractions. The legislature respectfully requests the supreme court to adjust this schedule every two years for inflation.

(4) There shall be a penalty of twenty-five dollars for failure to respond to a notice of traffic infraction except where the infraction relates to parking as defined by local law, ordinance, regulation, or resolution or failure to pay a monetary penalty imposed pursuant to this chapter. A local legislative body may set a monetary penalty not to exceed twenty-five dollars for failure to respond to a notice of traffic infraction relating to parking as defined by local law, ordinance, regulation, or resolution. The local court, whether a municipal, police, or district court, shall impose the monetary penalty set by the local legislative body.

(5) Monetary penalties provided for in chapter 46.70 RCW which are civil in nature and penalties which may be assessed for violations of chapter 46.44 RCW relating to size, weight, and load of motor vehicles are not subject to the limitation on the amount of monetary penalties which may be imposed pursuant to this chapter.

(6) Whenever a monetary penalty, fee, cost, assessment, or other monetary obligation is imposed by a court under this chapter, it is immediately payable and is enforceable as a civil judgment under Title 6 RCW. If the court determines, in its discretion, that a person is not able to pay a monetary obligation in full, and not more than one year has passed since the later of July 1, 2005, or the date the monetary obligation initially became due and payable, the court shall enter into a payment plan with the person, unless the person has previously been granted a payment plan with respect to the same monetary obligation, or unless the person is in noncompliance of any existing or prior payment plan, in which case the court may, at its discretion, implement a payment plan. If the court has notified the department that the person has failed to pay or comply and the person has subsequently entered into a payment plan and made an initial payment, the court shall notify the department that the infraction has been adjudicated, and the department shall rescind any suspension of the person's driver's license or driver's privilege based on failure to respond to that infraction. "Payment plan," as used in this section, means a plan that requires reasonable payments based on the financial ability of the person to pay. The person may voluntarily pay an amount at any time in addition to the payments required under the payment plan.

(a) If a payment required to be made under the payment plan is delinquent or the person fails to complete a community restitution program on or before the time established under the payment plan, unless the court determines good cause therefor and adjusts the payment plan or the community restitution plan accordingly, the court ((shall notify the department of the person's failure to meet the conditions of the plan, and the department shall suspend the person's driver's license or driving privileges)) may refer the unpaid monetary penalty, fee, cost, assessment, or other monetary obligation for civil enforcement until all monetary obligations, including those imposed under subsections (3) and (4) of this section, have been paid, and court authorized community restitution has been completed, or until the ((department has been notified that the)) court has entered into a new time payment or community restitution agreement with the person. For those infractions subject to suspension under RCW 46.20.289, the court shall notify the department of the person's failure to meet the conditions of the plan, and the department shall suspend the person's driver's license or driving privileges.

(b) If a person has not entered into a payment plan with the court and has not paid the monetary obligation in full on or before the time established for payment, the court ((shall notify the department of the delinquency. The department shall suspend the person's driver's license or driving privileges)) may refer the unpaid monetary penalty, fee, cost, assessment, or other monetary obligation to a collections agency until all monetary obligations have been paid, including those imposed under subsections (3) and (4) of this section, or until the person has entered into a payment plan under this section. For those infractions subject to suspension under RCW 46.20.289, the court shall notify the department of the person's delinquency, and the department shall suspend the person's driver's license or driving privileges.

(c) If the payment plan is to be administered by the court, the court may assess the person a reasonable administrative fee to be wholly retained by the city or county with jurisdiction. The administrative fee shall not exceed ten dollars per infraction or twenty-five dollars per payment plan, whichever is less.

(d) Nothing in this section precludes a court from contracting with outside entities to administer its payment plan system. When outside entities are used for the administration of a payment plan, the court may assess the person a reasonable fee for such administrative services, which fee may be calculated on a periodic, percentage, or other basis.

(e) If a court authorized community restitution program for offenders is available in the jurisdiction, the court may allow conversion of all or part of the monetary obligations due under this section to court authorized community restitution in lieu of time payments if the person is unable to make reasonable time payments.

(7) In addition to any other penalties imposed under this section and not subject to the limitation of subsection (1) of this section, a person found to have committed a traffic infraction shall be assessed:

(a) A fee of five dollars per infraction. Under no circumstances shall this fee be reduced or waived. Revenue from this fee shall be forwarded to the state treasurer for deposit in the emergency medical services and trauma care system trust account under RCW 70.168.040;

(b) A fee of ten dollars per infraction. Under no circumstances shall this fee be reduced or waived. Revenue from this fee shall be forwarded to the state treasurer for deposit in the Washington auto theft prevention authority account; and

(c) A fee of two dollars per infraction. Revenue from this fee shall be forwarded to the state treasurer for deposit in the traumatic brain injury account established in RCW 74.31.060.

(8)(a) In addition to any other penalties imposed under this section and not subject to the limitation of subsection (1) of this section, a person found to have committed a traffic infraction other than of RCW 46.61.527 or 46.61.212 shall be assessed an additional penalty of twenty dollars. The court may not reduce, waive, or
suspend the additional penalty unless the court finds the offender to be indigent. If a court authorized community restitution program for offenders is available in the jurisdiction, the court shall allow offenders to offset all or a part of the penalty due under this subsection (8) by participation in the court authorized community restitution program.

(b) Eight dollars and fifty cents of the additional penalty under (a) of this subsection shall be remitted to the state treasurer. The remaining revenue from the additional penalty must be remitted under chapters 2.08, 3.46, 3.50, 3.62, 10.82, and 35.20 RCW. Money remitted under this subsection to the state treasurer must be deposited in the state general fund. The balance of the revenue received by the county or city treasurer under this subsection must be deposited into the county or city current expense fund. Moneys retained by the city or county under this subsection shall constitute reimbursement for any liabilities under RCW 43.135.060.

(9) If a legal proceeding, such as garnishment, has commenced to collect any delinquent amount owed by the person for any penalty imposed by the court under this section, the court may, at its discretion, enter into a payment plan.

(10) The monetary penalty for violating RCW 46.37.395 is: (a) Two hundred fifty dollars for the first violation; (b) five hundred dollars for the second violation; and (c) seven hundred fifty dollars for each violation thereafter.

Sec. 2. RCW 46.20.391 and 2010 c 269 s 2 are each amended to read as follows:

(1) Any person licensed under this chapter who is convicted of an offense relating to motor vehicles for which suspension or revocation of the driver's license is mandatory, other than vehicular homicide, vehicular assault, driving while under the influence of intoxicating liquor or any drug, or being in actual physical control of a motor vehicle while under the influence of intoxicating liquor or any drug, may submit to the department an application for a temporary restricted driver's license. The department, upon receipt of the prescribed fee and upon determining that the petitioner is eligible to receive the license, may issue a temporary restricted driver's license and may set definite restrictions as provided in RCW 46.20.394.

(2)(a) A person licensed under this chapter whose driver's license is suspended administratively due to failure to appear or pay a traffic ticket under RCW 46.20.289; a violation of the financial responsibility laws under chapter 46.29 RCW; or for multiple violations within a specified period of time under RCW 46.20.291, may apply to the department for an occupational driver's license.

(b) (If the suspension is for failure to respond, pay, or comply with a notice of traffic infraction or conviction, the applicant must enter into a payment plan with the court.

(c)) An occupational driver's license issued to an applicant described in (a) of this subsection shall be valid for the period of the suspension or revocation.

(3) An applicant for an occupational or temporary restricted driver's license who qualifies under subsection (1) or (2) of this section is eligible to receive such license only if:

(a) Within seven years immediately preceding the date of the offense that gave rise to the present conviction or incident, the applicant has not committed vehicular homicide under RCW 46.61.520 or vehicular assault under RCW 46.61.522; and

(b) The applicant demonstrates that it is necessary for him or her to operate a motor vehicle because he or she:

(i) Is engaged in an occupation or trade that makes it essential that he or she operate a motor vehicle;

(ii) Is undergoing continuing health care or providing continuing care to another who is dependent upon the applicant;

(iii) Is enrolled in an educational institution and pursuing a course of study leading to a diploma, degree, or other certification of successful educational completion;

(iv) Is undergoing substance abuse treatment or is participating in meetings of a twelve-step group such as Alcoholics Anonymous that requires the petitioner to drive to or from the treatment or meetings;

(v) Is fulfilling court-ordered community service responsibilities;

(vi) Is in a program that assists persons who are enrolled in a WorkFirst program pursuant to chapter 74.08A RCW to become gainfully employed and the program requires a driver's license;

(vii) Is in an apprenticeship, on-the-job training, or welfare-to-work program; or

(viii) Presents evidence that he or she has applied for a position in an apprenticeship or on-the-job training program for which a driver's license is required to begin the program, provided that a license granted under this provision shall be in effect for no longer than fourteen days; and

(c) The applicant files satisfactory proof of financial responsibility under chapter 46.29 RCW;

(d) Upon receipt of evidence that a holder of an occupational driver's license granted under this subsection is no longer enrolled in an apprenticeship or on-the-job training program, the director shall give written notice by first-class mail to the driver that the occupational driver's license shall be canceled. If at any time before the cancellation goes into effect the driver submits evidence of continued enrollment in the program, the cancellation shall be stayed. If the cancellation becomes effective, the driver may obtain, at no additional charge, a new occupational driver's license upon submission of evidence of enrollment in another program that meets the criteria set forth in this subsection; and

(e) The department shall not issue an occupational driver's license under (b)(iv) of this subsection if the applicant is able to receive transit services sufficient to allow for the applicant's participation in the programs referenced under (b)(iv) of this subsection.

(4) A person aggrieved by the decision of the department on the application for an occupational or temporary restricted driver's license may request a hearing as provided by rule of the department.

(5) The director shall cancel an occupational or temporary restricted driver's license after receiving notice that the holder thereof has been convicted of operating a motor vehicle in violation of its restrictions, no longer meets the eligibility requirements, or has been convicted of or found to have committed a separate offense or any other act or omission that under this chapter would warrant suspension or revocation of a regular driver's license. The department must give notice of the cancellation as provided under RCW 46.20.245. A person whose occupational or temporary restricted driver's license has been canceled under this section may reapply for a new occupational or temporary restricted driver's license if he or she is otherwise qualified under this section and pays the fee required under RCW 46.20.380.

Sec. 3. RCW 46.20.289 and 2005 c 288 s 5 are each amended to read as follows:

The department shall suspend all driving privileges of a person when the department receives notice from a court under RCW 46.63.070(6), 46.63.110(6), or 46.64.025 that the person has failed to respond to a notice of traffic infraction for a moving violation, failed to appear at a requested hearing for a moving violation, violated a written promise to appear in court for a notice of infraction for a moving violation, or when the department receives notice from another state under Article IV of the nonresident violator compact under RCW 46.23.010 or from a jurisdiction that has entered into an agreement with the department under RCW 46.23.020, other than for a standing, stopping, or parking violation, provided that the traffic infraction or traffic offense is committed on or after July 1, 2005. A
suspension under this section takes effect pursuant to the provisions of RCW 46.20.245, and remains in effect until the department has received a certificate from the court showing that the case has been adjudicated, and until the person meets the requirements of RCW 46.20.311. In the case of failure to respond to a traffic citation issued under RCW 46.55.105, the department shall suspend all driving privileges until the person provides evidence from the court that all penalties and restitution have been paid. A suspension under this section does not take effect if, prior to the effective date of the suspension, the department receives a certificate from the court showing that the case has been adjudicated.

NEW SECTION. Sec. 4. A new section is added to chapter 46.20 RCW to read as follows:

The department of licensing in consultation with the administrative office of the courts must adopt and maintain rules, by November 1, 2012, in accordance with chapter 34.05 RCW that define a moving violation for the purposes of this act. "Moving violation" shall be defined pursuant to Title 46 RCW. Upon adoption of these rules, the department must provide written notice to affected parties, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the department.

Sec. 5. RCW 46.64.025 and 2006 c 270 s 4 are each amended to read as follows:

Whenever any person served with a traffic citation willfully fails to appear (for a scheduled court hearing) at a requested hearing for a moving violation or fails to comply with the terms of a notice of traffic citation for a moving violation, the court in which the defendant failed to appear shall promptly give notice of such fact to the department of licensing. Whenever thereafter the case in which the defendant failed to appear is adjudicated, the court hearing the case shall promptly file with the department a certificate showing that the case has been adjudicated. For the purposes of this section, "moving violation" is defined by rule pursuant to section 4 of this act.

NEW SECTION. Sec. 6. Except for section 4 of this act, this act takes effect June 1, 2013. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2012, in the transportation appropriations act, this act is null and void."

Senator Pflug spoke in favor of adoption of the striking amendment.

MOTION

On motion of Senator Fraser, Senator Regala was excused.

The President Pro Tempore declared the question before the Senate to be the adoption of the striking amendment by Senators Kline and Pflug to Second Substitute Senate Bill No. 6284. The motion by Senator Kline carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 5 of the title, after "ticket;" strike the remainder of the title and insert "amending RCW 46.63.110, 46.20.391, 46.20.289, and 46.64.025; adding a new section to chapter 46.20 RCW; and providing an effective date."

MOTION

On motion of Senator Pflug, the rules were suspended, Engrossed Second Substitute Senate Bill No. 6284 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Pflug spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 6284.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6284 and the bill passed the Senate by the following vote: Yeas, 35; Nays, 11; Absent, 0; Excused, 3.


Voting nay: Senators Baumgartner, Becker, Delvin, Ericksen, Hill, Holmquist Newby, Honeyford, King, Padden, Schoesler and Sheldon

Excused: Senators Hargrove, Stevens and Zarelli

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6284, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING


Regarding Washington interscholastic activities association penalties.

MOTION

On motion of Senator Benton, Substitute Senate Bill No. 6383 was substituted for Senate Bill No. 6383 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Benton moved that the following striking amendment by Senator Benton and others be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that the mission of the Washington interscholastic activities association is to assist member schools in operating student programs that foster achievement, respect, equity, enthusiasm, and excellence in a safe and organized environment. The legislature intends to ensure that this mission is successfully carried out so that arbitrary sanctions that result in students unfairly being denied to participate or cause students' achievements to be diminished do not occur. It is the intent of the legislature to impact the association's current processes for establishing penalties for rules violations and to redefine the scope of penalties that are permitted to be imposed. It is further the intent of the legislature to build protections into state law so that..."
punishment, when necessary, is meted out to the appropriate party and in a proportional manner. The legislature further intends to ensure that state and local rules relating to interschool extracurricular activities be consistent with one another, promote fairness, and allow for a clear process of appeal.

Sec. 2. RCW 28A.600.200 and 2006 c 263 s 904 are each amended to read as follows:

Each school district board of directors is hereby granted and shall exercise the authority to control, supervise and regulate the conduct of interschool athletic activities and other interschool extracurricular activities of an athletic, cultural, social or recreational nature for students of the district. A board of directors may delegate control, supervision and regulation of any such activity to the Washington interscholastic activities association or any other voluntary nonprofit entity and compensate such entity for services provided, subject to the following conditions:

(1) The voluntary nonprofit entity shall not discriminate in connection with employment or membership upon its governing board, or otherwise in connection with any function it performs, on the basis of race, creed, national origin, sex or marital status;

(2)(a) Any rules and policies adopted and applied by the voluntary nonprofit entity (such) that governs student participation in any interschool activity shall be written; and

((4))) (b) Such rules and policies shall provide for notice of the reasons and a fair opportunity to contest such reasons prior to a final determination to reject a student's request to participate in or to continue in an interschool activity.

(3)(a) The association or other voluntary nonprofit entity is authorized to impose penalties for rules violations upon coaches, school district administrators, school administrators, and students, as appropriate, to punish the offending party or parties;

(b) No penalty may be imposed on a student or students unless the student or students knowingly violated the rules or unless a student gained a significant competitive advantage or materially disadvantaged another student through a rule violation;

(c) Any penalty that is imposed for rules violations must be proportional to the offense;

(d) Any ((such)) decision resulting in a penalty shall be considered a decision of the school district conducting the activity in which the student seeks to participate or was participating and may be appealed pursuant to RCW 28A.600.205 and 28A.645.010 through 28A.645.030.

(4) The school districts, Washington interscholastic activities association districts, and leagues that participate in the interschool extracurricular activities shall not impose more severe penalties for rule violations than can be imposed by the rules of the association or the voluntary nonprofit entity.

(5) As used in this section and RCW 28A.600.205, "knowingly" means having actual knowledge of or acting with deliberate ignorance or reckless disregard for the prohibition involved.

Sec. 3. RCW 28A.600.205 and 2006 c 263 s 905 are each amended to read as follows:

(By July 1, 2006) (1)(a) The Washington interscholastic activities association shall establish a nine-person appeals committee to address appeals of noneligibility issues. The committee shall be comprised of the secretary from each of the activity districts of the Washington interscholastic activities association. The committee shall begin hearing appeals by July 1, 2006. No committee member may participate in the appeal process if the member was involved in the activity that was the basis of the appeal.

(b) Any penalty or sanction that is imposed or upheld by the appeals committee must be proportional to the offense and must be imposed upon only the offending individual or individuals, including coaches, school district administrators, school administrators, and students. However, only the Washington interscholastic activities association executive board has the authority to remove a team from postseason competition. Should a school violate a Washington interscholastic activities association rule, that violation does not automatically remove that school's team from postseason competition. Penalties levied against coaches and school programs must be considered before removing a team from postseason competition. Removal of a team from postseason competition must be the last option.

(2)(a) A decision of the appeals committee may be appealed to the executive board of the association. If a matter is appealed to the executive board, then the board shall conduct a de novo review of the matter before making a decision.

(b) Any penalty or sanction that is imposed or upheld by the executive board must be proportional to the offense and must be imposed upon only the offending individual or individuals including coaches, school district administrators, school administrators, or students. However, only the Washington interscholastic activities association executive board has the authority to remove a team from postseason competition. Should a school violate a Washington interscholastic activities association rule, that violation does not automatically remove that school's team from postseason competition. Penalties levied against coaches and school programs must be considered before removing a team from postseason competition. Removal of a team from postseason competition must be the last option.

(c) If a rule violation is reported to the association within ten days of the relevant postseason play, then the only review shall be conducted by the executive board of the Washington interscholastic activities association so that a decision can be rendered in a timely manner. The executive board must take all possible actions to render a decision before the postseason play takes place.

(3) A decision of the executive board of the association may be appealed to superior court pursuant to RCW 28A.645.010 through 28A.645.030.

NEW SECTION. Sec. 4. Within available resources, the Washington interscholastic activities association shall develop model rules regarding a rules violation punishment grid that is modeled after the Washington state sentencing guidelines. The rules shall outline appropriate degrees of punishment correlated with the severity of a violation of the rules. The Washington interscholastic activities association shall present its model rules to the legislature no later than December 30, 2012.

NEW SECTION. Sec. 5. This act may be known and cited as the Knight act.”

Senator Benton spoke in favor of adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of the striking amendment by Senator Benton and others to Substitute Senate Bill No. 6383.

The motion by Senator Benton carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 2 of the title, after “association;” strike the remainder of the title and insert “amending RCW 28A.600.200 and 28A.600.205; and creating new sections.”

MOTION

On motion of Senator Benton, the rules were suspended, Engrossed Substitute Senate Bill No. 6383 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.
The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6383.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6383 and the bill passed the Senate by the following vote: Yeas, 45; Nays, 1; Absent, 0; Excused, 3.


Voting nay: Senator Pridemore

Excused: Senators Hargrove, Stevens and Zarelli

ENGROSSED SUBSTITUTE SENATE BILL NO. 6383, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED SENATE BILL NO. 5575, by Senators Hatfield, Delvin, Eide, Schoesler, Haugen, Shin, Kilmer, Hobbs, Becker, Honeyford, Conway and Sheldon

Recognizing certain biomass energy facilities as an eligible renewable resource.

MOTION

On motion of Senator Hatfield, Substitute Senate Bill No. 5575 was substituted for Engrossed Senate Bill No. 5575 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Hatfield moved that the following striking amendment by Senators Hatfield, Delvin and Ranker be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature finds that: (a) Pulping liquors can be used to reduce harmful pollution and produce electricity and thermal energy that enables pulp and paper facilities to be highly energy efficient; (b) biomass facilities and pulp and paper mills are typically located in communities that are disproportionately affected by economic downturns; (c) mill closures have occurred throughout the state for more than a decade and the remaining ones have become all the more dependent on selling wood residuals, which are used for electricity generation, in order to sustain their economic viability; (d) employment at pulp and paper mills in the state has also declined significantly, most recently in Grays Harbor and Snohomish counties; (e) wood derived biomass is a renewable fuel for generating electricity and considered carbon-neutral under the laws of the state of Washington; and (f) using food processing residues, food waste, and yard waste to generate renewable electricity can benefit rural economies, decrease the amount of solid waste that requires disposal, and reduce greenhouse gas emissions that result from organic decay.

(2) The legislature declares that, by promoting the generation of renewable energy from biomass, particularly in economically distressed communities, it intends to ensure greater economic stability for the communities that have suffered heavy job losses and chronic unemployment.

(3) The legislature further declares that: (a) The owners of qualified biomass energy facilities that must comply with the renewable energy standards under the energy independence act of 2006, either as a matter of law or contractual obligation, should be permitted to use qualified biomass energy credits to meet their obligations; and (b) electricity that is generated by a biomass energy facility that entered commercial operation after March 31, 1999, from the combustion of organic by-products of pulping and the wood manufacturing process should be treated as an eligible renewable resource.

Sec. 2. RCW 19.285.030 and 2009 c 565 s 20 are each amended to read as follows:

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

(1) "Attorney general" means the Washington state office of the attorney general.

(2) "Auditor" means: (a) The Washington state auditor's office or its designee for qualifying utilities under its jurisdiction that are not investor-owned utilities; or (b) an independent auditor selected by a qualifying utility that is not under the jurisdiction of the state auditor and is not an investor-owned utility.

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

(4) "Conservation" means any reduction in electric power consumption resulting from increases in the efficiency of energy use, production, or distribution.

(5) "Cost-effective" has the same meaning as defined in RCW 80.52.030.

(6) "Council" means the Washington state apprenticeship and training council within the department of labor and industries.

(7) "Customer" means a person or entity that purchases electricity for ultimate consumption and not for resale.

(8) "Department" means the department of commerce or its successor.

(9) "Distributed generation" means an eligible renewable resource where the generation facility or any integrated cluster of such facilities has a generating capacity of not more than five megawatts.

(10) "Eligible renewable resource" means:

(a) Electricity from a generation facility powered by a renewable resource other than freshwater that commences operation after March 31, 1999, where: (i) The facility is located in the Pacific Northwest; or (ii) the electricity from the facility is delivered into Washington state on a real-time basis without shaping, storage, or integration services; (iii)

(b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest, where the additional generation in either case does not result in new water diversions or impoundments; and

(c) Qualified biomass energy.

(11) "Investor-owned utility" has the same meaning as defined in RCW 19.29A.010.

(12) "Load" means the amount of kilowatt-hours of electricity delivered in the most recently completed year by a qualifying utility to its Washington retail customers.
(13) "Nonpower attributes" means all environmentally related characteristics, exclusive of energy, capacity reliability, and other electrical power service attributes, that are associated with the generation of electricity from a renewable resource, including but not limited to the facility's fuel type, geographic location, vintage, qualification as an eligible renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of carbon dioxide and other greenhouse gases.

(14) "Pacific Northwest" has the same meaning as defined for the Bonneville power administration in section 3 of the Pacific Northwest electric power planning and conservation act (94 Stat. 2698; 16 U.S.C. Sec. 839a).

(15) "Public facility" has the same meaning as defined in RCW 39.35C.010.

(16) "Qualifying utility" means an electric utility, as the term "electric utility" is defined in RCW 19.29A.010, that serves more than twenty-five thousand customers in the state of Washington. The number of customers served may be based on data reported by a utility in form 861, "annual electric utility report," filed with the energy information administration, United States department of energy.

(17) "Renewable energy credit" means a tradable certificate of proof of at least one megawatt-hour of an eligible renewable resource where the generation facility is not powered by freshwater((c)). The certificate includes all of the nonpower attributes associated with that one megawatt-hour of electricity, and the certificate is verified by a renewable energy credit tracking system selected by the department.

(18) "Renewable resource" means: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or tidal power; (g) gas from sewage treatment facilities; (h) biodiesel fuel as defined in RCW 82.29A.135 that is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006; ((and) or (i)) biomass energy (based on animal waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include (i) wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; (ii) black liquor by-product from paper production; (iii) wood from old growth forests; or (iv) municipal solid waste).

(19)(a) "Biomass energy" includes: (i) Organic by-products of pulping and the wood manufacturing process; (ii) animal manure; (iii) solid organic fuels from wood; (iv) forest or field residues; (v) untreated wooden demolition or construction debris; (vi) food waste and food processing residuals; (vii) liquors derived from algae; (viii) dedicated energy crops; and (ix) yard waste.

(b) "Biomass energy" does not include: (i) Wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; (ii) wood from old growth forests; or (iii) municipal solid waste.

(20) "Qualified biomass energy" means electricity produced from a biomass energy facility that: (a) Commenced operation before March 31, 1999; (b) contributes to the qualifying utility's load; and (c) is owned either by: (i) A qualifying utility; or (ii) an industrial facility that is directly interconnected with electricity facilities that are owned by a qualifying utility and capable of carrying electricity at transmission voltage.

(21) "Rule" means rules adopted by an agency or other entity of Washington state government to carry out the intent and purposes of this chapter.

((22)) (22) "Year" means the twelve-month period commencing January 1st and ending December 31st.

Sec. 3. RCW 19.285.040 and 2007 c 1 s 4 are each amended to read as follows:

(1) Each qualifying utility shall pursue all available conservation that is cost-effective, reliable, and feasible.

(a) By January 1, 2010, using methodologies consistent with those used by the Pacific Northwest electric power and conservation planning council in its most recently published regional power plan, each qualifying utility shall identify its achievable cost-effective conservation potential through 2019. At least every two years thereafter, the qualifying utility shall review and update this assessment for the subsequent ten-year period.

(b) Beginning January 2010, each qualifying utility shall establish and make publicly available a biennial acquisition target for cost-effective conservation consistent with its identification of achievable opportunities in (a) of this subsection, and meet that target during the subsequent two-year period. At a minimum, each biennial target must be no lower than the qualifying utility’s pro rata share for that two-year period of its cost-effective conservation potential for the subsequent ten-year period.

(c) In meeting its conservation targets, a qualifying utility may count high-efficiency cogeneration owned and used by a retail electric customer to meet its own needs. High-efficiency cogeneration is the sequential production of electricity and useful thermal energy from a common fuel source, where, under normal operating conditions, the facility has a useful thermal energy output of no less than thirty-three percent of the total energy output. The reduction in load due to high-efficiency cogeneration shall be: (i) Calculated as the ratio of the fuel chargeable to power heat rate of the cogeneration facility compared to the heat rate on a new and clean basis of a best-commercially available technology combined-cycle natural gas-fired combustion turbine; and (ii) counted towards meeting the biennial conservation target in the same manner as other conservation savings.

(d) The commission may determine if a conservation program implemented by an investor-owned utility is cost-effective based on the commission's policies and practice.

(e) The commission may rely on its standard practice for review and approval of investor-owned utility conservation targets.

(22)(a) Except as provided in (i) of this subsection, each qualifying utility shall use eligible renewable resources or acquire equivalent renewable energy credits, or ((a)) any combination of (b) them, to meet the following annual targets:

(i) At least three percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;

(ii) At least nine percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and

(iii) At least fifteen percent of its load by January 1, 2020, and each year thereafter.

(b) A qualifying utility may count distributed generation at double the facility's electrical output if the utility: (i) Owns or has contracted for the distributed generation and the associated renewable energy credits; or (ii) has contracted to purchase the associated renewable energy credits.

(c) In meeting the annual targets in (a) of this subsection, a qualifying utility shall calculate its annual load based on the average of the utility's load for the previous two years.

(d) A qualifying utility shall be considered in compliance with an annual target in (a) of this subsection if: (i) The utility's weather-adjusted load for the previous three years on average did not increase over that time period; (ii) after December 7, 2006, the utility did not commence or renew ownership or incremental purchases of electricity from resources other than renewable resources other than on a daily spot price basis and the electricity is not offset by equivalent renewable energy credits; and (iii) the utility invested at least one percent of its total annual retail revenue requirement that year on eligible renewable resources, renewable energy credits, or a combination of both.
(e) The requirements of this section may be met for any given year with renewable energy credits produced during that year, the preceding year, or the subsequent year. Each renewable energy credit may be used only once to meet the requirements of this section.

(f) In complying with the targets established in (a) of this subsection, a qualifying utility may not count:

(i) Eligible renewable resources or distributed generation where the associated renewable energy credits are owned by a separate entity; or

(ii) Eligible renewable resources or renewable energy credits obtained for and used in an optional pricing program such as the program established in RCW 19.29A.090.

(g) Where fossil and combustible renewable resources are cofired in one generating unit located in the Pacific Northwest where the cofiring commenced after March 31, 1999, the unit shall be considered to produce eligible renewable resources in direct proportion to the percentage of the total heat value represented by the heat value of the renewable resources.

(h) (i) A qualifying utility that acquires an eligible renewable resource or renewable energy credit may count that acquisition at one and two-tenths times its base value:

(A) Where the eligible renewable resource comes from a facility that commenced operation after December 31, 2005; and

(B) Where the developer of the facility used apprenticeship programs approved by the council during facility construction.

(ii) The council shall establish minimum levels of labor hours to be met through apprenticeship programs to qualify for this extra credit.

(i) A qualifying utility shall be considered in compliance with an annual target in (a) of this subsection if events beyond the reasonable control of the utility that could not have been reasonably anticipated or ameliorated prevented it from meeting the renewable energy target. Such events include weather-related damage, mechanical failure, strikes, lockouts, and actions of a governmental authority that adversely affect the generation, transmission, or distribution of an eligible renewable resource under contract to a qualifying utility.

(jj) (i) Beginning January 1, 2016, only a qualifying utility that owns or is directly interconnected to a qualified biomass energy facility may use qualified biomass energy to meet its compliance obligation under RCW 19.285.040(2).

(ii) A qualifying utility may no longer use electricity and associated renewable energy credits from a qualified biomass energy facility if the associated industrial pulping or wood manufacturing facility ceases operation other than for purposes of maintenance or upgrade.

(k) An industrial facility that hosts a qualified biomass energy facility may only transfer or sell renewable energy credits associated with its facility to the qualifying utility with which it is directly interconnected with facilities owned by such a qualifying utility and that are capable of carrying electricity at transmission voltage. The qualifying utility may only use an amount of renewable energy credits associated with qualified biomass energy that are equivalent to the proportionate amount of its annual targets under (a)(ii) and (iii) of this subsection that was created by the load of the industrial facility. A qualifying utility that owns a qualified biomass energy facility may not transfer or sell renewable energy credits associated with qualified biomass energy to another person, entity, or qualifying utility.

(3) Utilities that become qualifying utilities after December 31, 2006, shall meet the requirements in this section on a time frame comparable in length to that provided for qualifying utilities as of December 7, 2006.
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