The Senate was called to order at 9:00 o’clock a.m. by the President of the Senate, Lt. Governor Owen presiding.

The Sergeant at Arms Color Guard consisting of Pages Mr. Hayden McCoy and Miss Sabrina D’Onofrio, presented the Colors.

The prayer was offered by Reverend Melissa Harris of Eastridge Church in Issaquah.

MOTION

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

MOTION

On motion of Senator Fain, and without objection, the Senate advanced to the eighth order of business.

MOTION

Senator Fraser moved adoption of the following resolution:

SENATE RESOLUTION 8705

By Senators Fraser, Darnelle, Nelson, Conway, Fain, Hargrove, Keiser, Parlette, Dammeier, Honeyford, McCoy, Rolfes, and Liias

WHEREAS, On July 15, 2015, the Washington State Legislature lost a valued member of the Third House when Cherie Tessier passed on peacefully from this life; and

WHEREAS, Cherie was a dedicated advocate for those with developmental disabilities and special needs who became a familiar, friendly face often seen around campus; and

WHEREAS, Cherie was an active member in the communities in which she lived, belonging to Toast Masters; PAS-Port 4 Change, an advocacy group for Disability Rights Washington; and Self-Advocates in Leadership, a statewide group based at The Arc; and

WHEREAS, Through her work at PAS-Port 4 Change, Cherie worked to educate legislators that people with disabilities have the right to work in communities as equal citizens; and

WHEREAS, Cherie would represent the People First of Washington, testifying very effectively as their voice on issues and policies that affected their membership and others with different abilities; and

WHEREAS, An original member of the Committee on Legislative Action she participated in creating their legislative priorities each year; and

WHEREAS, Cherie worked tirelessly and selflessly as an advocate for People First of Thurston County, and was recognized as a champion for those with disabilities; and

WHEREAS, In addition to her community and advocacy roles, Cherie hosted and produced two award-winning public affairs shows; and

WHEREAS, These shows, "Let Your Voices Be Heard" and "Meet Your State Legislators" aired on Thurston County Television and often featured various members of the Legislature; and

WHEREAS, Through these programs, Cherie helped provide useful, interesting information to thousands of viewers, while giving a voice to those who might not be heard; and

WHEREAS, In her spare time, Cherie loved to knit and crochet, and found great joy in making items for her loved ones; and

WHEREAS, So many will miss Cherie singing Happy Birthday, because she always remembered; and

WHEREAS, Cherie was cherished by many as an inspiration, a tireless and effective advocate, and a wonderful, warm person;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State Senate honor the tremendous advocacy work, contributions, and life of Cherie Tessier; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Secretary of the Senate to the immediate family members of Cherie Tessier and to People First of Thurston County and Thurston County Television (TCTV).

Senators Conway, Fraser, Keiser and Liias spoke in favor of adoption of the resolution.

The President declared the question before the Senate to be the adoption of Senate Resolution No. 8705.

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

Senator Fraser announced a meeting of the Democratic Caucus immediately upon going at ease.

Senator Parlette announced a meeting of the Majority Coalition Caucus immediately upon going at ease.

AFTERNOON SESSION

The Senate was called to order at 2:32 p.m. by President Owen.

MOTION

On motion of Senator Fain, and without of objection, the Senate reverted to the sixth order of business.

SECOND READING

SENATE BILL NO. 6443, by Senators Ericksen, Bailey, Padden, O’Ban, Angel, Becker, Braun, Miloscia, Warnick, Dammeier, Honeyford, Hewitt, Roach and Benton

Concerning human rights commission rules on gender
segregated facilities.

The measure was read the second time.

MOTION

On motion of Senator Ericksen, the rules were suspended, Senate Bill No. 6443 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Angel, Ericksen and Hargrove spoke in favor of passage of the bill.

Senators Darneille, Liias, Pedersen, Ranker, Habib, Jayapal and Nelson spoke against passage of the bill.

MOTION

Senator Nelson demanded that the previous question be put.

The President declared that at least two additional senators joined the demand and the demand was sustained.

The President declared the question before the Senate to be, “Shall the main question be now put?”

The motion by Senator Nelson carried and the previous question was put by voice vote.

PARLIAMENTARY INQUIRY

Senator Ericksen: “As the maker of the motion, I believe I am able to speak twice during the course of the debate, and I’d like to speak to close the debate.”

REPLY BY THE PRESIDENT

President Owen: “That’s correct.”

Senator Ericksen 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. 6443.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6443 and the bill passed the Senate by the following vote: Yeas, 24; Nays, 25; Absent, 0; Excused, 0.


SUBSTITUTE SENATE BILL NO. 6219, 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 Fain, and without objection, the Senate advanced to the seventh order of business.

THIRD READING

SUBSTITUTE SENATE BILL NO. 5221, by Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators Benton and Roach)

Concerning the disposition of tenant property placed upon the nearest public property.

The bill was read on Third Reading.

Senators Benton and Mullet 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. 5221.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5221 and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

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SUBSTITUTE SENATE BILL NO. 5221, 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.

THIRD READING

ENGROSSED SENATE BILL NO. 5624, by Senators Keiser, Honeyford and Conway

Concerning financing essential public infrastructure.

The bill was read on Third Reading.

MOTION

On motion of Senator Keiser, the rules were suspended and Engrossed Senate Bill No. 5624 was returned to second reading for the purpose of amendment.

WITHDRAWAL OF AMENDMENT

On motion of Senator Keiser and without objection, amendment no. 519 by Senator Keiser Engrossed Senate Bill No. 5624 was withdrawn.

MOTION

Senator Keiser moved that the following striking amendment no. 526 by Senators Keiser and Honeyford be adopted:

Strike everything after the enacting clause and insert the following:

"PART 1

FINDINGS AND INTENT

NEW SECTION. Sec. 101. The legislature finds that local governments that borrow small amounts or access capital markets infrequently can have difficulty accessing low-cost financing for their essential public infrastructure projects. Competition has increased between prior efforts to finance essential public infrastructure projects with state tax resources and other growing essential demands on those same state taxes. This competition has eroded the reliability of state tax funded public infrastructure financing programs that in turn has created uncertainty and delay in improving local public infrastructure. The state's excellent credit standing and frequency of access to capital markets allows the state to issue bonds at a significantly lower total cost than can be obtained by many local governments. Therefore, the legislature intends to improve access and reliability to low-cost financing for local government infrastructure projects by authorizing public works bonds when local governments can demonstrate: (1) The importance of the project; (2) their difficulties accessing existing private credit markets for borrowings at reasonable interest rates; and (3) the ability to reliably repay their share of the state's total cost of retiring the public works bonds.

PART 2

CHANGES TO THE EXISTING PUBLIC WORKS PROGRAM

Sec. 201. RCW 43.155.020 and 2009 c 466 s 33 are each amended to read as follows:

((Unless the context clearly requires otherwise,)) The definitions in this section ((shall)) apply throughout this chapter unless the context clearly requires otherwise.

(1) "Board" means the public works board created in RCW 43.155.030.

(2) "Capital facility plan" means a capital facility plan required by the growth management act under chapter 36.70A RCW or, for local governments not fully planning under the growth management act, a plan required by the public works board.

(3) "Department" means the department of commerce.

(4) "Financing guarantees" means the pledge of money in the public works assistance account, or money to be received by the public works assistance account, to the repayment of all or a portion of the principal or interest on obligations issued by local governments to finance public works projects.

(5) "Local governments" means cities, towns, counties, special purpose districts, and any other municipal corporations or quasi-municipal corporations in the state excluding school districts and port districts.

(6) "Public works financing assistance program" is the program established in sections 301 through 305 of this act.

(7) "Public works project" means a project of a local government for the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of streets and roads, bridges, water systems, or storm and sanitary sewage systems and solid waste facilities, including recycling facilities. A planning project may include the compilation of biological, hydrological, or other data on a county, drainage basin, or region necessary to develop a base of information for a capital facility plan.

(8) "Solid waste or recycling project" means remedial actions necessary to bring abandoned or closed landfills into compliance with regulatory requirements and the repair, restoration, and replacement of existing waste transfer, recycling facilities, and landfill projects limited to the opening of landfill cells that are in existing and permitted landfills.

(9) "Technical assistance" means training and other services provided to local governments to: (a) Help such local governments plan, apply, and qualify for loans and financing guarantees from the board, and (b) help local governments improve their ability to plan for, finance, acquire, construct, repair, replace, rehabilitate, and maintain public facilities.

Sec. 202. RCW 43.155.040 and 1985 c 446 s 10 are each amended to read as follows:

The board may:

(1) Accept from any state or federal agency, loans or grants for the planning or financing of any public works project and enter into agreements with any such agency concerning the loans or grants;

(2) Provide technical assistance to local governments;

(3) Accept any gifts, grants, or loans of funds, property, or financial or other aid in any form from any other source on any terms and conditions which are not in conflict with this chapter;

(4) Adopt rules under chapter 34.05 RCW as necessary to carry out the purposes of this chapter;

(5) Do all acts and things necessary or convenient to carry out the powers expressly granted or implied under this chapter;

(6) Implement the public works financing assistance program.
to give financial guarantees) to local governments for public works projects. Moneys in the account may also be appropriated or transferred to the water pollution control revolving account and the drinking water assistance account to provide for state match requirements under federal law (for projects and activities conducted and financed by the board under the drinking water assistance account. Not more than fifteen percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated)). Money in the account may also be appropriated for the administration of the public works financing assistance program. Money in the account may also be appropriated for preconstruction loans(, and) emergency loans(, or loans for capital facility planning under this chapter; of this amount, not more than ten percent of the biennial capital budget appropriation may be expended for emergency loans and not more than one percent of the biennial capital budget appropriation may be expended for capital facility planning loans. During the 2015-2017 fiscal biennium, the legislature may transfer from the public works assistance account to the general fund, the drinking water assistance account, and the drinking water assistance account such amounts as reflect the excess fund balance of the account. During the 2013-2015 fiscal biennium, the legislature may transfer from the public works assistance account to the education legacy trust account such amounts as specified by the legislature)). During the 2015-2017 fiscal biennium, the legislature may appropriate moneys from the account for activities related to the growth management act and the voluntary stewardship program. During the 2015-2017 fiscal biennium, the legislature may transfer from the public works assistance account to the state general fund such amounts as specified by the legislature. In the 2017-2019 fiscal biennium the legislature intends to allocate seventy-three million dollars of future loan repayments paid into the public works assistance account to support basic education.

**Sec. 204.** RCW 43.155.060 and 1988 c 93 s 2 are each amended to read as follows:

1. In order to aid the financing of public works projects, the board may:

   1. Make low-interest or interest-free loans to local governments from the public works assistance account (for or other funds and accounts) for the purpose of assisting local governments in financing public works projects. The board may require such terms and conditions and may charge such rates of interest on its loans as it deems necessary or convenient to carry out the purposes of this (chapter) section. Money received from local governments in repayment of loans made under this section shall be paid into the public works assistance account for uses consistent with this chapter.

   2. Pledge money in the public works assistance account, or money to be received by the public works assistance account, to the repayment of all or a portion of the principal of or interest on obligations issued by local governments to finance public works projects. The board shall not pledge any amount greater than the sum of money in the public works assistance account plus money to be received from the payment of the debt service on loans made from that account, nor shall the board pledge the faith and credit or the taxing power of the state or any agency or subdivision thereof to the repayment of obligations issued by any local government.

   3. Create such subaccounts in the public works assistance account as the board deems necessary to carry out the purposes of this chapter.

   4. Provide a method for the allocation of loans ((and financing guarantees)) and the provision of technical assistance under this chapter.

   5. All local public works projects aided in whole or in part under the provisions of this chapter shall be put out for competitive bids, except for emergency public works projects under RCW 43.155.065 for which the recipient jurisdiction shall comply with this requirement to the extent feasible and practicable. The competitive bids called for by the board may be in any or all of the following forms: (1) Federal disaster or emergency funds, including funds from the federal emergency management agency; (2) state disaster or emergency funds; (3) insurance settlements; or (4) litigation.

**Sec. 205.** RCW 43.155.065 and 2001 c 131 s 3 are each amended to read as follows:

The board may make low-interest or interest-free loans to local governments for emergency public works projects from the public works assistance account. Emergency public works projects shall include the construction, repair, reconstruction, replacement, rehabilitation, or improvement of a public water system that is in violation of health and safety standards and is being operated by a local government on a temporary basis. The loans may be used to help fund all or part of an emergency public works project less any reimbursement from any of the following sources: (1) Federal disaster or emergency funds, including funds from the federal emergency management agency; (2) state disaster or emergency funds; (3) insurance settlements; or (4) litigation.

**Sec. 206.** RCW 43.155.065 and 2001 c 131 s 4 are each amended to read as follows:

1. Except where necessary to address a public health need or substantial environmental degradation, a county, city, or town planning under RCW 36.70A.040 may not receive financial assistance from the public works assistance account under this chapter unless it has adopted a comprehensive plan, including a capital facilities plan element, and development regulations as required by RCW 36.70A.040. This subsection does not require...
any county, city, or town planning under RCW 36.70A.040 to adopt a comprehensive plan or development regulations before requesting or receiving financial assistance under this chapter if such request is made before the expiration of the time periods specified in RCW 36.70A.040. A county, city, or town planning under RCW 36.70A.040 that has not adopted a comprehensive plan and development regulations within the time periods specified in RCW 36.70A.040 may apply for and receive financial assistance under this chapter if the comprehensive plan and development regulations are adopted as required by RCW 36.70A.040 before executing a contractual agreement for financial assistance with the board.

(3) In considering awarding financial assistance from the public works assistance account for public facilities to special districts requesting funding for a proposed facility located in a county, city, or town planning under RCW 36.70A.040, the board must consider whether the county, city, or town planning under RCW 36.70A.040 in whose planning jurisdiction the proposed facility is located has adopted a comprehensive plan and development regulations as required by RCW 36.70A.040.

(4) The board must develop a priority process for public works projects financed from the public works assistance account as provided in this section. The intent of the priority process is to maximize the value of public works projects accomplished with assistance under this chapter. The board must attempt to ((assure)) ensure a geographical balance in assigning priorities to projects. The board must consider at least the following factors in assigning a priority to a project:

(a) Whether the local government receiving assistance has experienced severe fiscal distress resulting from natural disaster or emergency public works needs;

(b) Except as otherwise conditioned by RCW 43.155.110, whether the entity receiving assistance is a Puget Sound partner, as defined in RCW 90.71.010;

(c) Whether the project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310;

(d) Whether the project is critical in nature and would affect the health and safety of a great number of citizens;

(e) Whether the applicant's permitting process has been certified as streamlined by the office of regulatory assistance;

(f) Whether the applicant has developed and adhered to guidelines regarding its permitting process for those applying for development permits consistent with section 1(2), chapter 231, Laws of 2007;

(g) The cost of the project compared to the size of the local government and amount of loan money available;

(h) The number of communities served by or funding the project;

(i) Whether the project is located in an area of high unemployment, compared to the average state unemployment;

(j) Whether the project is the acquisition, expansion, improvement, or renovation by a local government of a public water system that is in violation of health and safety standards, including the cost of extending existing service to such a system;

(k) Except as otherwise conditioned by RCW 43.155.120, and effective one calendar year following the development of model evergreen community management plans and ordinances under RCW 35.105.050, whether the entity receiving assistance has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030;

(l) The relative benefit of the project to the community, considering the present level of economic activity in the community and the existing local capacity to increase local economic activity in communities that have low economic growth; and

(m) Other criteria that the board considers advisable.

(5) For the 2015-2017 fiscal biennium, in place of the criteria, ranking, and submission processes for construction loan lists provided in subsections (4) and (7) of this section:

(a) The board must develop a process for numerically ranking applications for construction loans submitted by local governments. The board must consider, at a minimum and in any order, the following factors in assigning a numerical ranking to a project:

(i) Whether the project is critical in nature and would affect the health and safety of many people;

(ii) The extent to which the project leverages nonstate funds;

(iii) The extent to which the project is ready to proceed to construction;

(iv) Whether the project is located in an area of high unemployment, compared to the average state unemployment;

(v) Whether the project promotes the sustainable use of resources and environmental quality;

(vi) Whether the project consolidates or regionalizes systems;

(vii) Whether the project encourages economic development through mixed-use and mixed income development consistent with chapter 36.70A RCW;

(viii) Whether the system is being well-managed in the present and for long-term sustainability;

(ix) Achieving equitable distribution of funds by geography and population;

(x) The extent to which the project meets the following state policy objectives:

(A) Efficient use of state resources;

(B) Preservation and enhancement of health and safety;

(C) Abatement of pollution and protection of the environment;

(D) Creation of new, family-wage jobs, and avoidance of shifting existing jobs from one Washington state community to another;

(E) Fostering economic development consistent with chapter 36.70A RCW;

(F) Efficiency in delivery of goods and services, public transit, and transportation;

(G) Avoidance of additional costs to state and local governments that adversely impact local residents and small businesses; and

(H) Reduction of the overall cost of public infrastructure; and

(xi) Other criteria that the board considers necessary to achieve the purposes of this chapter.

(b) Before November 1, 2016, the board must develop and submit to the appropriate fiscal committees of the senate and house of representatives a ranked list of qualified public works projects which have been evaluated by the board and are recommended for funding by the legislature. The maximum amount of funding that the board may recommend for any jurisdiction is ten million dollars per biennium. For each project on the ranked list, as well as for eligible projects not recommended for funding, the board must document the numerical ranking that was assigned.

(6) Existing debt or financial obligations of local governments may not be refinanced under this chapter. Each local government applicant must provide documentation of attempts to secure additional local or other sources of funding for each public works project for which financial assistance is sought under this chapter.

(7) Before November 1st of each even-numbered year, the board must develop and submit to the appropriate fiscal committees of the senate and house of representatives a description of the loans made under RCW 43.155.065, 43.155.068, and subsection (10) of this section during the
preceding fiscal year and a prioritized list of projects which are recommended for funding by the legislature, including one copy to the staff of each of the committees. The list must include, but not be limited to, a description of each project and recommended financing, the terms and conditions of the loan or financial guarantee, the local government jurisdiction and unemployment rate, demonstration of the jurisdiction's critical need for the project and documentation of local funds being used to finance the public works project. The list must also include measures of fiscal capacity for each jurisdiction recommended for financial assistance, compared to authorized limits and state averages, including local government sales taxes; real estate excise taxes; property taxes; and charges for or taxes on sewerage, water, garbage, and other utilities.

8 The board may not sign contracts or otherwise financially obligate funds from the public works assistance account before the legislature has appropriated funds for a specific list of public works projects. The legislature may remove projects from the list recommended by the board. The legislature may not change the order of the priorities recommended for funding by the board.

9 Subsection (8) of this section does not apply to loans made under RCW 43.155.065, 43.155.068, and subsection (10) of this section.

10 Loans made for the purpose of capital facilities plans are exempted from subsection (8) of this section.

11 To qualify for loans ((or pledges)) from the public works assistance account for solid waste or recycling facilities under this chapter, a city or county must demonstrate that the solid waste or recycling facility is consistent with and necessary to implement the comprehensive solid waste management plan adopted by the city or county under chapter 70.95 RCW.

12 After January 1, 2010, any project designed to address the effects of storm water or wastewater on Puget Sound may be funded from the public works assistance account under this section only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.

13 During the 2015-2017 fiscal biennium, for projects funded from the public works assistance account involving repair, replacement, or improvement of a wastewater treatment plant or other public works facility for which an investment grade efficiency audit is obtainable, the public works board must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its public works assistance account program loan.

14) For public works assistance account application rounds conducted during the 2015-2017 fiscal biennium, the board must implement policies and procedures designed to maximize local government use of federal funds to finance local infrastructure including, but not limited to, drinking water and clean water state revolving funds operated by the state departments of health and ecology. Projects that are eligible for the drinking water and clean water state revolving funds may receive public works board preconstruction loans. Projects that are eligible for the drinking water and clean water state revolving funds are not eligible for public works board construction loans. For purposes of this subsection "eligible for drinking water and clean water state revolving funds" means:

- Projects that have applied to the state revolving funds and are awaiting a funding decision;
- Projects that have been rejected for funding solely due to not meeting readiness requirements; and
- Projects that have not applied, but would likely be eligible if the project applied and met the project readiness requirements.

((b)) For all construction loan projects proposed to the legislature for funding during the 2015-2017 fiscal biennium, the board must base interest rates on the average daily market interest rate for tax-exempt municipal bonds as published in the bond buyer's index for the period from sixty to thirty days before the start of the application cycle. For projects with a repayment period between five and twenty years, the rate must be sixty percent of the market rate. For projects with a repayment period under five years, the rate must be thirty percent of the market rate. The board must also provide reduced interest rates, extended repayment periods, or forgivable principal loans for projects that meet financial hardship criteria as measured by the affordability index or similar standard measure of financial hardship.)

Sec. 208. RCW 43.155.075 and 2001 c 227 s 10 are each amended to read as follows:

In providing loans for public works projects from the public works assistance account, the board shall require recipients to incorporate the environmental benefits of the project into their applications, and the board shall utilize the statement of environmental benefits in its prioritization and selection process. The board shall also develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the loan program. To the extent possible, the department should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270. The board shall consult with affected interest groups in implementing this section.

Sec. 209. RCW 43.155.120 and 2008 c 299 s 30 are each amended to read as follows:

When administering funds from the public works assistance account under this chapter, the board shall give preference only to an evergreen community recognized under RCW 35.105.030 in comparison to other entities that are eligible to receive evergreen community designation. Entities not eligible for designation as an evergreen community shall not be given less preferential treatment than an evergreen community.

PART 3
PUBLIC WORKS FINANCING ASSISTANCE PROGRAM

NEW SECTION. Sec. 301. A new section is added to chapter 43.155 RCW to read as follows:

1 A public infrastructure project eligible for the public works financing assistance program is a capital project by an eligible local government, as identified in subsection (2) of this section, that is necessary to:

- Provide safe and adequate drinking water;
- Collect, manage, and treat wastewater and storm water;
- Provide safe and efficient transportation, including public parking facilities, public transit facilities, and nonmotorized transportation;
- Provide or renovate facilities for safe and readily accessible recreation;
- Provide flood control and floodplain management facilities and improvements;
- Provide water supply improvements and water basin management enhancements, including culvert replacement projects to improve fish passage;
- Provide or renovate county or city criminal justice facilities;
- Provide or renovate fire protection or emergency medical response services facilities; or
- Provide or renovate public library facilities.

2 In order to be eligible for the public works financing assistance program a local government must:

- Demonstrate difficulties accessing existing private credit markets for borrowings at reasonable interest rates. The public works board must determine compliance with this requirement
under guidance and advice by the state treasurer's office;

(b) Demonstrate the ability to reliably pay all periodic financing costs to retire the loan or loans provided under the public works financing assistance program. The public works board must determine compliance with this requirement under guidance and advice by the state treasurer's office; and

(c) Demonstrate that bond proceeds loaned to the local government would be expended for capital expenditures on a public works project eligible to be financed with the proceeds of tax-exempt bonds under the internal revenue code. The public works board must determine compliance with this requirement under guidance and advice by the state treasurer's office.

(3) The board must prioritize applications for assistance under the public works financing assistance program to achieve the greatest community benefit in jurisdictions that would most benefit from this assistance as measured by the difference in the total cost of financing under this program compared to financing cost from private capital markets. The board must adopt criteria for prioritizing applications and submit the scoring under those criteria in the annual report required in section 302 of this act.

NEW SECTION. Sec. 302. A new section is added to chapter 43.155 RCW to read as follows:

(1) The board must not sign contracts or otherwise financially obligate funds from the public works financing assistance account created in section 303 of this act unless the legislature has authorized the necessary bonds and appropriated sufficient amounts from the account for the approved projects.

(2) The board must execute contracts for project loans with local governments under the public works financing program to ensure that:

(a) Disbursements against authorized loans are in predictable amounts as required to meet project expenditures without resulting in prolonged and excessive project fund balances;

(b) Repayments by local governments are sufficient and timely to cover the state's repayment obligations of public works financing bond issued on behalf of the project; and

(c) All other requirements are met, including compliance with state laws regarding the issuance and limits on local government debt.

(3) By July 1st of each year, the board must submit a report to the state treasurer, the office of financial management, and the fiscal committees of the legislature. The report must include:

(a) The list of projects approved in the preceding fiscal year with the project scores against the board's prioritization criteria;

(b) The total amount of loan disbursements made from the public works financing assistance bond repayment account, created in section 304 of this act, in the preceding fiscal year;

(c) The total amount of loan repayments in the preceding fiscal year for outstanding loans made from the public works financing assistance account;

(d) The total amount of loan repayments due from local governments for outstanding loans by fiscal year over the following ten-year period; and

(e) Any further information required by the state treasurer's office necessary to meet internal revenue service requirements for tax compliance, or for determining whether projected revenues are sufficient to meet projected debt service obligations.

NEW SECTION. Sec. 303. A new section is added to chapter 43.155 RCW to read as follows:

The public works financing assistance account is created in the state treasury. All bond proceeds issued to support public works financing assistance projects must be deposited in the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the public works financing assistance program.
The President declared the question before the Senate to be the final passage of Second Engrossed Senate Bill No. 5624.

ROLL CALL

The Secretary called the roll on the final passage of Second Engrossed Senate Bill No. 5624 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 2; Absent, 0; Excused, 0.


Voting nay: Senators Dansel and Hasegawa

SECOND ENGROSSED SENATE BILL NO. 5624, 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 Keiser, the rules were suspended and Engrossed Senate Joint Resolution No. 8204 was returned to second reading for the purpose of amendment.

SECOND READING

ENGROSSED SENATE JOINT RESOLUTION NO. 8204, by Senators Keiser, Honeyford and Conway

Amending the Constitution to allow the state to guarantee debt issued on behalf of a political subdivision for essential public infrastructure.

The measure was read the second time.

MOTION

Senator Keiser moved that the following committee amendment no. 527 on page 1, line 8 by the Committee on Ways & Means be adopted:

Beginning on page 1, at the beginning of line 8, strike all material through page 5, line 17, and insert the following:

“Article VIII, section 1. (a) The state may contract debt, the principal of which shall be paid and discharged within thirty years from the time of contracting thereof, in the manner set forth herein.

(b) The aggregate debt contracted by the state, as calculated by the treasurer at the time debt is contracted, shall not exceed that amount for which payments of principal and interest in any fiscal year would require the state to expend more than the applicable percentage limit of the arithmetic mean of its general state revenues for the six immediately preceding fiscal years as certified by the treasurer. The term "applicable percentage limit" means eight and one-quarter percent from July 1, 2016, through June 30, 2016; eight and one-quarter percent from July 1, 2016, through June 30, 2034; eight percent from July 1, 2034, and thereafter. The term "fiscal year" means that period of time commencing July 1 of any year and ending on June 30 of the following year.

(c) The term "general state revenues," when used in this section, shall include all state money received in the treasury from each and every source, including moneys received from ad valorem taxes levied by the state and deposited in the general fund in each fiscal year, but not including: (1) Fees and other revenues derived from the ownership or operation of any undertaking, facility, or project; (2) Moneys received as gifts, grants, donations, aid, or assistance or otherwise from the United States or any department, bureau, or corporation thereof, or any person, firm, or corporation, public or private, when the terms and conditions of such gift, grant, donation, aid, or assistance require the application and disbursement of such moneys otherwise than for the general purposes of the state of Washington; (3) Moneys to be paid into and received from retirement system funds, and performance bonds and deposits; (4) Moneys to be paid into and received from trust funds and the several permanent and irreducible funds of the state and the moneys derived therefrom but excluding bond redemption funds; (5) Moneys received from taxes levied for specific purposes and required to be deposited for those purposes into specified funds or accounts other than the general fund; and (6) Proceeds received from the sale of bonds or other evidences of indebtedness.

(d) In computing the amount required for payment of principal and interest on outstanding debt under this section, debt shall be construed to mean borrowed money represented by bonds, notes, or other evidences of indebtedness which are secured by the full faith and credit of the state or are required to be repaid, directly or indirectly, from general state revenues and which are incurred by the state, any department, authority, public corporation, or quasi public corporation of the state, any state university or college, or any other public agency created by the state but not by counties, cities, towns, school districts, or other municipal corporations, but shall not include obligations for the payment of current expenses of state government, nor shall it include debt hereafter incurred pursuant to section 3 of this article, obligations guaranteed as provided for in subsection (g) of this section, principal of bond anticipation notes or obligations issued to fund or refund the indebtedness of the Washington state building authority. In addition, for the purpose of computing the amount required for payment of interest on outstanding debt under subsection (b) of this section and this subsection, "interest" shall be reduced by subtracting the amount scheduled to be received by the state as payments from the federal government in each year in respect of bonds, notes, or other evidences of indebtedness subject to this section.

(c) The state may pledge the full faith, credit, and taxing power of the state to guarantee the voter approved general obligation debt of school districts in the manner authorized by the legislature. Any such guarantee does not remove the debt obligation of the school district and is not state debt.

(f) The state may, without limitation, fund or refund, at or prior to maturity, the whole or any part of any existing debt or of any debt hereafter contracted pursuant to section 1, section 2, or section 3 of this article, including any premium payable with respect thereto and interest thereon, or fund or refund, at or prior to maturity, the whole or any part of any indebtedness incurred or authorized prior to the effective date of this amendment by any entity of the type described in subsection (h) of this section, including any premium payable with respect thereto and any interest thereon. Such funding or refunding shall not be deemed to be contracting debt by the state.

(g) Notwithstanding the limitation contained in subsection (b) of this section, the state may pledge its full faith, credit, and taxing power to guarantee the payment of any obligation payable from revenues received from any of the following sources: (1) Fees collected by the state as license fees for motor vehicles; (2) Excise taxes collected by the state on the sale, distribution or use of motor vehicle fuel; ((and)) (3) Interest on the permanent common school fund; and (4) Amounts received by the state in repayment of loans...
made by the state to local governments for infrastructure projects:

Provided, That the legislature shall, at all times, provide sufficient revenues from such sources to pay the principal and interest due on all obligations for which said source of revenue is pledged.

(h) No money shall be paid from funds in custody of the treasurer with respect to any debt contracted after the effective date of this amendment by the Washington state building authority, the capitol committee, or any similar entity existing or operating for similar purposes pursuant to which such entity undertakes to finance or provide a facility for use or occupancy by the state or any agency, department, or instrumentality thereof.

(i) The legislature shall prescribe all matters relating to the contracting, funding or refunding of debt pursuant to this section, including: The purposes for which debt may be contracted; by a favorable vote of three-fifths of the members elected to each house, the amount of debt which may be contracted for any class of such purposes; the kinds of notes, bonds, or other evidences of debt which may be issued by the state; and the manner by which the treasurer shall determine and advise the legislature, any appropriate agency, officer, or instrumentality of the state as to the available debt capacity within the limitation set forth in this section. The legislature may delegate to any state officer, agency, or instrumentality any of its powers relating to the contracting, funding or refunding of debt pursuant to this section except its power to determine the amount and purposes for which debt may be contracted.

(j) The full faith, credit, and taxing power of the state of Washington are pledged to the payment of the debt created on behalf of the state pursuant to this section and the legislature shall provide by appropriation for the payment of the interest upon and installment of principal of all such debt as the same falls due, but in any event, any court of record may compel such payment.

(k) Notwithstanding the limitations contained in subsection (b) of this section, the state may issue certificates of indebtedness in such sum or sums as may be necessary to meet temporary deficiencies of the treasury, to preserve the best interests of the state in the conduct of the various state institutions, departments, bureaus, and agencies during each fiscal year; such certificates may be issued only to provide for appropriations already made by the legislature and such certificates must be retired and the debt discharged other than by refunding within twelve months after the date of incurrence.

(l) Bonds, notes, or other obligations issued and sold by the state of Washington pursuant to and in conformity with this article shall not be invalid for any irregularity or defect in the proceedings of the issuance or sale thereof and shall be incontestable in the hands of a bona fide purchaser or holder thereof.

BE IT FURTHER RESOLVED, That the statement of subject and concise description for the ballot title of this constitutional amendment shall read "The legislature has proposed a constitutional amendment on issuing bonds to help finance local public works projects. This amendment would enable the state to issue general obligation bonds to finance loans for local infrastructure. The bonds would be retired by local repayments and outside the state's debt limit. Should this constitutional amendment be: Approved
Rejected
BE IT FURTHER RESOLVED, That the secretary of state shall cause notice of this constitutional amendment to be published at least four times during the four weeks next preceding the election in every legal newspaper in the state."

Senators Keiser spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the committee amendment no. 527 on page 1, line 8 by the Committee on Ways & Means to Engrossed Senate Joint Resolution No. 8204.

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

MOTION

On motion of Senator Keiser, the rules were suspended, Second Engrossed Senate Joint Resolution No. 8204 was advanced to third reading, the second reading considered the third and the resolution was placed on final passage.

Senators Keiser, Mullet and Hill spoke in favor of passage of the resolution.

The President declared the question before the Senate to be the final passage of Second Engrossed Senate Joint Resolution No. 8204.

ROLL CALL

The Secretary called the roll on the final passage of Second Engrossed Senate Joint Resolution No. 8204 and the resolution was adopted by the Senate by the following vote: Yeas, 42; Nays, 7; Absent, 0; Excused, 0.


Voting nay: Senators Baumgartner, Chase, Dansel, Ericksen, Hasegawa, McCoy and Padden

SECOND ENGROSSED SENATE JOINT RESOLUTION NO. 8204, having received the constitutional majority, was adopted.

THIRD READING

SENATE BILL NO. 5143, by Senators Becker, Bailey, Dammeier, Rivers, Frockt, Brown and Parlette

Concerning the availability of childhood immunization resources for expecting parents.

The bill was read on Third Reading.

Senators Becker and Cleveland 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. 5143.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5143 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 2; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Dammeier, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hewitt, Hill, Hobbs, Honeyford, Jayapal,
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Keiser, King, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O’Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Rolfes, Schoesler, Sheldon, Takko and Warnick

Absent: Senators Dansel and Ericksen

SENATE BILL NO. 5143, 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 3:58 p.m., on motion of Senator Fain, and without objection, the Senate was declared to be at ease subject to the call of the President.

The Senate was called to order at 4:01 p.m. by President Owen.

MOTION

On motion of Senator Fain, and without objection, the Senate reverted to the sixth order of business.

SECOND READING

SENATE BILL NO. 6245, by Senators Litzow, Hill, Fain, Rolfes, McAuliffe and Mullet

Concerning visual screening in schools.

The measure was read the second time.

MOTION

On motion of Senator Litzow, the rules were suspended, Senate Bill No. 6245 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Litzow and McAuliffe 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. 6245.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6245 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 1; Absent, 0; Excused, 0.


Voting nay: Senator Ericksen

SENATE BILL NO. 6245, 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. 6449, by Senate Committee on Commerce & Labor (originally sponsored by Senators Hewitt and Conway)

Concerning enhanced raffles.

MOTIONS

On motion of Senator Hewitt, Substitute Senate Bill No. 6449 was substituted for Senate Bill No. 6449 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Hewitt, the rules were suspended, Substitute Senate Bill No. 6449 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Conway and Hewitt 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. 6290.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6290 and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.


SUBSTITUTE SENATE BILL NO. 6290, 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. 6449, by Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Honeyford, Hobbs and Parlette)

Concerning the apple commission.

MOTIONS

On motion of Senator Honeyford, Substitute Senate Bill No. 6290 was substituted for Senate Bill No. 6290 and the substitute bill was placed on the second reading and read the second time.

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

Senators Honeyford and Takko 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. 6290.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6449 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 2; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker,
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On motion of Senator Honeyford, the rules were suspended, Senate Bill No. 6150 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Honeyford 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. 6150.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6150 and the bill passed the Senate by the following vote:

Yeas, 49; Nays, 0; Absent, 0; Excused, 0.


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

SENATE BILL NO. 6345, by Senators Takko, Warnick and Hobbs

Merging the department of agriculture's fruit and vegetable inspection districts and accounts.

The measure was read the second time.

MOTION

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

Senators Takko and Warnick 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. 6345.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6345 and the bill passed the Senate by the following vote:

Yeas, 49; Nays, 0; Absent, 0; Excused, 0.


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

SENATE BILL NO. 6150, by Senators Honeyford, McCoy, Sheldon, Parlette and Chase

Increasing the available term of water pollution control revolving fund program loans to reflect the 2014 amendments to the federal clean water act allowing such an increase.

The measure was read the second time.

MOTION
SECOND READING

SENATE BILL NO. 6464, by Senate Committee on Law & Justice (originally sponsored by Senator Padden)

Establishing deadlines for final determinations and dispositions in agency adjudicative proceedings.

MOTIONS

On motion of Senator Padden, Substitute Senate Bill No. 6464 was substituted for Senate Bill No. 6464 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Padden, the rules were suspended, Substitute Senate Bill No. 6464 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Padden 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. 6464.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6464 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 0.


Absence: Senator Keiser

SUBSTITUTE SENATE BILL NO. 6464, 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. 6211, by Senate Committee on Ways & Means (originally sponsored by Senators Dammeier, Rolfs, Fraser, Conway, McCoy, O'Ban, Litzow, Fain, Rivers, Becker, Darnellle, McAuliffe, Habib, Chase and Benton)

Concerning the exemption of property taxes for nonprofit homeownership development.

MOTIONS

On motion of Senator Dammeier, Substitute Senate Bill No. 6211 was substituted for Senate Bill No. 6211 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Dammeier, the rules were suspended, Substitute Senate Bill No. 6211 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Dammeier, Darnellle, Benton and Rolfs spoke in favor of passage of the bill.

MOTION

On motion of Senator Habib, Senator Keiser was excused.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6211.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6211 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 0.


Voting nay: Senators Dansel, Ericksen and Rivers

SENATE BILL NO. 6398, 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. 6398, by Senators Hasegawa and Chase

Concerning certain cultural foods.

The measure was read the second time.

MOTION

On motion of Senator Hasegawa, the rules were suspended, Senate Bill No. 6398 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Hasegawa and Baumgartner 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. 6398.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6398 and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.


SENATE BILL NO. 6371, by Senators Litzow, Mullet, Dammeier, Hargrove, Fain, Hobbs, Hill and McAuliffe

Concerning the definition of “agency” for purposes of early learning programs.
The measure was read the second time.

MOTION

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

Senators Litzow and McAuliffe 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. 6371.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6371 and the bill passed the Senate by the following vote:

Yeas, 49; Nays, 0; Absent, 0; Excused, 0.


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.

MOTION

On motion of Senator Fain, and without objection, the Senate advanced to the seventh order of business.

THIRD READING

SENATE BILL NO. 5689, by Senators Becker, Keiser, Dammeier, Frockt, Jayapal and McAuliffe

Concerning the scope and costs of the diabetes epidemic in Washington.

The bill was read on Third Reading.

Senators Becker and Cleveland 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. 5689.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5689 and the bill passed the Senate by the following vote:

Yeas, 49; Nays, 0; Absent, 0; Excused, 0.


SENATE BILL NO. 5689, 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 5:00 o’clock p.m., on motion of Senator Fain, the Senate adjourned until 10:00 o’clock a.m., Thursday, February 11, 2016.

BRAD OWEN, President of the Senate

HUNTER G. GOODMAN, Secretary of the Senate
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