

**FIFTY EIGHTH DAY**

**MORNING SESSION**

Senate Chamber, Olympia  
Tuesday, March 7, 2017

The Senate was called to order at 10:02 a.m. by the President of the Senate, Lt. Governor Habib presiding. The Secretary called the roll and announced to the President that all Senators were present.

The Sergeant at Arms Color Guard consisting of Pages Miss Kaitlyn Riley and Mr. Gary Tou, presented the Colors. Page Mr. Aiden Herrick led the Chamber in the Pledge of Allegiance.

The prayer was offered by Reverend Meredith Manning Brown of Evergreen United Methodist Church, Lacey.

**INTRODUCTION OF SPECIAL GUESTS**

The President welcomed Mr. Gurmit Singh; Mr. Hacchinder Sandho; Mr. Sam Virk; and Mr. Balbir Singh, guests of Senator Fain, who were seated at the rostrum.

With permission of the Senate, business was suspended to allow Mr. Gurmit Singh, Priest of Sikh Temple, Auburn to bless the Senate. Mr. Haccinder Sandho provided the translation.

**REMARKS BY THE PRESIDENT**

President Habib: "Thank you gentlemen, and thank you for being here. Our thoughts are with the victim of this crime and your community and the fourteen temples around Washington state that you operate. Thank you so much."

Editor's Note: On Monday, March 6, a resident of Kent, wearing clothing traditional to the Sikh faith, was confronted, assaulted and shot by an assailant unknown to him. The victim was treated and released from the hospital later in the week.

**PERSONAL PRIVILEGE**

Senator Fain: "Thank you Mr. President. I greatly appreciate the Chamber allowing our guests down today, but more importantly I am greatly appreciative of the comments I have heard from many members in the Senate today. I share in the appreciation that I wish to extend to you that you are willing to come down and spend this time today. Your community, our community, was shocked by the events recently and I think that it was important that we have a moment to, as one community, as one State Senate, as one State of Washington, to be able to say in one voice that we appreciate you and we stand by you, and we are very honored by your presence here today. Thank you Mr. President."

**PERSONAL PRIVILEGE**

Senator Frockt: "Thank you Mr. President. On behalf of this side of the aisle, I wanted to rise on our behalf and say thank you for being here. Know that as Senator Fain said, the entire state of Washington was shocked by this hate crime, we were shocked by what we had seen at religious centers and religious institutions around the country. And please know that in this

America, a pluralistic America, Sikhs, Jews, Muslims, Catholics, all denominations are always welcome and part of America's fabric. I want to thank, especially Senator Fain, for arranging this, we are appreciative of it. And we thank you again for being here."

**PERSONAL PRIVILEGE**

Senator Keiser: "As the other Senator from the Kent region, I'd like to also extend my thanks to Senator Fain, as well as to our guests today. I have visited your temple. I've seen the graffiti that has been spray painted on it in the past that has been the subject of hate. And I want to announce that on Saturday from 2 p.m. to 5 p.m. at the Kent Town Square there will be a rally in support of our communities, and it is a love not hate rally. This is on Second Avenue in Kent from 2 p.m. to 5 p.m. and you are all invited."

**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, the Senate advanced to the fourth order of business.

**MESSAGES FROM THE HOUSE**

March 6, 2017

MR. PRESIDENT:

The House has passed:

HOUSE JOINT MEMORIAL NO. 4011,  
and the same is herewith transmitted.

NONA SNELL, Deputy Chief Clerk

March 6, 2017

MR. PRESIDENT:

The House has passed:

SUBSTITUTE HOUSE BILL NO. 1070,  
HOUSE BILL NO. 1089,  
SUBSTITUTE HOUSE BILL NO. 1155,  
SECOND SUBSTITUTE HOUSE BILL NO. 1168,  
SUBSTITUTE HOUSE BILL NO. 1314,  
SUBSTITUTE HOUSE BILL NO. 1433,  
HOUSE BILL NO. 1475,  
HOUSE BILL NO. 1859,  
HOUSE BILL NO. 2052,

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

March 6, 2017

MR. PRESIDENT:

The House has passed:

SUBSTITUTE HOUSE BILL NO. 1043,

HOUSE BILL NO. 1132,  
SUBSTITUTE HOUSE BILL NO. 1266,  
SECOND SUBSTITUTE HOUSE BILL NO. 1280,  
HOUSE BILL NO. 1492,  
HOUSE BILL NO. 1734,  
SUBSTITUTE HOUSE BILL NO. 1747,  
SUBSTITUTE HOUSE BILL NO. 1815,  
SUBSTITUTE HOUSE BILL NO. 1816,  
SUBSTITUTE HOUSE BILL NO. 1863,  
SUBSTITUTE HOUSE BILL NO. 1877,  
SUBSTITUTE HOUSE BILL NO. 1944,

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

March 6, 2017

MR. PRESIDENT:

The House has passed:

SUBSTITUTE HOUSE BILL NO. 1046,  
HOUSE BILL NO. 1063,  
SECOND SUBSTITUTE HOUSE BILL NO. 1170,  
SUBSTITUTE HOUSE BILL NO. 1176,  
SUBSTITUTE HOUSE BILL NO. 1196,  
SUBSTITUTE HOUSE BILL NO. 1421,  
SECOND SUBSTITUTE HOUSE BILL NO. 1541,  
SUBSTITUTE HOUSE BILL NO. 1566,  
SUBSTITUTE HOUSE BILL NO. 1787,  
HOUSE BILL NO. 1794,  
SECOND SUBSTITUTE HOUSE BILL NO. 1929,

and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

MOTION

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

INTRODUCTION AND FIRST READING

SB 5865 by Senators Fain, Zeiger and Miloscia

AN ACT Relating to prohibiting contributions to candidates by entities with close financial interests in state policy; amending RCW 42.17A.405; reenacting and amending RCW 42.17A.005; adding a new section to chapter 82.32 RCW; and providing for submission of this act to a vote of the people.

Referred to Committee on State Government.

SHB 1060 by House Committee on Health Care & Wellness (originally sponsored by Representatives Blake, J. Walsh, Appleton and Chapman)

AN ACT Relating to the administration of marijuana to students for medical purposes; amending RCW 69.51A.060; adding a new section to chapter 28A.210 RCW; adding a new section to chapter 69.51A RCW; and creating a new section.

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

ESHB 1115 by House Committee on Education (originally sponsored by Representatives Bergquist, Muri, Ortiz-

Self, Harris, Stanford, Stambaugh, Gregerson and Kilduff)

AN ACT Relating to paraeducators; amending RCW 28A.150.203, 28A.410.062, 28A.630.400, 28A.660.040, 28A.660.042, and 28B.50.891; adding a new section to chapter 28A.300 RCW; adding a new section to chapter 28A.410 RCW; adding a new chapter to Title 28A RCW; and providing expiration dates.

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

EHB 1201 by Representatives Stonier, Orcutt, Harris, Wylie, J. Walsh, Riccelli, Tharinger and Ormsby

AN ACT Relating to the taxing authority of public facilities districts; and amending RCW 82.14.390 and 82.14.485.

Referred to Committee on Ways & Means.

EHB 1237 by Representatives Sells, Haler, Pollet, Appleton, Bergquist, Cody, Farrell, Riccelli, Lovick, Johnson, Ormsby, Springer, Gregerson, Ryu, Wylie, Sawyer, Santos, Senn, Goodman, Fey and Stanford

AN ACT Relating to modifying collective bargaining law to authorize providing additional compensation to academic employees at community and technical colleges; and amending RCW 28B.52.035 and 28B.50.140.

Referred to Committee on Commerce, Labor & Sports.

EHB 1248 by Representatives Griffey, Appleton, Goodman, Klippert, Holy and Hayes

AN ACT Relating to correcting a conflict between state and federal law regarding class I correctional industries work programs; and amending RCW 72.09.111.

Referred to Committee on Law & Justice.

EHB 1322 by Representatives Kilduff, Harris, Kagi, Senn, Cody, Short, McDonald, Calder, Dent, Tharinger, Dye, Robinson, Lovick, Appleton, Goodman, Fey, Hudgins, Sawyer, Muri, Jinkins, McBride and Doglio

AN ACT Relating to reducing training requirements for developmental disability respite providers working three hundred hours or less in any calendar year; and amending RCW 74.39A.076.

Referred to Committee on Health Care.

ESHB 1340 by House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Harris, Jinkins, Johnson, Robinson and Tharinger)

AN ACT Relating to modernizing substance use disorder professional practice; amending RCW 18.205.010, 18.205.020, 18.205.030, 18.205.040, 18.205.080, 18.205.090, 18.205.095, 10.77.079, 13.40.042, 18.130.040, 43.70.442, 70.96B.010, 70.96B.090, 70.97.010, 70.97.010, 70.97.030, 71.34.720, and 71.34.760; reenacting and amending RCW 13.40.020, 71.05.020, 71.34.020, and 71.34.720; providing effective dates; and providing expiration dates.

Referred to Committee on Health Care.

SHB 1347 by House Committee on Local Government (originally sponsored by Representatives Riccelli, Holy and Ormsby)

AN ACT Relating to the creation of a countywide port district within a county containing no port districts; amending RCW 53.12.172; adding a new section to chapter 53.04 RCW; and providing an expiration date.

Referred to Committee on Local Government.

ESHB 1359 by House Committee on Health Care & Wellness (originally sponsored by Representatives Jinkins, Harris, Macri, Kilduff, Riccelli, Cody, Slatter, Appleton, Kloba, Frame and Doglio)

AN ACT Relating to notice of charity care availability at time of billing and collection; amending RCW 70.170.060; and providing an effective date.

Referred to Committee on Health Care.

2SHB 1402 by House Committee on Appropriations (originally sponsored by Representatives Jinkins, Griffey, Rodne, Goodman, Muri, Kilduff, Orwall, Haler, Kirby, Hansen, Frame, Johnson, Appleton, Ortiz-Self and Cody)

AN ACT Relating to the rights and obligations associated with incapacitated persons and other vulnerable adults; amending RCW 74.34.020 and 11.92.043; adding a new section to chapter 11.92 RCW; adding a new section to chapter 2.72 RCW; and creating a new section.

Referred to Committee on Human Services, Mental Health & Housing.

SHB 1413 by House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Schmick, Macri, Harris, Jinkins, Appleton and Springer)

AN ACT Relating to specifying to whom information and records related to mental health services may be disclosed for the purposes of care coordination and treatment; amending RCW 70.02.230; reenacting and amending RCW 70.02.230; providing an effective date; and providing an expiration date.

Referred to Committee on Human Services, Mental Health & Housing.

SHB 1420 by House Committee on Business & Financial Services (originally sponsored by Representatives Hudgins, MacEwen and Bergquist)

AN ACT Relating to theatrical wrestling; amending RCW 67.08.100 and 67.08.160; reenacting and amending RCW 67.08.002; adding a new section to chapter 67.08 RCW; and creating a new section.

Referred to Committee on Commerce, Labor & Sports.

E2SHB 1426 by House Committee on Appropriations (originally sponsored by Representatives Robinson, Harris, Cody, Caldier, Rodne, Slatter, Jinkins, Peterson, Kilduff and Kagi)

AN ACT Relating to persons and entities to whom the department of health may provide prescription monitoring

program data; amending RCW 70.225.040; adding a new section to chapter 70.225 RCW; and creating a new section.

Referred to Committee on Health Care.

ESHB 1427 by House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Jinkins, Peterson and Pollet)

AN ACT Relating to opioid treatment programs; and amending RCW 71.24.560, 71.24.585, 71.24.590, and 71.24.595.

Referred to Committee on Health Care.

ESHB 1432 by House Committee on Appropriations (originally sponsored by Representatives Robinson, Harris, Jinkins, Pollet, Kilduff, Slatter and Cody)

AN ACT Relating to foundational public health services; amending RCW 43.70.512, 43.70.514, and 43.70.516; adding a new section to chapter 43.70 RCW; repealing RCW 43.70.520; and creating a new section.

Referred to Committee on Health Care.

SHB 1477 by House Committee on Health Care & Wellness (originally sponsored by Representatives Kilduff, Muri, Lytton, Stambaugh, Orwall, McDonald, Robinson, Lovick, Goodman, Sells, Appleton and Fey)

AN ACT Relating to disclosure of health-related information with persons with a close relationship with a patient; amending RCW 70.02.050, 70.02.200, 70.02.220, and 70.02.230; reenacting and amending RCW 70.02.230; adding a new section to chapter 70.02 RCW; providing an effective date; and providing an expiration date.

Referred to Committee on Human Services, Mental Health & Housing.

SHB 1490 by House Committee on Transportation (originally sponsored by Representatives Fey, Rodne, Clibborn, Hargrove, Riccelli, Van Werven, McBride and Irwin)

AN ACT Relating to eliminating the requirement that a city or town provide preservation rating information on a certain percentage of its arterial network; and amending RCW 46.68.113.

Referred to Committee on Transportation.

ESHB 1493 by House Committee on Technology & Economic Development (originally sponsored by Representatives Morris, Harmsworth, Smith, Tarleton and Stanford)

AN ACT Relating to biometric identifiers; and adding a new chapter to Title 19 RCW.

Referred to Committee on Law & Justice.

HB 1499 by Representatives Pollet, Ryu, Sells, Lovick, Bergquist and Stanford

AN ACT Relating to creating protections and fairness for students in the student loan disbursement process; adding a new section to chapter 28B.10 RCW; adding a new section to chapter 28B.77 RCW; and creating a new section.

Referred to Committee on Higher Education.

SHB 1501 by House Committee on Judiciary (originally sponsored by Representatives Hansen, Hayes, Kagi, Smith, Tharinger, Clibborn and Muri)

AN ACT Relating to protecting law enforcement and the public from persons who illegally attempt to obtain firearms; amending RCW 43.10.232; adding a new section to chapter 9.41 RCW; adding new sections to chapter 43.43 RCW; adding a new section to chapter 36.28A RCW; and creating a new section.

Referred to Committee on Law & Justice.

ESHB 1508 by House Committee on Appropriations (originally sponsored by Representatives Stonier, Dolan, Ortiz-Self, Riccelli, Orwall, Peterson, Sawyer, Doglio, Gregerson, Slatter, Frame, Macri, Bergquist, Senn, Ryu, Kloba, Stanford, Sells, Farrell, Lovick, McBride, Pollet, Hudgins, Jinkins, Kagi, Appleton, Goodman, Tharinger, Clibborn, Ormsby, Cody, Santos, Fey and Pettigrew)

AN ACT Relating to promoting student health and readiness through meal and nutrition programs; amending RCW 28A.150.205, 28A.235.150, and 28A.235.160; adding new sections to chapter 28A.235 RCW; creating new sections; and providing an expiration date.

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

SHB 1520 by House Committee on Appropriations (originally sponsored by Representatives Tharinger, Short, Cody, Schmick and Springer)

AN ACT Relating to allowing alternative payment methodologies for critical access hospitals participating in the Washington rural health access preservation pilot; and amending RCW 74.09.5225.

Referred to Committee on Health Care.

HB 1530 by Representatives Gregerson, Morris and Appleton  
AN ACT Relating to grandfathering the accrual of vacation leave above the statutory maximum for certain employees of the Washington state ferries; amending RCW 43.01.040; providing an effective date; and declaring an emergency.

Referred to Committee on Transportation.

ESHB 1531 by House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Chapman, DeBolt, Blake, Koster, Orcutt, Tharinger, Kraft, Pettigrew, Smith, Dolan and Fitzgibbon)

AN ACT Relating to the forestry riparian easement program; and amending RCW 76.13.120.

Referred to Committee on Natural Resources & Parks.

HB 1578 by Representatives Dent, Ortiz-Self, McBride, Lovick, Dye, Harris and Griffey

AN ACT Relating to irrigation district authority; and amending RCW 87.03.015, 87.03.0155, and 87.03.115.

Referred to Committee on Energy, Environment & Telecommunications.

ESHB 1594 by House Committee on Appropriations (originally sponsored by Representatives McBride, Nealey, Springer, Clibborn, Hayes, Gregerson, Peterson, Koster, Griffey, Klippert, Kilduff, Muri, Senn, Goodman, Haler, Robinson, Sells, Steele, Fitzgibbon, Fey, Kraft, Bergquist, Smith, Tharinger, Stanford, Kloba, Jinkins, Hargrove, Slatter and Kagi)

AN ACT Relating to improving public records administration; amending RCW 42.56.152, 42.56.520, 42.56.570, 40.14.024, and 36.22.175; adding a new section to chapter 40.14 RCW; creating new sections; making an appropriation; and providing expiration dates.

Referred to Committee on State Government.

EHB 1595 by Representatives Nealey, McBride, Senn, Springer, Koster, Klippert, Dye, Schmick, J. Walsh, Haler, Manweller, Harris, Dent, Peterson, Bergquist, Gregerson, Clibborn, Fey, Fitzgibbon, Dolan, Wilcox, Lytton, Griffey, Hayes, Muri, Goodman, Robinson, Sells, Steele, Kraft, Smith, Tharinger, Stanford, Kloba, Jinkins, Hargrove, Slatter and Kagi

AN ACT Relating to costs associated with responding to public records requests; and amending RCW 42.56.070, 42.56.080, and 42.56.120.

Referred to Committee on State Government.

HB 1603 by Representatives Kilduff, Sawyer, Goodman, McBride and Frame

AN ACT Relating to updating the child support economic table based on recommendations of the child support work group; amending RCW 26.19.020; and providing an effective date.

Referred to Committee on Law & Justice.

E2SHB 1612 by House Committee on Appropriations (originally sponsored by Representatives Orwall, Harris, Jinkins, Goodman, Haler, Robinson, Fey, Kilduff and McBride)

AN ACT Relating to a public health educational platform for suicide prevention and strategies to reduce access to lethal means; amending RCW 43.70.445, 43.70.442, and 9.41.113; adding new sections to chapter 43.70 RCW; creating new sections; making an appropriation; and providing an effective date.

Referred to Committee on Human Services, Mental Health & Housing.

E2SHB 1614 by House Committee on Transportation (originally sponsored by Representatives Goodman, Klippert, Orwall, Hayes, Pellicciotti, Holy, Griffey, Pettigrew, Muri and Haler)

AN ACT Relating to impaired driving; amending RCW 46.20.385, 46.20.720, 46.61.506, 46.61.517, and 46.64.025; and reenacting and amending RCW 9.96.060, 10.31.100, and 46.61.5055.

Referred to Committee on Law & Justice.

SHB 1624 by House Committee on Appropriations (originally sponsored by Representatives Senn, Dent, Kagi, Lytton, Farrell, Pettigrew, Hudgins, Goodman, Frame and Slatter)

AN ACT Relating to working connections child care eligibility for vulnerable children; amending RCW 43.215.135; creating new sections; and providing an effective date.

Referred to Committee on Human Services, Mental Health & Housing.

HB 1630 by Representatives Slatter, McDonald, Senn, Dent, Kilduff, McBride, Frame, Jinkins, Kloba, Santos, Appleton, Muri, Fey, Doglio, Stanford and Kagi

AN ACT Relating to allowing minors to consent to share their personally identifying information in the Washington homeless client management information system; and amending RCW 43.185C.180.

Referred to Committee on Human Services, Mental Health & Housing.

EHB 1654 by Representatives McCaslin, Bergquist, Ortiz-Self, Muri and Pollet

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

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

SHB 1655 by House Committee on Appropriations (originally sponsored by Representatives Lovick, Holy, Griffey, Hayes, Sells, Doglio, Stokesbary, Frame, Irwin, Fitzgibbon, Pike, Fey, Goodman, Pollet and Stanford)

AN ACT Relating to providing industrial insurance coverage for stress-caused mental disorders and disabilities of members of the law enforcement officers' and firefighters' retirement system; and amending RCW 51.08.142.

Referred to Committee on Commerce, Labor & Sports.

SHB 1673 by House Committee on Labor & Workplace Standards (originally sponsored by Representatives Doglio, Sells, Gregerson, Ormsby, Macri, Goodman, Frame, Stonier, McBride, Cody, Senn, Ortiz-Self and Pollet)

AN ACT Relating to adding training on public works and prevailing wage requirements to responsible bidder criteria; amending RCW 39.04.350; creating a new section; and providing an effective date.

Referred to Committee on Commerce, Labor & Sports.

SHB 1683 by House Committee on Environment (originally sponsored by Representatives Appleton and Griffey)

AN ACT Relating to sewer service within urban growth areas; and amending RCW 36.70A.110.

Referred to Committee on Local Government.

HB 1722 by Representatives Kirby and Vick

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

Referred to Committee on Transportation.

SHB 1755 by House Committee on Labor & Workplace Standards (originally sponsored by Representative Manweller)

AN ACT Relating to notice to state fund employers for certain workers' compensation third-party settlements; and amending RCW 51.24.090.

Referred to Committee on Commerce, Labor & Sports.

HB 1772 by Representatives Appleton, Johnson, Tharinger, Jinkins, Harris, Goodman and Santos

AN ACT Relating to increasing the personal needs allowance for persons receiving state-financed care; adding a new section to chapter 74.09 RCW; creating a new section; providing an effective date; and declaring an emergency.

Referred to Committee on Health Care.

SHB 1782 by House Committee on Health Care & Wellness (originally sponsored by Representatives Stonier, Harris, Cody, Schmick and Caldier)

AN ACT Relating to dental laboratories; adding new sections to chapter 18.32 RCW; and prescribing penalties.

Referred to Committee on Health Care.

E2SHB 1783 by House Committee on Appropriations (originally sponsored by Representatives Holy, Goodman, Hansen, Hayes, Stokesbary, Senn, Orwall, Kagi, Appleton, Kilduff, Rodne, Jinkins, Taylor, Shea, Tharinger, Frame, Fitzgibbon, Bergquist, Fey, Macri, Ryu, Doglio, Pellicciotti, Peterson, Santos, Reeves, Kloba, Robinson, Stanford, Hudgins, McBride, Ormsby and Pollet)

AN ACT Relating to legal financial obligations; amending RCW 10.82.090, 3.50.100, 3.62.040, 35.20.220, 10.01.160, 10.01.170, 10.01.180, 10.46.190, 10.64.015, 9.92.070, 10.73.160, 9.94A.6333, 9.94A.760, 9.94B.040, 3.62.085, 36.18.020, 43.43.7541, and 7.68.035; reenacting and amending RCW 3.62.020; and creating new sections.

Referred to Committee on Law & Justice.

2SHB 1789 by House Committee on Appropriations (originally sponsored by Representatives Jinkins, Pettigrew, Frame, Stambaugh, Ortiz-Self, Fitzgibbon, Macri, Ormsby and Gregerson)

AN ACT Relating to rehabilitated offenders; and creating new sections.

Referred to Committee on Law & Justice.

E2SHB 1802 by House Committee on Appropriations (originally sponsored by Representatives Reeves, Springer, Kilduff, Farrell, Appleton, Stonier, Stanford, Kloba, Frame, Ryu, Tharinger, Pellicciotti, Macri, Chapman, Fitzgibbon, Jinkins, Orwall, Doglio, Lovick,

Riccelli, Peterson, Gregerson, Blake, Ortiz-Self, Ormsby, Bergquist, Fey and Pollet)

AN ACT Relating to increasing the access of veterans, military service members, and military spouses to shared leave in state employment; amending RCW 41.04.665; adding a new section to chapter 41.04 RCW; and creating a new section.

Referred to Committee on State Government.

ESHB 1807 by House Committee on State Government, Elections & Information Technology (originally sponsored by Representatives Pellicciotti, Hudgins, Riccelli, Orwall, Kirby, Macri, Pollet, Appleton, Wylie, Fitzgibbon, Sawyer, Frame, Lovick, Reeves, Slatter, Chapman, Ryu, Kagi, Doglio, Ortiz-Self, McBride, Farrell, Ormsby and Bergquist)

AN ACT Relating to increasing transparency of contributions by creating the Washington state DISCLOSE act of 2017; amending RCW 42.17A.235 and 42.17A.240; reenacting and amending RCW 42.17A.005; adding new sections to chapter 42.17A RCW; and creating new sections.

Referred to Committee on State Government.

ESHB 1808 by House Committee on Transportation (originally sponsored by Representatives Clibborn, McDonald, Kagi, Caldier, Senn, Graves, Lovick, Dent, McBride, Farrell, Wylie, Slatter, Macri, Doglio, Robinson, Ortiz-Self, Ormsby, Sells, Fey, Frame, Muri, Riccelli, Springer, Jinkins, Gregerson, Stanford and Pollet)

AN ACT Relating to providing support for foster youth in obtaining drivers' licenses and automobile liability insurance; adding a new section to chapter 74.13 RCW; and creating a new section.

Referred to Committee on Human Services, Mental Health & Housing.

SHB 1820 by House Committee on Environment (originally sponsored by Representatives Volz, Tharinger, Senn, McCaslin, Koster, Haler, Shea, Irwin and Holy)

AN ACT Relating to the maintenance and operations of parks and recreational land acquired through the conservation futures program; and amending RCW 84.34.240.

Referred to Committee on Natural Resources & Parks.

EHB 1857 by Representatives Kloba, Sawyer, Appleton and Condotta

AN ACT Relating to marijuana with respect to privileges for research licenses, local authority notifications, the retail licensing merit-based application process, processor wholesale events, and jurisdictional requirements; amending RCW 69.50.325, 69.50.331, 69.50.372, and 66.08.100; and creating a new section.

Referred to Committee on Commerce, Labor & Sports.

SHB 1867 by House Committee on Appropriations (originally sponsored by Representatives Fey, Stambaugh, Senn, Kagi, Kilduff, Appleton, Graves,

Hudgins, Orwall, Ryu, Sells, Stanford, Robinson, McDonald, Ortiz-Self, Doglio, Slatter, Tharinger and Ormsby)

AN ACT Relating to improving transitions in extended foster care to increase housing stability for foster youth; amending RCW 74.13.031; creating new sections; and providing an expiration date.

Referred to Committee on Human Services, Mental Health & Housing.

HB 1906 by Representatives Orcutt, Blake, McDonald, Pike and Doglio

AN ACT Relating to the expansion of counties qualifying for the farm internship program, including certain southwest Washington counties; amending RCW 49.12.470; amending 2014 c 131 s 5 (uncodified); and providing expiration dates.

Referred to Committee on Commerce, Labor & Sports.

EHB 1924 by Representatives Dent and Fitzgibbon

AN ACT Relating to small forest landowners; and amending RCW 19.30.010, 76.04.205, and 70.94.6534.

Referred to Committee on Commerce, Labor & Sports.

ESHB 1952 by House Committee on Labor & Workplace Standards (originally sponsored by Representatives Blake, J. Walsh, Pellicciotti, Chapman, Stambaugh and Ormsby)

AN ACT Relating to enforcement of the electrical laws; amending RCW 19.28.010; adding a new section to chapter 19.28 RCW; and prescribing penalties.

Referred to Committee on Commerce, Labor & Sports.

EHB 2005 by Representatives Lytton, Nealey, Kagi and Ormsby

AN ACT Relating to improving the business climate in this state by simplifying the administration of municipal general business licenses; adding a new chapter to Title 35 RCW; and creating a new section.

Referred to Committee on Commerce, Labor & Sports.

2SHB 2009 by House Committee on Appropriations (originally sponsored by Representatives Reeves, Stonier, Riccelli, Peterson, Doglio, Jinkins, Kilduff, Lovick, Tarleton, McBride, Ormsby, Stanford, Orwall, Muri, Slatter, Ryu and Fey)

AN ACT Relating to providing higher education support for gold star families; amending RCW 28B.15.621; and creating a new section.

Referred to Committee on Higher Education.

ESHB 2121 by House Committee on Appropriations (originally sponsored by Representatives Pettigrew, Tarleton and Macri)

AN ACT Relating to income eligibility for temporary assistance for needy families benefits for a child who lives with a nonparent caregiver; creating a new section; repealing RCW 74.12.037; and providing an effective date.

Referred to Committee on Human Services, Mental Health & Housing.

#### MOTION

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

#### MOTION

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

#### PERSONAL PRIVILEGE

Senator Carlyle: “Thank you so much Mr. President. The institution of government in this Chamber and across the hall lost a great giant this morning and it is my sad duty to share with you Mr. President that former Representative Helen Sommers, who served the 36<sup>th</sup> District for thirty-six years passed away this morning. In 2008, when I had the extraordinary honor of being elected by the people of the 36<sup>th</sup> District to succeed Representative Sommers, it was an extraordinarily meaningful opportunity to learn about government, to learn about higher education, to learn about public policy at a whole different level and she represented the best of our representative democracy. She was the first woman elected in 1972 from our district, from an area that was an extremely competitive area and just had an extraordinary career spanning 36 years. She served in the House as Chair of the Appropriations Committee for many, many years and I think all of us can recognize that the state, for example of our pension system is among the strongest in the nation today because of her incredible singular focus on the core integrity of the financial wherewithal of that system. I think we can also recognize that she had a special place in her heart for higher education, the University of Washington, and so many other institutions and played just an extraordinary role. So, it is just a deep personal honor on behalf of the people of the 36<sup>th</sup> Legislative District, on behalf of the 7 million people of our state, on behalf of women’s voices, on behalf of so many people that she represented on so many different levels to bring just an incredible sense of personal conviction, the integrity of public service, the integrity of public policy, and I just want to honor her on this day and show my appreciation to this institution and the institution that she served directly for so many years. And it is very meaningful to me to have the opportunity to succeed her and I encourage all of my colleagues when they have some time to read the oral history that she shared with us through the Secretary of State’s Office. It is a fabulous read that really goes through our latest history. Thank you Mr. President and I ask that you join us in recognizing her service.”

#### PERSONAL PRIVILEGE

Senator Sheldon: “Thank you Mr. President. It is sad to hear and I am glad that Senator Carlyle brought us that news, although it is so sad. I had the opportunity to serve with Representative Sommers in the Democratic Caucus for many years in the House of Representatives. What an outstanding Representative she was. She brought a degree in economics, and she was very concerned about all the citizens of Washington. Incidentally she owned an apartment house in Shelton and one time there was a fire at that apartment house and it was a pretty big loss and so we worked together on some of the insurance

issues and she was a very good business person because she had those business principals that she brought to Olympia and applied in everything she did and all the budgets that we went through in the House in those days. So it is a big loss. I have just incredible memories of her and her outstanding will and personality and she was a force here in Olympia for many many years and will be sadly missed. Thank you Mr. President.”

#### PERSONAL PRIVILEGE

Senator Conway: “I also rise here saddened by the news of losing Helen. Helen was a very special person, leading the House for many years. I was one of her ‘pension nerds’. There was a group of us who were called her pension nerds because I will let you know that not many people understood pensions in the 1970s and 1980s and even into the 1990s. The pension world was so complicated, the funding of pensions was so complicated that there were very few people that actually understood how to fund our pension system and Helen gathered those who were willing to take the time to try and understand our pension system and to really work at ensuring that we fund the system properly. And recognizing that this isn’t something that should be taken lightly. In fact, Helen was responsible for many of the institutions of our pension system. But I think you know Helen was also so deeply committed to higher education. I can’t tell you the times that I served on the Ways & Means, I mean the Appropriations Committee in the House for many years, I can’t tell you how many times she fought over ensuring that there was appropriate funding for higher ed in these budgets because sometimes we run away from higher ed institutions and they come secondary in our funding schemes. And Helen, Helen worked very hard to ensure that the House at that time recognize the importance of funding higher ed. You know I know a lot of the personal stories here and I don’t think they are all in the memoir, because there were some interesting tensions that went on, but Helen was a very sincere person. She spoke her mind. She wasn’t one to hide behind politics. She was one who told you exactly where she was at and exactly what she wanted to see happen. And you know losing her is a real loss to our state, I mean I really mean that. This is one of the great leaders of our state in the late part of the last century and I am saddened to hear this news and I am hoping we can, as a state, find a fitting way to honor her. Thank you.”

#### PERSONAL PRIVILEGE

Senator Bailey: “You know there are some people that really get your attention. Helen was definitely one of those individuals. When I first came to the Legislature in the House, there was one person that I valued their opinion on things and that was Helen Sommers. In trying to learn the ins and outs of Ways & Means, actually we called it Appropriations at that time, I did find that there was a place there that I was really drawn to and that was our state pension system. The good gentleman that just spoke talked about that. He and I worked very hard to continue to make sure that we have viable pension systems. And even the time when we are not in session he and I have been working on pensions for some time. Helen was one of those people though, that if you really wanted to know where everything, as they say, ‘Where the skeletons are,’ Helen is the one that you would go and talk with. My seatmate at that time was a gentleman by the name of Barry Sehlin. And Barry was Chair of Appropriations, or actually the Minority Chair, and Barry had absolutely wonderful things to say about Helen in trying to train me in the House about how Appropriations worked. And I just remember

the unique relationship that Barry Sehlin and Helen Sommers had and it was so impressive to see how two people could work together productively but yet still have their own separate interests and ways of thinking about things but yet come together in the end. It was very impressive. It had a lasting impression upon me. I really feel as though this state has had an incredible loss. Thank you.”

PERSONAL PRIVILEGE

Senator Keiser: “Well, I too, was fortunate enough to be trained by Helen Sommers in the Appropriations Committee, and it was great training. And one of the things I learned from her was that it is really hard to be in a position, like Chair of an appropriations committee or other important financial committees, and not get really beat up. And she was one tough woman. She had to be. I remember one of her campaigns, her slogan was ‘unbought and unbowed’. So that sort of gave you a flavor of her attitude. And she was firm, and there is no other word for it. One of the best things she ever did for our state besides invest in higher education facilities and institutions was to make sure we have the most well-financed and stable pension system in the entire country. We owe Helen Sommers and she has given us a great legacy.”

PERSONAL PRIVILEGE

Senator Rossi: “Mr. President, there are many people on this floor who will never know Helen Sommers. There are many people on this floor and maybe watching now that never had the privilege of working with her. But when I was Chairman of the Senate Ways & Means Committee, she was my counterpart in the House. And my wife started asking questions, ‘Who is this woman in the House you are spending so much time with?’ Well it was Helen Sommers and she would tell me stories. Some of the stories about the difficult times when it is easy for legislators to add things to the pension system because they know it is not going to show up in the next election or even the election after that. But it is going to snowball and be something large in the future and she explained to me she was in the forefront. Why do you think you have a PERS 2? Why do you think you have a TERS 2? Why do you think you have these pension systems? Because they had to stop them, and she told me how difficult it was. She was very pragmatic and that got her sideways sometimes with her caucus. The state has lost a great public servant, a great public servant. And I am honored to stand here and tell you that, especially those of you who have never met her or will never have a chance to know her. She truly was one of the best ones we had down here. Thank you.”

PERSONAL PRIVILEGE

Senator Walsh: “I knew her for a lot of years too and I was always intrigued by her. When I first got here everyone used to call her Dr. Spock. And I always thought that was so funny but, as you got to know her, and you saw her very stoic nature and she always looked very serious. As a freshman in the House I was appointed to the Appropriations Committee and I just made it my goal everyday to crack a smile out of that woman. And she was so serious and she took her job so completely seriously and she did it with such incredible class. And frankly I come from a line of great women who have represented my district, one of them, the first President of the Senate, for example, but I have to tell you my admiration for Helen Sommers was very very deep.

That was a strong and brilliant woman, and I looked up to her and admired her greatly, but I did like to make her laugh. And I remember her flying over to Kennewick because there was this great little program about reading to your kids for twenty minutes a day that she was very intrigued with. And actually flew over and went and we toured the district, and went and talked with the Kennewick School District. Just had a great time. She loved the fact that eastern Washington, the ice age had gone through and left these incredible formations on the ground. And she used to love to fly above that and see that. And we used to talk about things like that. And the last trip I had with her I went and visited the Fircrest and Lakewood, the other DD (developmentally disabled) facility here on the west side. And she asked me, she said, ‘Oh, just come with me. We’ll drive together.’ Bad mistake! She was a terrible driver. And when I got done with that trip I almost had whiplash. But you know it was such an incredible honor for me to be able to travel with her and have that little chit-chatty discussion and just feel like I was her friend. And anyway, I just admired her greatly and so I am glad we’re honoring a great woman today especially in light of the fact that this is the week of women, or tomorrow is the day for women. She certainly rises high in the class of great women. I admired her.”

EDITOR’S NOTE: Senator Jeanette Haynes, 16th Legislative District, was the first female Senate Majority Leader.

PERSONAL PRIVILEGE

Senator Hunt: “Well, I had the honor of working with Helen Sommers as an agency person and as a legislator. In the late 1990s we had some, actually early 1990s, we had some major problems with computer projects. And it was my job at my agency to help draft some bill to try to deal with that and we tried to dot every i and cross every t. It turned out to be a very specific bill because everybody had to have his or her buyoff. We brought it in to Helen Sommers. She called me later and she said ‘I had to give that to staff. Don’t ever bring me a bill like that again. It is too specific.’ She looked down her glasses at me and put the fear of God into me. It was amazing. But I also had the honor of having my brother-in-law serve as her campaign treasurer for years. So we worked with her on that end. And finally when I got on the Appropriations Committee I was sitting there one day and a person from the Burke Museum came in with a box of bones and things and the member sitting next to me who was a new member said ‘Oh God, what is this? Why do we have to do this?’” And I said ‘Well, Representative, the Burke Museum is probably Helen Sommers’ favorite state agency and we are going to learn about it today.’ He looked at me and said ‘Oh good, whatever she wants’. That was Helen.”

PERSONAL PRIVILEGE

Senator Chase: “Thank you Mr. President. You know I first met Helen Sommers in 1968 when she came to Seattle after serving fourteen years in South America for Mobil Oil. She became a student at the University of Washington and got a Bachelor’s Degree and a Master’s Degree in Economics. But more than that, she was the second President of the National Organization of Women in Seattle/King County. And the following year she became the first statewide President for NOW. She also was very active in the League of Women Voters, becoming their President in 1971. She worked at Seattle/King County government. When she first ran for office she took time

off to campaign, took a leave of absence. And that was in 1972, often it is called the Year of the Woman. And I had hoped to be able to talk about Helen and her feminist views tomorrow on International Women's Day but I think it is appropriate for us remember the great contributions she made to women. She classified herself as an outspoken feminist, and that she was. We will indeed miss her but we will remember her in spirit. Thank you Mr. President."

#### PERSONAL PRIVILEGE

Senator Darneille: "Thank you Mr. President. I am very saddened by this news today. When I was a freshman in the other body, that was the year of the earthquake, and for those of you who knew Helen, nothing would deter her. She was short in stature, quick in movement, and I can remember very distinctly as we were heading into the floor of the new House, which was Hearing Room A, became the new House of Representatives after the earthquake. And her racing up behind me and saying to me that I had singularly asked for more money in the budget than any other legislator. And, Senator Braun's not listening to me right now, but that has not changed. But what I said to her was that I was an old development officer and the number one rule in development is 'If you don't ask, you don't get' to which I got my first hearty laugh out of her. I really recognized over those next few years how courageous she was because she didn't mind changing her view and I really saw this. Senator Walsh referred to it a moment ago, about going to Kennewick, but part of her discovery about brain science and early childhood education really caused a real change in attitude and commitment that Representative Sommers had to funding important programs that made real impacts on our state. As many of you know, most of us are House trained, but over there we don't have to be present to vote all the time. You have neighbors who can push a button for you and when she was negotiating the budget she was off the floor. And when she was learning about budget proposals from agencies she was off the floor. Not far off the floor but I sat in front of her on the floor and it was just miraculous that we had an identical voting record."

#### REMARKS BY THE PRESIDENT

President Habib: "Thank you, the President would like to speak on behalf of the Senate in giving our collective condolences to the Sommers family, recognizing and honoring Representative Sommers' tradition of work, the budgets she sculpted, the lives that she touched through those budgets her hard work and her mentorship to particularly women, but legislators in both parties, both chambers, of both genders and one final remark is that it is often easy for the media to cover our disagreements, our petty moments in this body but I hope that they give just as much credence and recognition to these moments when we come together in a bipartisan, even bicameral way to recognize those who have come before and the work that has been done together. I know it is not as newsworthy as the stories about a petty swipe here or there but I hope that the public takes notice of that important work that we all do. That being said let's begin that work today."

#### SECOND READING

SENATE BILL NO. 5490, by Senators O'Ban, Pedersen, Hunt and Darneille

Concerning notification requirements for the department of social and health services.

The measure was read the second time.

#### MOTION

On motion of Senator O'Ban, the rules were suspended, Senate Bill No. 5490 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator O'Ban 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. 5490.

#### ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5490 and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pearson, Pedersen, Ranker, Rivers, Rolfes, Rossi, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman, Wilson and Zeiger

SENATE BILL NO. 5490, 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. 5403, by Senators O'Ban and Conway

Concerning ferry district authority.

#### MOTIONS

On motion of Senator O'Ban, Substitute Senate Bill No. 5403 was substituted for Senate Bill No. 5403 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator O'Ban, the rules were suspended, Substitute Senate Bill No. 5403 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator O'Ban 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. 5403.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5403 and the bill passed the Senate by the following vote: Yeas, 44; Nays, 5; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Braun, Brown, Cleveland, Conway, Darneille, Ericksen, Fain, Fortunato, Frockt, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pearson, Pedersen, Ranker, Rivers, Rolfes,

Rossi, Saldaña, Schoesler, Sheldon, Short, Takko, Walsh, Warnick, Wellman, Wilson and Zeiger

Voting nay: Senators Carlyle, Chase, Hasegawa, Padden and Van De Wege

SUBSTITUTE SENATE BILL NO. 5403, 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 JOINT RESOLUTION NO. 8204, by Senators Fortunato, Angel, Rossi, Bailey, Braun, Sheldon, Schoesler, Becker, Warnick and Baumgartner

Amending the Constitution to prohibit the taxation of individual income.

The measure was read the second time.

#### MOTION

On motion of Senator Fain, further consideration of Senate Joint Resolution No. 8204 was deferred and the bill held its place on the second reading calendar.

#### SECOND READING

SENATE BILL NO. 5232, by Senators Brown, Palumbo, Walsh, Dansel, Takko, Chase and Sheldon

Allowing incremental electricity produced as a result of efficiency improvements to hydroelectric generation projects whose energy output is marketed by the Bonneville power administration to qualify as an eligible renewable resource under the energy independence act.

The measure was read the second time.

#### MOTION

On motion of Senator Brown, the rules were suspended, Senate Bill No. 5232 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Brown, Short, Honeyford, Ericksen, Hobbs, Baumgartner and Darneille spoke in favor of passage of the bill.

Senators Carlyle, Ranker, McCoy and Hasegawa spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Senate Bill No. 5232.

#### ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5232 and the bill passed the Senate by the following vote: Yeas, 32; Nays, 17; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Chase, Conway, Darneille, Ericksen, Fain, Fortunato, Hawkins, Hobbs, Honeyford, King, Miloscia, O'Ban, Padden, Palumbo, Pearson, Rivers, Rossi, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wilson and Zeiger

Voting nay: Senators Billig, Carlyle, Cleveland, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Liias, McCoy, Mullet, Nelson, Pedersen, Ranker, Rolfes, Saldaña and Wellman

SENATE BILL NO. 5232, 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 Senate resumed consideration of Senate Joint Resolution No. 8204 which had been deferred earlier in the day.

#### SECOND READING

SENATE JOINT RESOLUTION NO. 8204, by Senators Fortunato, Angel, Rossi, Bailey, Braun, Sheldon, Schoesler, Becker, Warnick and Baumgartner

Amending the Constitution to prohibit the taxation of individual income.

The measure was read the second time.

#### MOTION

Senator Liias moved that the following floor amendment no. 106 by Senator Liias be adopted:

On page 2, line 5, after "income", insert "totaling less than two hundred fifty thousand (\$250,000) dollars"

Senators Liias, Chase and Hunt spoke in favor of adoption of the amendment.

Senators Brown and Ericksen spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 106 by Senator Liias on page 2, line 5 to Senate Joint Resolution No. 8204.

The motion by Senator Liias failed and floor amendment no. 106 was not adopted by voice vote.

#### MOTION

Senator Pedersen moved that the following floor amendment no. 107 by Senator Pedersen be adopted:

On page 2, line 7, after "source", insert "without a vote of the people"

Senators Pedersen and Liias spoke in favor of adoption of the amendment.

Senator Braun spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 107 by Senator Pedersen on page 2, line 7 to Senate Joint Resolution No. 8204.

The motion by Senator Pedersen did not carry and floor amendment no. 107 was not adopted by voice vote.

#### MOTION

Senator Nelson moved that the following floor amendment no. 108 by Senator Nelson be adopted:

On page 2, line 9, after "2017" insert "except that no new business and occupation tax preference may be enacted by the

legislature unless approved by a two-thirds vote in both the senate and the house of representatives. For the purposes of this subsection (c):

(i) "Business and occupation tax" means a tax on the gross receipts of a business operating in Washington, as a measure of the privilege of engaging in business. The term "gross receipts" means gross income, gross sales, or the value of products, whichever is applicable to a particular business.

(ii) "Business and occupation tax preference" means an exemption, exclusion, or deduction from the base of a state business and occupation tax; a credit against a state business and occupation tax; a deferral of a state business and occupation tax; or a preferential state business and occupation tax rate"

Senators Nelson and Chase spoke in favor of adoption of the amendment.

Senator Ericksen spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 108 by Senator Nelson on page 2, line 9 to Senate Joint Resolution No. 8204.

The motion by Senator Nelson did not carry and floor amendment no. 108 was not adopted by voice vote.

#### MOTION

On motion of Senator Fortunato, the rules were suspended, 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 Fortunato, Schoesler and Baumgartner spoke in favor of passage of the resolution.

Senators Liias and Pedersen spoke against passage of the resolution.

#### INTRODUCTION OF SPECIAL GUESTS

The President welcomed and introduced members of the Hamilton International School who were seated in the gallery.

Senators Angel, Ericksen and O'Ban spoke in favor of passage of the resolution.

Senators Billig, Chase, Kuderer, Carlyle and Rolfes spoke against passage of the resolution.

#### POINT OF ORDER

Senator Fain: "I believe that the speaker is veering a little off at the moment."

#### REPLY BY THE PRESIDENT

President Habib: "I'm allowing her to finish this because she is responding to a statement the Majority Leader made, so in this case I am allowing it. She is not speaking to the levy cliff bill, as has been the case in other debates, but this is a wide-ranging issue. It is a constitutional amendment that is being proposed and she is responding to the Majority Leader."

Senator Rolfes continued her remarks.

Senator Padden spoke in favor of passage of the resolution.

Senators Hasegawa, Palumbo and Ranker spoke against passage of the resolution.

#### REMARKS BY THE PRESIDENT

President Habib: "And to be clear to members when I said that a political stunt was not an appropriate thing, that also goes for ploy, game, and every other synonym of the word stunt. And, I will cut off speakers who continue to impugn the motives of other senators. It is perfectly appropriate to disagree, it is not appropriate to cast in doubt the reasons or motives for bringing legislation."

#### POINT OF ORDER

Senator Liias: "Thank you Mr. President. I believe that Senator Baumgartner has spoken twice on this measure already."

#### REPLY BY THE PRESIDENT

President Habib: "Senator Liias are you raising a point of order under a particular rule? In the meantime, Senator Baumgartner."

Senator Baumgartner: "I would like to ask a question to Senator Nelson."

President Habib: "Senator Nelson, do you yield? The Senator does not yield."

#### POINT OF ORDER

Senator Liias: "Thank you Mr. President. Rule 29 says that 'no senator shall impeach the motives or speak more than twice during the consideration of any one question' so I believe that this is Senator Baumgartner's third speech which would be more than twice in violation of rule 29."

#### REPLY BY THE PRESIDENT

President Habib: "Senator Liias, there is debate about the full context of that rule. We will discuss this at a later time, it is not helpful to debate right now. Senator Baumgartner's in the midst of his remarks and I am deeming it more appropriate to allow him to continue his remarks and we will continue this debate and finally get to a vote, alright? Thank you. Your point of order is not well received."

Senator Baumgartner: "May I point my question toward Senator Chase."

President Habib: "I think you just continue your remarks right now. We are on thin ice. Let's just continue your remarks. Thank you."

Senator Baumgartner: "Thank you. I have a question Mr. President. It has been mentioned several times that no one supports an income tax on this floor. There are no considerations for an income tax. I think it is very germane, I don't think that's a point of clarity and I would like to get clarity on the issue. It is germane to the debate. So I would like to ask Senator Chase a question."

President Habib: "Senator Chase, do you yield to a question? She does not yield."

Senator Baumgartner concluded his remarks.

Senators Braun and Wilson spoke in favor of passage of the resolution.

Senators Frockt and Nelson spoke against passage of the resolution.

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

#### ROLL CALL

The Secretary called the roll on the final passage of Senate Joint Resolution No. 8204 and the resolution failed to pass the Senate by the following vote: Yeas, 27; Nays, 22; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Hobbs, Honeyford, King, Miloscia, Mullet, O'Ban, Padden, Pearson, Rivers, Rossi, Schoesler, Sheldon, Short, Walsh, Warnick, Wilson and Zeiger

Voting nay: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Liias, McCoy, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko, Van De Wege and Wellman

SENATE JOINT RESOLUTION NO. 8204, having failed to receive the required two-thirds majority, was declared lost.

#### SECOND READING

SENATE BILL NO. 5111, by Senators Braun, Ranker and Hunt

Enacting an excise tax on capital gains to improve the fairness of Washington's tax system and provide funding for the education legacy trust account.

The measure was read the second time.

#### MOTION

Senator Braun moved that the rules be suspended and that Senate Bill No. 5111 be advanced to third reading, the second reading considered the third and the bill be placed on final passage.

Senator Liias objected to the motion of Senator Braun to suspend the rules and advance the measure to third reading and final passage.

#### MOTION

Senator Liias demanded a division.

The President declared the question before the Senate to be the motion by Senator Braun to suspend the rules and advance Senate Bill No. 5111 to third reading and final passage and the motion carried on a rising vote.

#### MOTION

On motion of Senator Fain, further consideration of Senate Bill No. 5111 was deferred and the bill held its place on the third reading calendar.

#### MOTION

At 12:32 p.m., on motion of Senator Fain, the Senate was declared to be at ease for the purpose of lunch and caucuses.

Senator McCoy announced a meeting of the Democratic Caucus.

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#### AFTERNOON SESSION

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The Senate was called to order at 3:24 p.m. by President Habib.

#### PERSONAL PRIVILEGE

Senator Hunt: "Talking to staff and looking at the Facebook page of the Archives, today marks the 90<sup>th</sup> anniversary of the first meeting in the Legislative Building. It was opened a year before it was actually finished. There are some interesting stories that I will not regale you with about costs of furniture and stuff."

Mr. President: "Senator Hunt, when did you get here?"

Senator Hunt: "I was here the year before that. I was in the old capital building. Thank you sir."

#### PERSONAL PRIVILEGE

Senator Honeyford: "Thank you. This is the 90<sup>th</sup> anniversary of this building being opened and it was a day much like this that they originally planned on marching from the old capital, which is the SPI's Office, up to here. Unfortunately due to the rain storm they soon abandoned that idea, but I thought it also interesting that the cost for this building was \$6,500,000. You couldn't ever get that today. Thank you, Mr. President."

#### PERSONAL PRIVILEGE

Senator Padden: "Well, it is a beautiful, beautiful building and it is the one time I think in my entire life I'm glad the liberals were in charge when this was built."

#### SECOND READING

SENATE BILL NO. 5362, by Senators Braun, Mullet, Baumgartner, Liias and Rossi

Providing an exemption from unemployment compensation for certain providers of commercial transportation services.

#### MOTIONS

On motion of Senator Braun, Substitute Senate Bill No. 5362 was substituted for Senate Bill No. 5362 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Braun, the rules were suspended, Substitute Senate Bill No. 5362 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Braun and Mullet spoke in favor of passage of the bill.

Senators Keiser and Conway spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5362.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5362 and the bill passed the Senate by the following vote: Yeas, 31; Nays, 18; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Carlyle, Ericksen, Fain, Fortunato, Hawkins, Hobbs, Honeyford, King, Liias, Miloscia, Mullet, O'Ban, Padden, Palumbo, Pearson, Rivers, Rossi, Schoesler, Sheldon, Short, Takko, Walsh, Warnick, Wilson and Zeiger

Voting nay: Senators Billig, Chase, Cleveland, Conway, Darneille, Frockt, Hasegawa, Hunt, Keiser, Kuderer, McCoy, Nelson, Pedersen, Ranker, Rolfes, Saldaña, Van De Wege and Wellman

SUBSTITUTE SENATE BILL NO. 5362, 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. 5465, by Senators Miloscia, Hasegawa, Rolfes, O'Ban, Darneille, Angel and Frockt

Creating an office of the corrections ombuds.

#### MOTION

On motion of Senator Miloscia, Substitute Senate Bill No. 5465 was substituted for Senate Bill No. 5465 and the substitute bill was placed on the second reading and read the second time.

#### MOTION

Senator Miloscia moved that the following floor amendment no. 78 by Senator Miloscia be adopted:

On page 1, beginning on line 14, after "purpose," strike all material through "ombuds" on line 15 and insert "the office of the corrections ombuds is funded through the office of the state auditor"

On page 4, line 24, after "(1)" strike "The" and insert "Subject to the availability of amounts appropriated for this specific purpose, the"

Senator Miloscia spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 78 by Senator Miloscia on page 1, line 14 to Substitute Senate Bill No. 5465.

#### MOTION

On motion of Senator Liias, Senator Saldaña was excused.

The motion by Senator Miloscia carried and floor amendment no. 78 was adopted by voice vote.

#### MOTION

Senator Miloscia moved that the following floor amendment no. 83 by Senator Miloscia be adopted:

On page 1, beginning on line 14, after "purpose," strike all material through "ombuds" on line 15 and insert "the office of the

corrections ombuds is funded through the office of the state auditor"

On page 2, beginning on line 5, strike all of section 3

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

On page 4, line 24, after "(1)" strike "The" and insert "Subject to the availability of amounts appropriated for this specific purpose, the"

On page 6, line 12, after "(b)" insert "Prior to filing a complaint with the ombuds, an inmate shall have reasonably pursued resolution of the complaint through the internal grievance process with the department of corrections. However, in no event may an inmate be prevented from filing a complaint more than ninety days after filing an internal grievance, regardless of whether the department has completed the grievance process. This subsection (2)(b) does not apply to complaints related to threats of bodily harm including, but not limited to, sexual or physical assaults or the denial of necessary medical treatment.

(c)"

Reletter the remaining subsections consecutively and correct any internal references accordingly.

Senator Miloscia spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 83 by Senator Miloscia on page 1, line 14 to Substitute Senate Bill No. 5465.

The motion by Senator Miloscia carried and floor amendment no. 83 was adopted by voice vote.

#### MOTION

On motion of Senator Miloscia, the rules were suspended, Engrossed Substitute Senate Bill No. 5465 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Miloscia, Pedersen and Darneille 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. 5465.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5465 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pearson, Pedersen, Ranker, Rivers, Rolfes, Rossi, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Saldaña

ENGROSSED SUBSTITUTE SENATE BILL NO. 5465, 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. 5131, by Senators Rivers and Conway

Addressing provisions concerning marijuana with respect to research licenses, local authority notifications, the retail licensing application process, processor wholesale events, and jurisdictional requirements. Revised for 1st Substitute: Concerning marijuana with respect to privileges for research licenses, local authority notifications, the retail licensing merit-based application process, processor wholesale events, certain transfers of plants and seeds, licensing agreements and contracts, residency requirements, and jurisdictional requirements.

MOTION

On motion of Senator Rivers, Substitute Senate Bill No. 5131 was substituted for Senate Bill No. 5131 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Rivers moved that the following floor striking amendment no. 95 by Senator Rivers be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 4. RCW 69.50.325 and 2016 c 170 s 1 are each amended to read as follows:

(1) There shall be a marijuana producer's license regulated by the state liquor and cannabis board and subject to annual renewal. The licensee is authorized to produce: (a) Marijuana for sale at wholesale to marijuana processors and other marijuana producers ((and to produce marijuana)); (b) immature plants or clones and seeds for sale to cooperatives as described under RCW 69.51A.250((-regulated by the state liquor and cannabis board and subject to annual renewal)); and (c) immature plants or clones and seeds for sale to qualifying patients and designated providers as described under section 11 of this act. The production, possession, delivery, distribution, and sale of marijuana in accordance with the provisions of this chapter and the rules adopted to implement and enforce it, by a validly licensed marijuana producer, shall not be a criminal or civil offense under Washington state law. Every marijuana producer's license shall be issued in the name of the applicant, shall specify the location at which the marijuana producer intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a marijuana producer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a marijuana producer's license shall be one thousand dollars. A separate license shall be required for each location at which a marijuana producer intends to produce marijuana.

(2) There shall be a marijuana processor's license to process, package, and label marijuana concentrates, useable marijuana, and marijuana-infused products for sale at wholesale to marijuana processors and marijuana retailers, regulated by the state liquor and cannabis board and subject to annual renewal. The processing, packaging, possession, delivery, distribution, and sale of marijuana, useable marijuana, marijuana-infused products, and marijuana concentrates in accordance with the provisions of this chapter and chapter 69.51A RCW and the rules adopted to implement and enforce these chapters, by a validly licensed marijuana processor, shall not be a criminal or civil offense under Washington state law. Every marijuana processor's license shall be issued in the name of the applicant, shall specify the location at which the licensee intends to operate, which must be within the

state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a marijuana processor's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a marijuana processor's license shall be one thousand dollars. A separate license shall be required for each location at which a marijuana processor intends to process marijuana.

(3) There shall be a marijuana retailer's license to sell marijuana concentrates, useable marijuana, and marijuana-infused products at retail in retail outlets, regulated by the state liquor and cannabis board and subject to annual renewal. The possession, delivery, distribution, and sale of marijuana concentrates, useable marijuana, and marijuana-infused products in accordance with the provisions of this chapter and the rules adopted to implement and enforce it, by a validly licensed marijuana retailer, shall not be a criminal or civil offense under Washington state law. Every marijuana retailer's license shall be issued in the name of the applicant, shall specify the location of the retail outlet the licensee intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a marijuana retailer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a marijuana retailer's license shall be one thousand dollars. A separate license shall be required for each location at which a marijuana retailer intends to sell marijuana concentrates, useable marijuana, and marijuana-infused products.

Sec. 5. RCW 69.50.331 and 2015 2nd sp.s. c 4 s 301 are each amended to read as follows:

(1) For the purpose of considering any application for a license to produce, process, research, transport, or deliver marijuana, useable marijuana, marijuana concentrates, or marijuana-infused products subject to the regulations established under RCW 69.50.385, or sell marijuana, or for the renewal of a license to produce, process, research, transport, or deliver marijuana, useable marijuana, marijuana concentrates, or marijuana-infused products subject to the regulations established under RCW 69.50.385, or sell marijuana, the state liquor and cannabis board must conduct a comprehensive, fair, and impartial evaluation of the applications timely received.

(a) ~~((The state liquor and cannabis board must develop a competitive, merit-based application process that includes, at a minimum, the opportunity for an applicant to demonstrate experience and qualifications in the marijuana industry. The state liquor and cannabis board must give preference between competing applications in the licensing process to applicants that have the following experience and qualifications, in the following order of priority:~~

(i) First priority is given to applicants who:

(A) Applied to the state liquor and cannabis board for a marijuana retailer license prior to July 1, 2014;

(B) Operated or were employed by a collective garden before January 1, 2013;

(C) Have maintained a state business license and a municipal business license, as applicable in the relevant jurisdiction; and

(D) Have had a history of paying all applicable state taxes and fees;

(ii) Second priority must be given to applicants who:

(A) Operated or were employed by a collective garden before January 1, 2013;

(B) Have maintained a state business license and a municipal business license, as applicable in the relevant jurisdiction; and

(C) Have had a history of paying all applicable state taxes and fees; and

~~(iii) Third priority must be given to all other applicants who do not have the experience and qualifications identified in (a)(i) and (ii) of this subsection.~~

~~(b))~~ The state liquor and cannabis board may cause an inspection of the premises to be made, and may inquire into all matters in connection with the construction and operation of the premises. For the purpose of reviewing any application for a license and for considering the denial, suspension, revocation, or renewal or denial thereof, of any license, the state liquor and cannabis board may consider any prior criminal conduct of the applicant including an administrative violation history record with the state liquor and cannabis board and a criminal history record information check. The state liquor and cannabis board may submit the criminal history record information check to the Washington state patrol and to the identification division of the federal bureau of investigation in order that these agencies may search their records for prior arrests and convictions of the individual or individuals who filled out the forms. The state liquor and cannabis board must require fingerprinting of any applicant whose criminal history record information check is submitted to the federal bureau of investigation. The provisions of RCW 9.95.240 and of chapter 9.96A RCW do not apply to these cases. Subject to the provisions of this section, the state liquor and cannabis board may, in its discretion, grant or deny the renewal or license applied for. Denial may be based on, without limitation, the existence of chronic illegal activity documented in objections submitted pursuant to subsections (7)(c) and (10) of this section. Authority to approve an uncontested or unopposed license may be granted by the state liquor and cannabis board to any staff member the board designates in writing. Conditions for granting this authority must be adopted by rule.

~~((e))~~ (b) No license of any kind may be issued to:

- (i) A person under the age of twenty-one years;
- (ii) A person doing business as a sole proprietor who has not lawfully resided in the state for at least six months prior to applying to receive a license;
- (iii) A partnership, employee cooperative, association, nonprofit corporation, or corporation unless formed under the laws of this state, and unless all of the members thereof are qualified to obtain a license as provided in this section; or
- (iv) A person whose place of business is conducted by a manager or agent, unless the manager or agent possesses the same qualifications required of the licensee.

(2)(a) The state liquor and cannabis board may, in its discretion, subject to the provisions of RCW 69.50.334, suspend or cancel any license; and all protections of the licensee from criminal or civil sanctions under state law for producing, processing, researching, or selling marijuana, marijuana concentrates, useable marijuana, or marijuana-infused products thereunder must be suspended or terminated, as the case may be.

(b) The state liquor and cannabis board must immediately suspend the license of a person who has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order. If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license is automatic upon the state liquor and cannabis board's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order.

(c) The state liquor and cannabis board may request the appointment of administrative law judges under chapter 34.12 RCW who shall have power to administer oaths, issue subpoenas for the attendance of witnesses and the production of papers, books, accounts, documents, and testimony, examine witnesses, and to receive testimony in any inquiry, investigation, hearing, or

proceeding in any part of the state, under rules and regulations the state liquor and cannabis board may adopt.

(d) Witnesses must be allowed fees and mileage each way to and from any inquiry, investigation, hearing, or proceeding at the rate authorized by RCW 34.05.446. Fees need not be paid in advance of appearance of witnesses to testify or to produce books, records, or other legal evidence.

(e) In case of disobedience of any person to comply with the order of the state liquor and cannabis board or a subpoena issued by the state liquor and cannabis board, or any of its members, or administrative law judges, or on the refusal of a witness to testify to any matter regarding which he or she may be lawfully interrogated, the judge of the superior court of the county in which the person resides, on application of any member of the board or administrative law judge, compels obedience by contempt proceedings, as in the case of disobedience of the requirements of a subpoena issued from said court or a refusal to testify therein.

(3) Upon receipt of notice of the suspension or cancellation of a license, the licensee must forthwith deliver up the license to the state liquor and cannabis board. Where the license has been suspended only, the state liquor and cannabis board must return the license to the licensee at the expiration or termination of the period of suspension. The state liquor and cannabis board must notify all other licensees in the county where the subject licensee has its premises of the suspension or cancellation of the license; and no other licensee or employee of another licensee may allow or cause any marijuana, marijuana concentrates, useable marijuana, or marijuana-infused products to be delivered to or for any person at the premises of the subject licensee.

(4) Every license issued under this chapter is subject to all conditions and restrictions imposed by this chapter or by rules adopted by the state liquor and cannabis board to implement and enforce this chapter. All conditions and restrictions imposed by the state liquor and cannabis board in the issuance of an individual license must be listed on the face of the individual license along with the trade name, address, and expiration date.

(5) Every licensee must post and keep posted its license, or licenses, in a conspicuous place on the premises.

(6) No licensee may employ any person under the age of twenty-one years.

(7)(a) Before the state liquor and cannabis board issues a new or renewed license to an applicant it must give notice of the application to the chief executive officer of the incorporated city or town, if the application is for a license within an incorporated city or town, or to the county legislative authority, if the application is for a license outside the boundaries of incorporated cities or towns, or to the tribal government if the application is for a license within Indian country under the jurisdiction of a federally recognized Indian tribe, or to the port authority if the application for a license is located on property owned by a port authority.

(b) The incorporated city or town through the official or employee selected by it, ~~((e))~~ the county legislative authority or the official or employee selected by it, the tribal government, or port authority has the right to file with the state liquor and cannabis board within twenty days after the date of transmittal of the notice for applications, or at least thirty days prior to the expiration date for renewals, written objections against the applicant or against the premises for which the new or renewed license is asked. The state liquor and cannabis board may extend the time period for submitting written objections upon request from the authority notified by the state liquor and cannabis board.

(c) The written objections must include a statement of all facts upon which the objections are based, and in case written objections are filed, the city or town or county legislative

authority may request, and the state liquor and cannabis board may in its discretion hold, a hearing subject to the applicable provisions of Title 34 RCW. If the state liquor and cannabis board makes an initial decision to deny a license or renewal based on the written objections of an incorporated city or town or county legislative authority, the applicant may request a hearing subject to the applicable provisions of Title 34 RCW. If a hearing is held at the request of the applicant, state liquor and cannabis board representatives must present and defend the state liquor and cannabis board's initial decision to deny a license or renewal.

(d) Upon the granting of a license under this title the state liquor and cannabis board must send written notification to the chief executive officer of the incorporated city or town in which the license is granted, or to the county legislative authority if the license is granted outside the boundaries of incorporated cities or towns.

(8)(a) Except as provided in (b) through (d) of this subsection, the state liquor and cannabis board may not issue a license for any premises within one thousand feet of the perimeter of the grounds of any elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, or library, or any game arcade admission to which is not restricted to persons aged twenty-one years or older.

(b) A city, county, or town may permit the licensing of premises within one thousand feet but not less than one hundred feet of the facilities described in (a) of this subsection, except elementary schools, secondary schools, and playgrounds, by enacting an ordinance authorizing such distance reduction, provided that such distance reduction will not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement interests, public safety, or public health.

(c) A city, county, or town may permit the licensing of research premises allowed under RCW 69.50.372 within one thousand feet but not less than one hundred feet of the facilities described in (a) of this subsection by enacting an ordinance authorizing such distance reduction, provided that the ordinance will not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement, public safety, or public health.

(d) The state liquor and cannabis board may license premises located in compliance with the distance requirements set in an ordinance adopted under (b) or (c) of this subsection. Before issuing or renewing a research license for premises within one thousand feet but not less than one hundred feet of an elementary school, secondary school, or playground in compliance with an ordinance passed pursuant to (c) of this subsection, the board must ensure that the facility:

(i) Meets a security standard exceeding that which applies to marijuana producer, processor, or retailer licensees;

(ii) Is inaccessible to the public and no part of the operation of the facility is in view of the general public; and

(iii) Bears no advertising or signage indicating that it is a marijuana research facility.

(9) ~~((Subject to section 1601 of this act,))~~ A city, town, or county may adopt an ordinance prohibiting a marijuana producer or marijuana processor from operating or locating a business within areas zoned primarily for residential use or rural use with a minimum lot size of five acres or smaller.

(10) In determining whether to grant or deny a license or renewal of any license, the state liquor and cannabis board must give substantial weight to objections from an incorporated city or town or county legislative authority based upon chronic illegal activity associated with the applicant's operations of the premises proposed to be licensed or the applicant's operation of any other

licensed premises, or the conduct of the applicant's patrons inside or outside the licensed premises. "Chronic illegal activity" means (a) a pervasive pattern of activity that threatens the public health, safety, and welfare of the city, town, or county including, but not limited to, open container violations, assaults, disturbances, disorderly conduct, or other criminal law violations, or as documented in crime statistics, police reports, emergency medical response data, calls for service, field data, or similar records of a law enforcement agency for the city, town, county, or any other municipal corporation or any state agency; or (b) an unreasonably high number of citations for violations of RCW 46.61.502 associated with the applicant's or licensee's operation of any licensed premises as indicated by the reported statements given to law enforcement upon arrest.

**Sec. 6.** RCW 69.50.372 and 2016 sp.s. c 9 s 1 are each amended to read as follows:

(1) A marijuana research license is established that permits a licensee to produce, process, and possess marijuana for the following limited research purposes:

(a) To test chemical potency and composition levels;

(b) To conduct clinical investigations of marijuana-derived drug products;

(c) To conduct research on the efficacy and safety of administering marijuana as part of medical treatment; and

(d) To conduct genomic or agricultural research.

(2) As part of the application process for a marijuana research license, an applicant must submit to the liquor and cannabis board's designated scientific reviewer a description of the research that is intended to be conducted. The liquor and cannabis board must select a scientific reviewer to review an applicant's research project and determine that it meets the requirements of subsection (1) of this section, as well as assess the following:

(a) Project quality, study design, value, or impact;

(b) Whether applicants have the appropriate personnel, expertise, facilities/infrastructure, funding, and human/animal/other federal approvals in place to successfully conduct the project; and

(c) Whether the amount of marijuana to be grown by the applicant is consistent with the project's scope and goals.

If the scientific reviewer determines that the research project does not meet the requirements of subsection (1) of this section, the application must be denied.

(3) A marijuana research licensee may only sell marijuana grown or within its operation to other marijuana research licensees. The liquor and cannabis board may revoke a marijuana research license for violations of this subsection.

(4) A marijuana research licensee may contract with the University of Washington or Washington State University to perform research in conjunction with the university. All research projects, not including those projects conducted pursuant to a contract entered into under RCW 28B.20.502(3), must be approved by the scientific reviewer and meet the requirements of subsection (1) of this section.

(5) In establishing a marijuana research license, the liquor and cannabis board may adopt rules on the following:

(a) Application requirements;

(b) Marijuana research license renewal requirements, including whether additional research projects may be added or considered;

(c) Conditions for license revocation;

(d) Security measures to ensure marijuana is not diverted to purposes other than research;

(e) Amount of plants, useable marijuana, marijuana concentrates, or marijuana-infused products a licensee may have on its premises;

(f) Licensee reporting requirements;

(g) Conditions under which marijuana grown by licensed marijuana producers and other product types from licensed marijuana processors may be donated to marijuana research licensees; and

(h) Additional requirements deemed necessary by the liquor and cannabis board.

(6) The production, processing, possession, delivery, donation, and sale of marijuana, including immature plants or clones and seeds, in accordance with this section, RCW 69.50.366(3), and the rules adopted to implement and enforce ~~((#))~~ this section and RCW 69.50.366(3), by a validly licensed marijuana researcher, shall not be a criminal or civil offense under Washington state law. Every marijuana research license must be issued in the name of the applicant, must specify the location at which the marijuana researcher intends to operate, which must be within the state of Washington, and the holder thereof may not allow any other person to use the license.

(7) The application fee for a marijuana research license is two hundred fifty dollars. The annual fee for issuance and renewal of a marijuana research license is one thousand dollars. The applicant must pay the cost of the review process directly to the scientific reviewer as designated by the liquor and cannabis board.

(8) The scientific reviewer shall review any reports made by marijuana research licensees under liquor and cannabis board rule and provide the liquor and cannabis board with its determination on whether the research project continues to meet research qualifications under this section.

(9) For the purposes of this section, "scientific reviewer" means an organization that convenes or contracts with persons who have the training and experience in research practice and research methodology to determine whether a project meets the criteria for a marijuana research license under this section and to review any reports submitted by marijuana research licensees under liquor and cannabis board rule. "Scientific reviewers" include, but are not limited to, educational institutions, research institutions, peer review bodies, or such other organizations that are focused on science or research in its day-to-day activities.

**Sec. 7.** RCW 66.08.100 and 2012 c 117 s 269 are each amended to read as follows:

No court of the state of Washington other than the superior court of Thurston county shall have jurisdiction over any action or proceeding against the board or any member thereof for anything done or omitted to be done in or arising out of the performance of his or her or their duties under this title. Neither the board nor any member or members thereof shall be personally liable in any action at law for damages sustained by any person because of any acts performed or done or omitted to be done by the board or any employee of the board in the performance of his or her duties and in the administration of this title or chapter 69.50 or 69.51A RCW.

**NEW SECTION. Sec. 8.** A new section is added to chapter 69.50 RCW to read as follows:

(1) A licensed marijuana business may enter into a licensing agreement, or consulting contract, with any individual, partnership, employee cooperative, association, nonprofit corporation, or corporation, for:

(a) Any goods or services that are registered as a trademark under federal law or under chapter 19.77 RCW;

(b) Any unregistered trademark, trade name, or trade dress; or

(c) Any trade secret, technology, or proprietary information used to manufacture a cannabis product or used to provide a service related to a marijuana business.

(2) All agreements or contracts entered into by a licensed marijuana business, as authorized under this section, must be disclosed to the state liquor and cannabis board.

**Sec. 9.** RCW 42.56.270 and 2016 sp.s. c 9 s 3, 2016 sp.s. c 8 s 1, and 2016 c 178 s 1 are each reenacted and amended to read as follows:

The following financial, commercial, and proprietary information is exempt from disclosure under this chapter:

(1) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss;

(2) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (a) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (b) highway construction or improvement as required by RCW 47.28.070;

(3) Financial and commercial information and records supplied by private persons pertaining to export services provided under chapters 43.163 and 53.31 RCW, and by persons pertaining to export projects under RCW 43.23.035;

(4) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.325, 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency;

(5) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW;

(6) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information;

(7) Financial and valuable trade information under RCW 51.36.120;

(8) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW;

(9) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010;

(10)(a) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a horse racing license submitted pursuant to RCW 67.16.260(1)(b), marijuana producer, processor, or retailer license, liquor license, gambling license, or lottery retail license;

(b) Internal control documents, independent auditors' reports and financial statements, and supporting documents: (i) Of house-banked social card game licensees required by the gambling commission pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted by tribes with an approved tribal/state compact for class III gaming;

(11) Proprietary data, trade secrets, or other information that relates to: (a) A vendor's unique methods of conducting business; (b) data unique to the product or services of the vendor; or (c)

determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011;

(12)(a) When supplied to and in the records of the department of commerce:

(i) Financial and proprietary information collected from any person and provided to the department of commerce pursuant to RCW 43.330.050(8); and

(ii) Financial or proprietary information collected from any person and provided to the department of commerce or the office of the governor in connection with the siting, recruitment, expansion, retention, or relocation of that person's business and until a siting decision is made, identifying information of any person supplying information under this subsection and the locations being considered for siting, relocation, or expansion of a business;

(b) When developed by the department of commerce based on information as described in (a)(i) of this subsection, any work product is not exempt from disclosure;

(c) For the purposes of this subsection, "siting decision" means the decision to acquire or not to acquire a site;

(d) If there is no written contact for a period of sixty days to the department of commerce from a person connected with siting, recruitment, expansion, retention, or relocation of that person's business, information described in (a)(ii) of this subsection will be available to the public under this chapter;

(13) Financial and proprietary information submitted to or obtained by the department of ecology or the authority created under chapter 70.95N RCW to implement chapter 70.95N RCW;

(14) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of, grants under chapter 43.350 RCW, to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information;

(15) Financial and commercial information provided as evidence to the department of licensing as required by RCW 19.112.110 or 19.112.120, except information disclosed in aggregate form that does not permit the identification of information related to individual fuel licensees;

(16) Any production records, mineral assessments, and trade secrets submitted by a permit holder, mine operator, or landowner to the department of natural resources under RCW 78.44.085;

(17)(a) Farm plans developed by conservation districts, unless permission to release the farm plan is granted by the landowner or operator who requested the plan, or the farm plan is used for the application or issuance of a permit;

(b) Farm plans developed under chapter 90.48 RCW and not under the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to RCW 42.56.610 and 90.64.190;

(18) Financial, commercial, operations, and technical and research information and data submitted to or obtained by a health sciences and services authority in applications for, or delivery of, grants under RCW 35.104.010 through 35.104.060, to the extent that such information, if revealed, would reasonably be expected to result in private loss to providers of this information;

(19) Information gathered under chapter 19.85 RCW or RCW 34.05.328 that can be identified to a particular business;

(20) Financial and commercial information submitted to or obtained by the University of Washington, other than information the university is required to disclose under RCW 28B.20.150, when the information relates to investments in private funds, to the extent that such information, if revealed, would reasonably be

expected to result in loss to the University of Washington consolidated endowment fund or to result in private loss to the providers of this information;

(21) Market share data submitted by a manufacturer under RCW 70.95N.190(4);

(22) Financial information supplied to the department of financial institutions or to a portal under RCW 21.20.883, when filed by or on behalf of an issuer of securities for the purpose of obtaining the exemption from state securities registration for small securities offerings provided under RCW 21.20.880 or when filed by or on behalf of an investor for the purpose of purchasing such securities;

(23) Unaggregated or individual notices of a transfer of crude oil that is financial, proprietary, or commercial information, submitted to the department of ecology pursuant to RCW 90.56.565(1)(a), and that is in the possession of the department of ecology or any entity with which the department of ecology has shared the notice pursuant to RCW 90.56.565;

(24) Financial institution and retirement account information, and building security plan information, supplied to the liquor and cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and 69.50.345, when filed by or on behalf of a licensee or prospective licensee for the purpose of obtaining, maintaining, or renewing a license to produce, process, transport, or sell marijuana as allowed under chapter 69.50 RCW; ~~((and))~~

(25) Marijuana transport information, vehicle and driver identification data, and account numbers or unique access identifiers issued to private entities for traceability system access, submitted by an individual or business to the liquor and cannabis board under the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and 69.50.345 for the purpose of marijuana product traceability. Disclosure to local, state, and federal officials is not considered public disclosure for purposes of this section; ~~((and))~~

(26) Financial and commercial information submitted to or obtained by the retirement board of any city that is responsible for the management of an employees' retirement system pursuant to the authority of chapter 35.39 RCW, when the information relates to investments in private funds, to the extent that such information, if revealed, would reasonably be expected to result in loss to the retirement fund or to result in private loss to the providers of this information except that (a) the names and commitment amounts of the private funds in which retirement funds are invested and (b) the aggregate quarterly performance results for a retirement fund's portfolio of investments in such funds are subject to disclosure; ~~((and))~~

(27) Proprietary financial, commercial, operations, and technical and research information and data submitted to or obtained by the liquor and cannabis board in applications for marijuana research licenses under RCW 69.50.372, or in reports submitted by marijuana research licensees in accordance with rules adopted by the liquor and cannabis board under RCW 69.50.372; and

(28) Trade secrets, technology, proprietary information, and financial considerations contained in any agreements or contracts, entered into by a licensed marijuana business under section 5 of this act, which may be submitted to or obtained by the state liquor and cannabis board.

**Sec. 10.** RCW 69.50.101 and 2015 2nd sp.s. c 4 s 901 are each reenacted and amended to read as follows:

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

(a) "Administer" means to apply a controlled substance, whether by injection, inhalation, ingestion, or any other means, directly to the body of a patient or research subject by:

(1) a practitioner authorized to prescribe (or, by the practitioner's authorized agent); or

(2) the patient or research subject at the direction and in the presence of the practitioner.

(b) "Agent" means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor, or dispenser. It does not include a common or contract carrier, public warehouseperson, or employee of the carrier or warehouseperson.

(c) "CBD concentration" has the meaning provided in RCW 69.51A.010.

(d) "Commission" means the pharmacy quality assurance commission.

(e) "Controlled substance" means a drug, substance, or immediate precursor included in Schedules I through V as set forth in federal or state laws, or federal or commission rules.

(f)(1) "Controlled substance analog" means a substance the chemical structure of which is substantially similar to the chemical structure of a controlled substance in Schedule I or II and:

(i) that has a stimulant, depressant, or hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance included in Schedule I or II; or

(ii) with respect to a particular individual, that the individual represents or intends to have a stimulant, depressant, or hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance included in Schedule I or II.

(2) The term does not include:

(i) a controlled substance;

(ii) a substance for which there is an approved new drug application;

(iii) a substance with respect to which an exemption is in effect for investigational use by a particular person under Section 505 of the federal Food, Drug and Cosmetic Act, 21 U.S.C. Sec. 355, to the extent conduct with respect to the substance is pursuant to the exemption; or

(iv) any substance to the extent not intended for human consumption before an exemption takes effect with respect to the substance.

(g) "Deliver" or "delivery((~~er~~))" means the actual or constructive transfer from one person to another of a substance, whether or not there is an agency relationship.

(h) "Department" means the department of health.

(i) "Designated provider" has the meaning provided in RCW 69.51A.010.

(j) "Dispense" means the interpretation of a prescription or order for a controlled substance and, pursuant to that prescription or order, the proper selection, measuring, compounding, labeling, or packaging necessary to prepare that prescription or order for delivery.

(k) "Dispenser" means a practitioner who dispenses.

(l) "Distribute" means to deliver other than by administering or dispensing a controlled substance.

(m) "Distributor" means a person who distributes.

(n) "Drug" means (1) a controlled substance recognized as a drug in the official United States pharmacopoeia/national formulary or the official homeopathic pharmacopoeia of the United States, or any supplement to them; (2) controlled substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in individuals or animals; (3) controlled substances (other than food) intended to affect the structure or any function of the body of individuals or animals;

and (4) controlled substances intended for use as a component of any article specified in (1), (2), or (3) of this subsection. The term does not include devices or their components, parts, or accessories.

(o) "Drug enforcement administration" means the drug enforcement administration in the United States Department of Justice, or its successor agency.

(p) "Electronic communication of prescription information" means the transmission of a prescription or refill authorization for a drug of a practitioner using computer systems. The term does not include a prescription or refill authorization verbally transmitted by telephone nor a facsimile manually signed by the practitioner.

(q) "Immature plant or clone" means a plant or clone that has no flowers, is less than twelve inches in height, and is less than twelve inches in diameter.

(~~r~~) "Immediate precursor" means a substance:

(1) that the commission has found to be and by rule designates as being the principal compound commonly used, or produced primarily for use, in the manufacture of a controlled substance;

(2) that is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled substance; and

(3) the control of which is necessary to prevent, curtail, or limit the manufacture of the controlled substance.

~~((s))~~ (s) "Isomer" means an optical isomer, but in subsection ~~((ed))~~ ~~(ce)~~(5) of this section, RCW 69.50.204(a) (12) and (34), and 69.50.206(b)(4), the term includes any geometrical isomer; in RCW 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and 69.50.208(a) the term includes any positional or geometric isomer.

~~((t))~~ (t) "Lot" means a definite quantity of marijuana, marijuana concentrates, useable marijuana, or marijuana-infused product identified by a lot number, every portion or package of which is uniform within recognized tolerances for the factors that appear in the labeling.

~~((u))~~ (u) "Lot number" must identify the licensee by business or trade name and Washington state unified business identifier number, and the date of harvest or processing for each lot of marijuana, marijuana concentrates, useable marijuana, or marijuana-infused product.

~~((v))~~ (v) "Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of a controlled substance, either directly or indirectly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container. The term does not include the preparation, compounding, packaging, repackaging, labeling, or relabeling of a controlled substance:

(1) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled substance in the course of the practitioner's professional practice; or

(2) by a practitioner, or by the practitioner's authorized agent under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.

~~((w))~~ (w) "Marijuana" or "marihuana" means all parts of the plant *Cannabis*, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other

compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

((w)) (x) "Marijuana concentrates" means products consisting wholly or in part of the resin extracted from any part of the plant *Cannabis* and having a THC concentration greater than ten percent.

((\*) (y) "Marijuana processor" means a person licensed by the state liquor and cannabis board to process marijuana into marijuana concentrates, useable marijuana, and marijuana-infused products, package and label marijuana concentrates, useable marijuana, and marijuana-infused products for sale in retail outlets, and sell marijuana concentrates, useable marijuana, and marijuana-infused products at wholesale to marijuana retailers.

((y)) (z) "Marijuana producer" means a person licensed by the state liquor and cannabis board to produce and sell marijuana at wholesale to marijuana processors and other marijuana producers.

((z)) (aa) "Marijuana products" means useable marijuana, marijuana concentrates, and marijuana-infused products as defined in this section.

((aa)) (bb) "Marijuana researcher" means a person licensed by the state liquor and cannabis board to produce, process, and possess marijuana for the purposes of conducting research on marijuana and marijuana-derived drug products.

((bb)) (cc) "Marijuana retailer" means a person licensed by the state liquor and cannabis board to sell marijuana concentrates, useable marijuana, and marijuana-infused products in a retail outlet.

((ee)) (dd) "Marijuana-infused products" means products that contain marijuana or marijuana extracts, are intended for human use, are derived from marijuana as defined in subsection ((v)) (w) of this section, and have a THC concentration no greater than ten percent. The term "marijuana-infused products" does not include either useable marijuana or marijuana concentrates.

((dd)) (ce) "Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

(1) Opium, opium derivative, and any derivative of opium or opium derivative, including their salts, isomers, and salts of isomers, whenever the existence of the salts, isomers, and salts of isomers is possible within the specific chemical designation. The term does not include the isoquinoline alkaloids of opium.

(2) Synthetic opiate and any derivative of synthetic opiate, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, and salts is possible within the specific chemical designation.

(3) Poppy straw and concentrate of poppy straw.

(4) Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives or ecgonine or their salts have been removed.

(5) Cocaine, or any salt, isomer, or salt of isomer thereof.

(6) Cocaine base.

(7) Ecgonine, or any derivative, salt, isomer, or salt of isomer thereof.

(8) Any compound, mixture, or preparation containing any quantity of any substance referred to in subparagraphs (1) through (7).

((ee)) (ff) "Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability. The term includes opium, substances derived from opium (opium derivatives), and synthetic opiates. The term does not include, unless specifically designated as controlled under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). The term includes the racemic and levorotatory forms of dextromethorphan.

((ff)) (gg) "Opium poppy" means the plant of the species *Papaver somniferum* L., except its seeds.

((gg)) (hh) "Person" means individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

((hh)) (ii) "Plant" has the meaning provided in RCW 69.51A.010.

((ii)) (jj) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

((jj)) (kk) "Practitioner" means:

(1) A physician under chapter 18.71 RCW; a physician assistant under chapter 18.71A RCW; an osteopathic physician and surgeon under chapter 18.57 RCW; an osteopathic physician assistant under chapter 18.57A RCW who is licensed under RCW 18.57A.020 subject to any limitations in RCW 18.57A.040; an optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010 subject to any limitations in RCW 18.53.010; a dentist under chapter 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW; a veterinarian under chapter 18.92 RCW; a registered nurse, advanced registered nurse practitioner, or licensed practical nurse under chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW who is licensed under RCW 18.36A.030 subject to any limitations in RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific investigator under this chapter, licensed, registered or otherwise permitted insofar as is consistent with those licensing laws to distribute, dispense, conduct research with respect to or administer a controlled substance in the course of their professional practice or research in this state.

(2) A pharmacy, hospital or other institution licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to or to administer a controlled substance in the course of professional practice or research in this state.

(3) A physician licensed to practice medicine and surgery, a physician licensed to practice osteopathic medicine and surgery, a dentist licensed to practice dentistry, a podiatric physician and surgeon licensed to practice podiatric medicine and surgery, a licensed physician assistant or a licensed osteopathic physician assistant specifically approved to prescribe controlled substances by his or her state's medical quality assurance commission or equivalent and his or her supervising physician, an advanced registered nurse practitioner licensed to prescribe controlled substances, or a veterinarian licensed to practice veterinary medicine in any state of the United States.

((kk)) (ll) "Prescription" means an order for controlled substances issued by a practitioner duly authorized by law or rule in the state of Washington to prescribe controlled substances within the scope of his or her professional practice for a legitimate medical purpose.

~~((hh))~~ ~~(mm)~~ "Production" includes the manufacturing, planting, cultivating, growing, or harvesting of a controlled substance.

~~((nn))~~ ~~(nn)~~ "Qualifying patient" has the meaning provided in RCW 69.51A.010.

~~((oo))~~ ~~(oo)~~ "Recognition card" has the meaning provided in RCW 69.51A.010.

~~((pp))~~ ~~(pp)~~ "Retail outlet" means a location licensed by the state liquor and cannabis board for the retail sale of marijuana concentrates, useable marijuana, and marijuana-infused products.

~~((qq))~~ ~~(qq)~~ "Secretary" means the secretary of health or the secretary's designee.

~~((rr))~~ ~~(rr)~~ "State," unless the context otherwise requires, means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or insular possession subject to the jurisdiction of the United States.

~~((ss))~~ ~~(ss)~~ "THC concentration" means percent of delta-9 tetrahydrocannabinol content per dry weight of any part of the plant *Cannabis*, or per volume or weight of marijuana product, or the combined percent of delta-9 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant *Cannabis* regardless of moisture content.

~~((tt))~~ ~~(tt)~~ "Ultimate user" means an individual who lawfully possesses a controlled substance for the individual's own use or for the use of a member of the individual's household or for administering to an animal owned by the individual or by a member of the individual's household.

~~((uu))~~ ~~(uu)~~ "Useable marijuana" means dried marijuana flowers. The term "useable marijuana" does not include either marijuana-infused products or marijuana concentrates.

**Sec. 11.** RCW 69.50.366 and 2015 c 207 s 8 are each amended to read as follows:

The following acts, when performed by a validly licensed marijuana producer or employee of a validly licensed marijuana producer in compliance with rules adopted by the state liquor ~~(control)~~ and cannabis board to implement and enforce this chapter ~~((3, Laws of 2013))~~, do not constitute criminal or civil offenses under Washington state law:

(1) Production or possession of quantities of marijuana that do not exceed the maximum amounts established by the state liquor ~~(control)~~ and cannabis board under RCW 69.50.345(3);

(2) Delivery, distribution, and sale of marijuana to a marijuana processor or another marijuana producer validly licensed under this chapter ~~((3, Laws of 2013))~~; ~~(and)~~

(3) Delivery, distribution, and sale of immature plants or clones and marijuana seeds to a licensed marijuana researcher, and to receive or purchase immature plants or clones and seeds from a licensed marijuana researcher; and

(4) Delivery, distribution, and sale of marijuana or useable marijuana to a federally recognized Indian tribe as permitted under an agreement between the state and the tribe entered into under RCW 43.06.490.

**Sec. 12.** RCW 69.50.382 and 2015 2nd sp.s. c 4 s 501 are each amended to read as follows:

(1) A licensed marijuana producer, marijuana processor, marijuana researcher, or marijuana retailer, or their employees, in accordance with the requirements of this chapter and the administrative rules adopted thereunder, may use the services of a common carrier subject to regulation under chapters 81.28 and 81.29 RCW and licensed in compliance with the regulations established under RCW 69.50.385, to physically transport or deliver, as authorized under this chapter, marijuana, useable marijuana, marijuana concentrates, immature plants or clones, marijuana seeds, and marijuana-infused products between licensed marijuana businesses located within the state.

(2) An employee of a common carrier engaged in marijuana-related transportation or delivery services authorized under subsection (1) of this section is prohibited from carrying or using a firearm during the course of providing such services, unless:

(a) Pursuant to RCW 69.50.385, the state liquor and cannabis board explicitly authorizes the carrying or use of firearms by such employee while engaged in the transportation or delivery services;

(b) The employee has an armed private security guard license issued pursuant to RCW 18.170.040; and

(c) The employee is in full compliance with the regulations established by the state liquor and cannabis board under RCW 69.50.385.

(3) A common carrier licensed under RCW 69.50.385 may, for the purpose of transporting and delivering marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products, utilize Washington state ferry routes for such transportation and delivery.

(4) The possession of marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products being physically transported or delivered within the state, in amounts not exceeding those that may be established under RCW 69.50.385(3), by a licensed employee of a common carrier when performing the duties authorized under, and in accordance with, this section and RCW 69.50.385, is not a violation of this section, this chapter, or any other provision of Washington state law.

**Sec. 13.** RCW 69.51A.250 and 2016 c 170 s 2 are each amended to read as follows:

(1) Qualifying patients or designated providers may form a cooperative and share responsibility for acquiring and supplying the resources needed to produce and process marijuana only for the medical use of members of the cooperative. No more than four qualifying patients or designated providers may become members of a cooperative under this section and all members must hold valid recognition cards. All members of the cooperative must be at least twenty-one years old. The designated provider of a qualifying patient who is under twenty-one years old may be a member of a cooperative on the qualifying patient's behalf. All plants grown in the cooperative must be ~~((purchased or cloned))~~ from an immature plant or clone purchased from a licensed marijuana producer as defined in RCW 69.50.101. Cooperatives may also purchase marijuana seeds from a licensed marijuana producer.

(2) Qualifying patients and designated providers who wish to form a cooperative must register the location with the state liquor and cannabis board and this is the only location where cooperative members may grow or process marijuana. This registration must include the names of all participating members and copies of each participant's recognition card. Only qualifying patients or designated providers registered with the state liquor and cannabis board in association with the location may participate in growing or receive useable marijuana or marijuana-infused products grown at that location.

(3) No cooperative may be located in any of the following areas:

(a) Within one mile of a marijuana retailer;

(b) Within the smaller of either:

(i) One thousand feet of the perimeter of the grounds of any elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, library, or any game arcade that admission to which is not restricted to persons aged twenty-one years or older; or

(ii) The area restricted by ordinance, if the cooperative is located in a city, county, or town that has passed an ordinance pursuant to RCW 69.50.331(8); or

(c) Where prohibited by a city, town, or county zoning provision.

(4) The state liquor and cannabis board must deny the registration of any cooperative if the location does not comply with the requirements set forth in subsection (3) of this section.

(5) If a qualifying patient or designated provider no longer participates in growing at the location, he or she must notify the state liquor and cannabis board within fifteen days of the date the qualifying patient or designated provider ceases participation. The state liquor and cannabis board must remove his or her name from connection to the cooperative. Additional qualifying patients or designated providers may not join the cooperative until sixty days have passed since the date on which the last qualifying patient or designated provider notifies the state liquor and cannabis board that he or she no longer participates in that cooperative.

(6) Qualifying patients or designated providers who participate in a cooperative under this section:

(a) May grow up to the total amount of plants for which each participating member is authorized on their recognition cards, up to a maximum of sixty plants. At the location, the qualifying patients or designated providers may possess the amount of useable marijuana that can be produced with the number of plants permitted under this subsection, but no more than seventy-two ounces;

(b) May only participate in one cooperative;

(c) May only grow plants in the cooperative and if he or she grows plants in the cooperative may not grow plants elsewhere;

(d) Must provide assistance in growing plants. A monetary contribution or donation is not to be considered assistance under this section. Participants must provide nonmonetary resources and labor in order to participate; and

(e) May not sell, donate, or otherwise provide marijuana, marijuana concentrates, useable marijuana, or marijuana-infused products to a person who is not participating under this section.

(7) The location of the cooperative must be the domicile of one of the participants. Only one cooperative may be located per property tax parcel. A copy of each participant's recognition card must be kept at the location at all times.

(8) The state liquor and cannabis board may adopt rules to implement this section including:

(a) Any security requirements necessary to ensure the safety of the cooperative and to reduce the risk of diversion from the cooperative;

(b) A seed to sale traceability model that is similar to the seed to sale traceability model used by licensees that will allow the state liquor and cannabis board to track all marijuana grown in a cooperative.

(9) The state liquor and cannabis board or law enforcement may inspect a cooperative registered under this section to ensure members are in compliance with this section. The state liquor and cannabis board must adopt rules on reasonable inspection hours and reasons for inspections.

**NEW SECTION. Sec. 14.** A new section is added to chapter 69.51A RCW to read as follows:

Qualifying patients and designated providers, who hold a recognition card and have been entered into the medical marijuana authorization database, may purchase immature plants or clones from a licensed marijuana producer as defined in RCW 69.50.101. Qualifying patients and designated providers may also purchase marijuana seeds from a licensed marijuana producer.

**Sec. 15.** RCW 15.120.020 and 2016 sp.s. c 11 s 3 are each amended to read as follows:

Except as otherwise provided in this chapter, industrial hemp is an agricultural product that may be grown, produced, possessed, processed, and exchanged in the state solely and exclusively as part of an industrial hemp research program supervised by the department. Processing any part of industrial hemp, except seed, as food, extract, oil, cake, concentrate, resin, or other preparation for topical use, oral consumption, or inhalation by humans is prohibited, unless authorized by the department under section 13 of this act.

**NEW SECTION. Sec. 16.** A new section is added to chapter 15.120 RCW to read as follows:

(1) The department may authorize an industrial hemp research program to dispose of the industrial hemp by-product and waste material, after the research has been conducted, by selling these materials to a marijuana processor licensed under RCW 69.50.325. The moneys collected under this section must be deposited within the agricultural local fund as provided in RCW 15.120.050(5).

(2) The department may adopt rules, in consultation with the state liquor and cannabis board, to implement this section.

**NEW SECTION. Sec. 17.** This act applies prospectively only and not retroactively. It applies only to causes of action that arise (if change is substantive) or that are commenced (if change is procedural) on or after the effective date of this section."

On page 1, line 1 of the title, after "Relating to" strike the remainder of the title and insert "marijuana with respect to privileges for research licenses, local authority notifications, the retail licensing merit-based application process, certain transfers of plants and seeds, licensing agreements and contracts, and jurisdictional requirements; amending RCW 69.50.325, 69.50.331, 69.50.372, 66.08.100, 69.50.366, 69.50.382, 69.51A.250, and 15.120.020; reenacting and amending RCW 42.56.270 and 69.50.101; adding a new section to chapter 69.50 RCW; adding a new section to chapter 69.51A RCW; adding a new section to chapter 15.120 RCW; and creating a new section."

#### MOTION

Senator Rivers moved that the following floor amendment no. 96 to floor striking amendment no. 95 by Senator Rivers be adopted:

On page 27, after line 23 of the amendment, insert the following:

**"NEW SECTION. Sec. 14.** The legislature finds that protecting the state's children, youth, and young adults under the legal age to purchase and consume marijuana, by establishing limited restrictions on the advertising of marijuana and marijuana products, is necessary to assist the state's efforts to discourage and prevent underage consumption and the potential risks associated with underage consumption. The legislature finds that these restrictions assist the state in maintaining a strong and effective regulatory and enforcement system as specified by the federal government. The legislature finds this act leaves ample opportunities for licensed marijuana businesses to market their products to those who are of legal age to purchase them, without infringing on the free speech rights of business owners. Finally, the legislature finds that the state has a substantial and compelling interest in enacting this act aimed at protecting Washington's children, youth, and young adults.

**Sec. 15.** RCW 69.50.357 and 2016 c 171 s 1 are each amended to read as follows:

(1) Retail outlets may not sell products or services other than marijuana concentrates, useable marijuana, marijuana-infused products, or paraphernalia intended for the storage or use of marijuana concentrates, useable marijuana, or marijuana-infused products.

(2) Licensed marijuana retailers may not employ persons under twenty-one years of age or allow persons under twenty-one years of age to enter or remain on the premises of a retail outlet. However, qualifying patients between eighteen and twenty-one years of age with a recognition card may enter and remain on the premises of a retail outlet holding a medical marijuana endorsement and may purchase products for their personal medical use. Qualifying patients who are under the age of eighteen with a recognition card and who accompany their designated providers may enter and remain on the premises of a retail outlet holding a medical marijuana endorsement, but may not purchase products for their personal medical use.

(3)(a) Licensed marijuana retailers must ensure that all employees are trained on the rules adopted to implement this chapter, identification of persons under the age of twenty-one, and other requirements adopted by the state liquor and cannabis board to ensure that persons under the age of twenty-one are not permitted to enter or remain on the premises of a retail outlet.

(b) Licensed marijuana retailers with a medical marijuana endorsement must ensure that all employees are trained on the subjects required by (a) of this subsection as well as identification of authorizations and recognition cards. Employees must also be trained to permit qualifying patients who hold recognition cards and are between the ages of eighteen and twenty-one to enter the premises and purchase marijuana for their personal medical use and to permit qualifying patients who are under the age of eighteen with a recognition card to enter the premises if accompanied by their designated providers.

~~(4) ((Licensed marijuana retailers may not display any signage outside of the licensed premises, other than two signs identifying the retail outlet by the licensee's business or trade name. Each sign must be no larger than one thousand six hundred square inches, be permanently affixed to a building or other structure, and be posted not less than one thousand feet from any elementary school, secondary school, or playground.~~

~~(5))~~ Except for the purposes of disposal as authorized by the state liquor and cannabis board, no licensed marijuana retailer or employee of a retail outlet may open or consume, or allow to be opened or consumed, any marijuana concentrates, useable marijuana, or marijuana-infused product on the outlet premises.

~~((6))~~ (5) The state liquor and cannabis board must fine a licensee one thousand dollars for each violation of any subsection of this section. Fines collected under this section must be deposited into the dedicated marijuana account created under RCW 69.50.530.

**Sec. 16.** RCW 69.50.369 and 2015 2nd sp.s. c 4 s 204 are each amended to read as follows:

(1) No licensed marijuana producer, processor, researcher, or retailer may place or maintain, or cause to be placed or maintained, an advertisement of marijuana, useable marijuana, marijuana concentrates, or a marijuana-infused product in any form or through any medium whatsoever(:

~~(a))~~ within one thousand feet of the perimeter of a school grounds, playground, recreation center or facility, child care center, public park, or library, or any game arcade admission to which is not restricted to persons aged twenty-one years or older(;

~~(b) On or in a public transit vehicle or public transit shelter;~~

~~(c) On or in a publicly owned or operated property)).~~

(2) No marijuana licensee may:

(a) Take any action, directly or indirectly, to target youth in the advertising, promotion, or marketing of marijuana and marijuana products, or take any action the primary purpose of which is to initiate, maintain, or increase the incidence of youth use of marijuana or marijuana products;

(b) Use objects such as toys, inflatables, characters, or cartoon characters suggesting the presence of a child, or any other depiction designed in any manner to be especially appealing to children or other persons under legal age to consume marijuana; or

(c) Use or employ a commercial mascot outside of a licensed marijuana business. A "commercial mascot" means live human being, animal, or mechanical device used for the purpose of commercial advertising, such as sign spinners, sign clowns, sandwich board signs over a live human body, and persons dressed to appear or suggest as a trademark or symbol of a commercial enterprise.

(3) No marijuana licensees may engage in outdoor advertising except as specifically provided for in this section.

(a) Outdoor advertising is prohibited:

(i) On signs and placards in arenas, stadiums, shopping malls, fairs that receive state allocations, farmers markets, and video game arcades, whether any of the foregoing are open air or enclosed, but not including any such sign or placard located in an adult only facility; or

(ii) On any other advertisements placed outdoors or on the inside surface of a window facing outward that do not meet the exclusionary provisions contained in (c) of this subsection.

(b)(i) Billboards that are visible from any street, road, highway, right-of-way, or public parking area are prohibited, except as provided in (b)(ii) of this subsection.

(ii) Licensed retail outlets may use a billboard or outdoor sign solely for the purpose for providing directional information to the public to a licensed retail outlet. The content of the directional signs are strictly limited to the store's licensed name, its logo, and directions to the licensed retail outlet. The billboards and signs may not contain any depictions of marijuana plants or products.

(c) Outdoor advertising does not include:

(i) An individual advertisement that does not occupy an area larger than two thousand four hundred square inches and that neither is placed in such proximity to any other such advertisement so as to create a single mosaic-type advertisement larger than two thousand four hundred square inches, nor functions solely as a segment of a larger advertising unit or series, and that is placed on the outside of any licensed retail establishment that sells marijuana products, outside but on the licensed premises of any such establishment, or on the inside surface of a window facing outward in any such establishment;

(ii) An advertisement inside a licensed retail establishment that sells marijuana products that is not placed on the inside surface of a window facing outward; or

(iii) An outdoor advertisement at the site of an event to be held at an adult only facility that is placed at such site during the period the facility or enclosed area constitutes an adult only facility, but in no event more than fourteen days before the event, and that does not advertise any marijuana product other than by using a brand name to identify the event.

(4) No marijuana licensees may engage in transit advertisements. "Transit advertisements" means advertising on or within private or public vehicles and all advertisements placed at, on or within any bus stop, taxi stand, transportation waiting area, train station, airport, or any similar transit-related location.

(5) Merchandising within a retail outlet is not advertising for the purposes of this section.

~~((3))~~ (6) This section does not apply to a noncommercial message.

~~((4))~~ (7)(a) The state liquor and cannabis board must:

(i) Adopt rules implementing this section and specifically including provisions regulating the directional signs authorized under subsection (3)(b)(ii) of this section. The advertising rules must be as restrictive as the state and federal guidelines regulating cigarette advertising; and

(ii) Fine a licensee one thousand dollars for each violation of ~~(subsection (1) of)~~ this section until the state liquor and cannabis board adopts rules prescribing penalties for violations of this section. The rules must establish escalating penalties including fines and up to suspension or revocation of a marijuana license for subsequent violations.

(b) Fines collected under this subsection must be deposited into the dedicated marijuana account created under RCW 69.50.530.

(8) A city, town, or county may adopt rules of outdoor advertising by licensed marijuana retailers that are more restrictive than the advertising restrictions imposed under this chapter. Enforcement of restrictions to advertising by a city, town, or county is the responsibility of the city, town, or county."

Renumber the remaining section consecutively.

On page 28, line 1 of the title amendment, after "contracts," insert "advertising,"

On page 28, beginning on line 3 of the title amendment, after "69.51A.250," strike all material through "15.120.020" on line 4 and insert "15.120.020, 69.50.357, and 69.50.369"

On page 28, line 7 of the title amendment, after "creating" strike all material through "section" and insert "new sections"

Senators Rivers, Carlyle, Lias, Padden, Angel and Palumbo spoke in favor of adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 96 by Senator Rivers on page 27, line 23 to floor striking amendment no. 95.

The motion by Senator Rivers carried and floor amendment no. 96 was adopted by voice vote.

The President declared the question before the Senate to be the adoption of floor striking amendment no. 95 by Senator Rivers as amended, to Substitute Senate Bill No. 5131.

The motion by Senator Rivers carried and floor striking amendment no. 95, as amended, was adopted by voice vote.

MOTION

On motion of Senator Rivers, the rules were suspended, Engrossed Substitute Senate Bill No. 5131 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Rivers, Keiser and Carlyle 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. 5131.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5131 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pearson, Pedersen, Ranker, Rivers, Rolfes, Rossi, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Saldaña

ENGROSSED SUBSTITUTE SENATE BILL NO. 5131, 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. 5133, by Senator Takko

Concerning county boards of equalization.

MOTIONS

On motion of Senator Takko, Substitute Senate Bill No. 5133 was substituted for Senate Bill No. 5133 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Takko, the rules were suspended, Substitute Senate Bill No. 5133 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Takko and Short 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. 5133.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5133 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pearson, Pedersen, Ranker, Rivers, Rolfes, Rossi, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Saldaña

SUBSTITUTE SENATE BILL NO. 5133, 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. 5647, by Senators Honeyford, Takko, Schoesler and Saldaña

Creating a low-income home rehabilitation revolving loan program.

The measure was read the second time.

#### MOTION

Senator Honeyford moved that the following floor striking amendment no. 55 by Senator Honeyford be adopted:

Strike everything after the enacting clause and insert the following:

**NEW SECTION. Sec. 17.** A new section is added to chapter 43.330 RCW to read as follows:

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

(1) "Home" means a single-family residential structure.

(2) "Home rehabilitation" means residential repairs and improvements that address health, safety, and durability issues in existing housing in rural areas.

(3) "Homeowner" means a person who owns and resides permanently in the home the person occupies.

(4) "Low-income" means persons or households with income at or below two hundred percent of the federal poverty level as adjusted for family size and determined annually by the federal department of health and human services.

(5) "Rehabilitation agency" means any approved department grantee, tribal nation, or any public service company, municipality, public utility district, mutual or cooperative, or other entity that bears the responsibility for rehabilitating residences under this chapter and has been approved by the department.

(6) "Rural areas" means areas of Washington state defined as non-entitlement areas by the United States department of housing and urban development.

**NEW SECTION. Sec. 18.** A new section is added to chapter 43.330 RCW to read as follows:

(1) Subject to availability of amounts appropriated for this specific purpose, the low-income home rehabilitation revolving loan program is created within the department.

(2) The program must include the following elements:

(a) Eligible homeowners must be low-income and live in rural areas.

(b) Homeowners who are senior citizens, persons with disabilities, families with children five years old and younger, and veterans must receive priority for loans.

(c) The cost of the home rehabilitation must be the lesser of eighty percent of the assessed value of the property post rehabilitation or forty thousand dollars.

(d) The maximum amount that may be loaned under this program may not exceed the cost of the home rehabilitation as provided in (c) of this subsection.

(e) The interest rate of the loan must be equal to the previous calendar year's annual average consumer price index compiled by the bureau of labor statistics, United States department of labor.

(f) The department must allow participating homeowners to defer repayment of the loan principal and interest and any fees related to the administration or issuance of the loan. Any amounts deferred pursuant to this section becomes a lien in favor of the state and is secondary in rank over all other privileges, liens, monetary encumbrances, or other security interests affecting the real property, whenever incurred, filed, or recorded, except for local and special district property tax assessments. The department must take such necessary action to file and perfect the state's lien. All amounts due under the loan become due and payable upon the sale of the home or upon change in ownership of the home.

(3) All moneys from repayments must be deposited into the low-income home rehabilitation revolving loan program account created in section 4 of this act.

(4) The department must adopt rules for implementation of this program.

**NEW SECTION. Sec. 19.** A new section is added to chapter 43.330 RCW to read as follows:

(1) The department must contract with rehabilitation agencies to provide home rehabilitation to participating homeowners. Preference must be given to local agencies delivering programs and services with similar eligibility criteria.

(2) Any rehabilitation agency may charge participating homeowners an administrative fee of no more than seven percent of the home rehabilitation loan amount. The administrative fee must become a component of the total loan amount to be repaid by the participating homeowner.

(3) Any rehabilitation agency receiving funding under this section must report to the department at least quarterly, or in alignment with federal reporting, whichever is the greater frequency, the project costs and the number of homes repaired or rehabilitated. The director must review the accuracy of these reports.

**NEW SECTION. Sec. 20.** A new section is added to chapter 43.330 RCW to read as follows:

The low-income home rehabilitation revolving loan program account is created in the custody of the state treasury. All transfers and appropriations by the legislature, repayments of loans, private contributions, and all other sources must be deposited into the account. Expenditures from the account may be used only for the purposes of the low-income home rehabilitation revolving loan program created in section 2 of this act. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

**Sec. 21.** RCW 43.79A.040 and 2016 c 203 s 2, 2016 c 173 s 10, 2016 c 69 s 21, and 2016 c 39 s 7 are each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

(2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments must occur prior to distribution of earnings set forth in subsection (4) of this section.

(4)(a) Monthly, the state treasurer must distribute the earnings credited to the investment income account to the state general fund except under (b), (c), and (d) of this subsection.

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the community and technical

college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family leave insurance account, the food animal veterinarian conditional scholarship account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low-income home rehabilitation revolving loan program account, the multiagency permitting team account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state heritage center account, the reduced cigarette ignition propensity account, the center for childhood deafness and hearing loss account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, and the radiation perpetual maintenance fund.

(c) The following accounts and funds must receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right-of-way revolving fund, the advanced environmental mitigation revolving account, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section."

On page 1, line 2 of the title, after "program;" strike the remainder of the title and insert "reenacting and amending RCW 43.79A.040; and adding new sections to chapter 43.330 RCW."

MOTION

Senator Nelson moved that the following floor amendment no. 66 by Senator Nelson to floor striking amendment no. 55 by Senator Honeyford be adopted:

On page 1, line 10 of the amendment, after "housing" strike all material through "areas"

On page 1, beginning on line 22 of the amendment, strike all of subsection (6)

On page 2, beginning on line 1 of the amendment, after "low-income" strike all material through "areas" on line 2

Senator Nelson spoke in favor of adoption of the amendment to the striking amendment.

Senator Honeyford spoke against adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 66 by Senator Nelson on page 1, line 10 to floor amendment no. 55.

The motion by Senator Nelson did not carry and floor amendment no. 66 was not adopted by voice vote.

MOTION

Senator Darneille moved that the following floor amendment no. 65 by Senators Darneille and Honeyford to floor striking amendment no. 55 by Senator Honeyford be adopted:

On page 2, line 11 of the amendment, after "subsection" insert ", and must not result in total loans borrowed against the property equaling more than eighty percent of the assessed value"

Senators Darneille and Honeyford spoke in favor of adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 65 by Senators Darneille and Honeyford on page 2, line 11 to floor striking amendment no. 55.

The motion by Senator Darneille carried and floor amendment no. 65 was adopted by voice vote.

Senator Honeyford spoke in favor of adoption of the striking amendment as amended.

The President declared the question before the Senate to be the adoption of floor striking amendment no. 55 by Senator Honeyford, as amended, to Senate Bill No. 5647.

The motion by Senator Honeyford carried and floor striking amendment no. 55, as amended, was adopted by voice vote.

MOTION

On motion of Senator Honeyford, the rules were suspended, Engrossed Senate Bill No. 5647 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Honeyford, Darneille and Frockt 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. 5647.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5647 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Braun, Brown, Chase, Cleveland, Conway, Darneille, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy,

Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pearson, Pedersen, Ranker, Rivers, Rolfes, Rossi, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman, Wilson and Zeiger

Voting nay: Senator Carlyle

ENGROSSED SENATE BILL NO. 5647, 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. 5762, by Senators Hunt, Short and Sheldon

Concerning financing of the mercury-containing light stewardship program.

The measure was read the second time.

#### MOTION

On motion of Senator Hunt, the rules were suspended, Senate Bill No. 5762 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Hunt, Short 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. 5762.

#### ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5762 and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pearson, Pedersen, Ranker, Rivers, Rolfes, Rossi, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman, Wilson and Zeiger

SENATE BILL NO. 5762, 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. 5433, by Senators Miloscia, Angel, Sheldon, Padden and Fortunato

Concerning informed decision making for death with dignity decisions.

The measure was read the second time.

#### MOTION

On motion of Senator Miloscia, the rules were suspended, Senate Bill No. 5433 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Miloscia, Pedersen, Angel, Padden, Frockt and Darneille spoke in favor of passage of the bill.

Senator Becker spoke on the bill.

Senators Wellman, Ranker, Kuderer and Nelson spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Senate Bill No. 5433.

#### ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5433 and the bill passed the Senate by the following vote: Yeas, 26; Nays, 23; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Braun, Brown, Conway, Darneille, Ericksen, Fortunato, Frockt, Hawkins, Hobbs, Honeyford, King, Miloscia, O'Ban, Padden, Pearson, Pedersen, Rossi, Schoesler, Sheldon, Short, Warnick, Wilson and Zeiger

Voting nay: Senators Becker, Billig, Carlyle, Chase, Cleveland, Fain, Hasegawa, Hunt, Keiser, Kuderer, Lias, McCoy, Mullet, Nelson, Palumbo, Ranker, Rivers, Rolfes, Saldaña, Takko, Van De Wege, Walsh and Wellman

SENATE BILL NO. 5433, 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. 5533, by Senators Rossi, Baumgartner, Fortunato, Braun, Brown, Wilson, Becker, Padden and Angel

Prohibiting contributions to gubernatorial candidates by entities that collectively bargain with the state. Revised for 1st Substitute: Prohibiting contributions to and independent expenditures for gubernatorial candidates.

#### MOTION

On motion of Senator Rossi, Substitute Senate Bill No. 5533 was substituted for Senate Bill No. 5533 and the substitute bill was placed on the second reading and read the second time.

#### MOTION

Senator Hasegawa moved that the following floor amendment no. 109 by Senator Hasegawa be adopted:

Beginning on page 1, line 6, strike all of section 1  
Remember the remaining sections consecutively and correct any internal references accordingly.

On page 16, beginning on line 11, after "(14)" strike all material through "(16)" on line 27 and insert "Notwithstanding the other provisions of this section, no person, other than a natural person, may make independent expenditures in support of any candidate for the office of governor or make contributions reportable under this chapter to any candidate for the office of governor, directly or indirectly.

(15)"

On page 16, line 29, after "(((45)))" strike "(17)" and insert "(16)"

On page 1, at the beginning of line 3 of the title, strike all material through "42.17A.005;"

Senators Hasegawa and Liias spoke in favor of adoption of the amendment.

Senator Rossi spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 109 by Senator Hasegawa on page 1, line 6 to Substitute Senate Bill No. 5533.

The motion by Senator Hasegawa did not carry and floor amendment no. 109 was not adopted by voice vote.

MOTION

Senator Conway moved that the following floor amendment no. 110 by Senator Conway be adopted:

On page 16, line 13, after "representatives" insert ", or any corporate or nonprofit entity that does business with the state, has tax preferences pending before the legislature, or receives a tax preference under current law."

On page 16, line 22, after "representative" insert ", or any corporate or nonprofit entity that does business with the state, has tax preferences pending before the legislature, or receives a tax preference under current law"

Senators Conway, Frockt and Liias spoke in favor of adoption of the amendment.

Senators Rossi and Baumgartner spoke against adoption of the amendment.

Senator Liias demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

The President declared the question before the Senate to be the adoption of floor amendment no. 110 by Senator Conway on page 16, line 13, to Substitute Senate Bill No. 5533.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Conway and the amendment was not adopted by the following vote: Yeas, 23; Nays, 25; Absent, 1; Excused, 0.

Voting yea: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko and Wellman

Voting nay: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, Miloscia, O'Ban, Padden, Pearson, Rivers, Rossi, Schoesler, Sheldon, Short, Walsh, Warnick, Wilson and Zeiger

Absent: Senator Van De Wege

MOTION

Senator Keiser moved that the following floor amendment no. 111 by Senator Keiser be adopted:

On page 16, line 13, after "representatives" insert ", or any corporation or nonprofit entity that has a contract with the state."

On page 16, line 22, after "representative" insert ", or any corporation or nonprofit entity that has a contract with the state"

On page 16, line 25, after "representative" insert ", or any corporation or nonprofit entity that has a contract with the state."

Senators Keiser, Ranker and Conway spoke in favor of adoption of the amendment.

Senators Fain and Ericksen spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 111 by Senator Keiser on page 16, line 13 to Substitute Senate Bill No. 5533.

The motion by Senator Keiser did not carry and floor amendment no. 111 was not adopted by voice vote.

MOTION

Senator Liias moved that the following floor amendment no. 115 by Senator Liias be adopted:

On page 16, line 13, after "representatives" insert "or has any business before the agency of an official in the line of succession under Article III, section 10 of the state Constitution"

On page 16, line 14, after "governor" insert "or any other office in the line of succession under Article III, section 10 of the state Constitution"

On page 16, line 19, after "governor" insert "or any other office in the line of succession under Article III, section 10 of the state Constitution"

On page 16, line 22, after "its" strike "representative" and insert "representatives or has any business before the agency of an official in the line of succession under Article III, section 10 of the state Constitution"

On page 16, line 24, after "its" strike "representative" and insert "representatives or has any business before the agency of an official in the line of succession under Article III, section 10 of the state Constitution"

On page 1, line 2 of the title, after "for" strike "gubernatorial" and insert "certain statewide"

Senator Liias spoke in favor of adoption of the amendment.

Senator Rossi spoke against adoption of the amendment.

POINT OF ORDER

Senator Liias: "Thank you Mr. President. I appreciate Senator Rossi has raised an interesting question and as I drafted the amendment I hadn't considered that it might be outside the scope. So I don't necessarily have an advocacy position, but I think it would be interesting to hear from you whether this amendment is within the scope and object of the bill? And since you are enforcing our rules, I want to make sure we follow our rules and I look forward to hearing what you decide."

REMARKS BY SENATOR FAIN

Senator Fain: "Mr. President, I think Senator Liias has spoken enough for both of us and for the whole night."

RULING BY THE PRESIDENT

President Habib: "In ruling upon the point of order raised by Senator Liias on the scope and object of Substitute Senate Bill 5533, the President finds and rules as follows:

Substitute Senate Bill 5533 prohibits entities who collectively bargain with the governor from making campaign contributions in support of or opposition to a gubernatorial candidate. The scope of the bill – defining collective bargaining and prohibiting

gubernatorial campaign expenditures from entities who collectively bargain with the governor – is narrow and specific. However, the object, or aim of the bill appears to be broader. Its purpose is to prevent a ‘pay to play’ scenario.

The amendment prohibits campaign contributions by anyone having business before an agency headed by any statewide elected executive officer, and prohibits the receipt of contributions by those agency heads.

This seems to fit within the bill’s object to prevent ‘pay to play;’ however, by adding other individuals and entities who do not engage in collective bargaining to the list of those who are prohibited from contributing to certain campaigns, and by adding campaigns other than gubernatorial campaigns to the list of those prohibited from receiving contributions from certain entities, the amendment exceeds the scope of the bill.

The President would like to take this opportunity to remind the members that it is much more difficult to find an amendment within the scope and object of a bill if the bill is drafted narrowly. For example, if this bill had provided three groups who were prohibited from contributing or receiving contributions, the addition of another group would likely have been within the scope, as one could then define the scope more broadly as a bill about who may make and receive campaign contributions.

For these reasons, the President finds that the amendment would change the scope of the bill, and the amendment is therefore out of order.”

#### MOTION

Senator Ranker moved that the following floor amendment no. 112 by Senator Ranker be adopted:

On page 16, line 14, after "governor" insert ". state office, or legislative office"

On page 16, line 18, after "governor" insert ". state office, or legislative office."

On page 16, line 19, after "governor" insert ". state office, or legislative office"

On page 1, line 2 of the title, strike "gubernatorial"

#### POINT OF ORDER

Senator Fain: “Thank you Mr. President. It is my belief that Senator Liias believes that this is out of scope, asking for a ruling.”

#### REMARKS BY THE PRESIDENT

President Habib: “Senator Fain, did you want to make a statement?”

#### REMARKS BY SENATOR FAIN

Senator Fain: “Thank you Mr. President. In keeping with your previous ruling on the matter, I believe that this is consistent and applies to offices outside the Office of the Governor.”

#### REMARKS BY SENATOR RANKER

Senator Ranker: “Thank you Mr. President. Not only do I find that it could be out of scope, but I find that I could be out of order. So, the subject of the underlying Senate Bill No. 5533 is broadly related to the regulation of contributions that can be made and this amendment simply says that if we are going to do this

with the Governor then we should do this with ourselves. The Legislature and all other elected officials should be having to go through the same sort of scrutiny and this is such an amusing debate that we should just stop right there.”

#### REMARKS BY THE PRESIDENT

President Habib: “You remained in order for nearly the entire time, Senator Ranker.”

#### REMARKS BY SENATOR RANKER

Senator Ranker: “One last thing, your previous ruling was quite confusing, I would strongly suggest that in the future you do not do verbal rulings but actually take the time to write them out for us.”

#### REPLY BY THE PRESIDENT

President Habib: “If you would like Senator Ranker, we could have everything written down for you to understand.”

#### RULING BY THE PRESIDENT

President Habib: “Consistent with the President’s ruling in respect to the previous amendment, this proposed amendment is within the object of the underlying bill but not within its scope.”

The Point of Order by Senator Fain was well taken and floor amendment no. 112 by Senator Ranker was ruled out of order.

#### MOTION

Senator Liias moved that the following floor amendment no. 114 by Senator Liias be adopted:

On page 16, line 14, after "governor" insert "or any other office in the line of succession under Article III, section 10 of the state Constitution"

On page 16, line 19, after "governor" insert "or any other office in the line of succession under Article III, section 10 of the state Constitution"

On page 1, line 2 of the title, after "for" strike "gubernatorial" and insert "certain statewide"

#### POINT OF ORDER

Senator Fain: “Thank you Mr. President. I believe consistent with previous rulings that this particular amendment may be out of scope.”

#### REMARKS BY SENATOR LIIAS

Senator Liias: “Thank you Mr. President. In your previous ruling you said that my previous amendment was within the object of the bill but not the scope because it addressed other relationships. This amendment addresses people that may be acting as Governor, so I believe that that is still more narrowly focused on the Governor and his relationships. And so I do have a question as to, because this amendment is more narrowly targeted, whether you believe that it falls, or you find that it falls within the scope of the underlying bill? So, I look forward to finding out the answer.”

RULING BY THE PRESIDENT

President Habib: "I am going to give a little more explanation this time. The President finds that in keeping consistent with my previous rulings on this bill, Senator Liias' amendment is within the object but not within the scope of the underlying bill. And to be clear, by the scope of the bill, I am referring to the nexus between collective bargaining units and the Governor, and so to be clear if there were a dynamic where a collective bargaining unit were negotiating with another executive office holder on labor contracts that would be arguably fall closer within scope or possibly within the scope, but that is not the nature of this amendment, therefore it is within the object but not the scope of the underlying bill."

The Point of Order by Senator Fain was well taken and floor amendment no. 114 by Senator Liias was ruled out of order.

MOTION

Senator Billig moved that the following floor amendment no. 118 by Senator Billig be adopted:

Strike everything after the enacting clause and insert the following:

**NEW SECTION. Sec. 22.** The legislature finds that the public has the right to know who is contributing to election campaigns in Washington state and that campaign finance disclosure deters corruption, increases public confidence in Washington state elections, and strengthens representative democracy.

The legislature finds that campaign finance disclosure is overwhelmingly supported by the citizens of Washington state as evidenced by the two initiatives that largely established Washington's current campaign finance system. Both passed with over seventy-two percent of the popular vote, as well as winning margins in every county in the state.

The legislature finds that nonprofit organizations are increasingly engaging in campaign activities in Washington state and across the country, including taking a more active role in contributing to candidate and ballot proposition campaigns. In some cases, these activities are occurring without adequate public disclosure due to loopholes in campaign finance regulations.

The legislature finds that nonprofit organizations may form political committees using the funds contributed only by those members wishing to further the organization's campaign activity. However, many members of nonprofit organizations wish to use the provisions of current law to anonymously contribute to campaign activity, frustrating the purposes of public disclosure laws.

Therefore, the legislature intends to increase transparency and accountability, deter corruption, and strengthen confidence in the election process by closing campaign finance disclosure loopholes and requiring the disclosure of contributions and expenditures by nonprofit organizations that participate significantly in Washington state elections.

**NEW SECTION. Sec. 23.** This act may be known and cited as the democracy is strengthened by casting light on spending in elections act of 2017 or the Washington state DISCLOSE act of 2017.

**Sec. 24.** RCW 42.17A.005 and 2011 c 145 s 2 and 2011 c 60 s 19 are each reenacted and amended to read as follows:

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

(1) "Actual malice" means to act with knowledge of falsity or with reckless disregard as to truth or falsity.

(2) "Agency" includes all state agencies and all local agencies. "State agency" includes every state office, department, division, bureau, board, commission, or other state agency. "Local agency" includes every county, city, town, municipal corporation, quasi-municipal corporation, or special purpose district, or any office, department, division, bureau, board, commission, or agency thereof, or other local public agency.

(3) "Authorized committee" means the political committee authorized by a candidate, or by the public official against whom recall charges have been filed, to accept contributions or make expenditures on behalf of the candidate or public official.

(4) "Ballot proposition" means any "measure" as defined by RCW 29A.04.091, or any initiative, recall, or referendum proposition proposed to be submitted to the voters of the state or any municipal corporation, political subdivision, or other voting constituency from and after the time when the proposition has been initially filed with the appropriate election officer of that constituency before its circulation for signatures.

(5) "Benefit" means a commercial, proprietary, financial, economic, or monetary advantage, or the avoidance of a commercial, proprietary, financial, economic, or monetary disadvantage.

(6) "Bona fide political party" means:

(a) An organization that has been recognized as a minor political party by the secretary of state;

(b) The governing body of the state organization of a major political party, as defined in RCW 29A.04.086, that is the body authorized by the charter or bylaws of the party to exercise authority on behalf of the state party; or

(c) The county central committee or legislative district committee of a major political party. There may be only one legislative district committee for each party in each legislative district.

(7) "Candidate" means any individual who seeks nomination for election or election to public office. An individual seeks nomination or election when he or she first:

(a) Receives contributions or makes expenditures or reserves space or facilities with intent to promote his or her candidacy for office;

(b) Announces publicly or files for office;

(c) Purchases commercial advertising space or broadcast time to promote his or her candidacy; or

(d) Gives his or her consent to another person to take on behalf of the individual any of the actions in (a) or (c) of this subsection.

(8) "Caucus political committee" means a political committee organized and maintained by the members of a major political party in the state senate or state house of representatives.

(9) "Commercial advertiser" means any person who sells the service of communicating messages or producing printed material for broadcast or distribution to the general public or segments of the general public whether through the use of newspapers, magazines, television and radio stations, billboard companies, direct mail advertising companies, printing companies, or otherwise.

(10) "Commission" means the agency established under RCW 42.17A.100.

(11) "Compensation" unless the context requires a narrower meaning, includes payment in any form for real or personal property or services of any kind. For the purpose of compliance with RCW 42.17A.710, "compensation" does not include per diem allowances or other payments made by a governmental

entity to reimburse a public official for expenses incurred while the official is engaged in the official business of the governmental entity.

(12) "Continuing political committee" means a political committee that is an organization of continuing existence not established in anticipation of any particular election campaign.

(13)(a) "Contribution" includes:

(i) A loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or anything of value, including personal and professional services for less than full consideration;

(ii) An expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a political committee, the person or persons named on the candidate's or committee's registration form who direct expenditures on behalf of the candidate or committee, or their agents;

(iii) The financing by a person of the dissemination, distribution, or republication, in whole or in part, of broadcast, written, graphic, or other form of political advertising or electioneering communication prepared by a candidate, a political committee, or its authorized agent;

(iv) Sums paid for tickets to fund-raising events such as dinners and parties, except for the actual cost of the consumables furnished at the event.

(b) "Contribution" does not include:

(i) Standard interest on money deposited in a political committee's account;

(ii) Ordinary home hospitality;

(iii) A contribution received by a candidate or political committee that is returned to the contributor within five business days of the date on which it is received by the candidate or political committee;

(iv) A news item, feature, commentary, or editorial in a regularly scheduled news medium that is of primary interest to the general public, that is in a news medium controlled by a person whose business is that news medium, and that is not controlled by a candidate or a political committee;

(v) An internal political communication primarily limited to the members of or contributors to a political party organization or political committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;

(vi) The rendering of personal services of the sort commonly performed by volunteer campaign workers, or incidental expenses personally incurred by volunteer campaign workers not in excess of fifty dollars personally paid for by the worker. "Volunteer services," for the purposes of this subsection, means services or labor for which the individual is not compensated by any person;

(vii) Messages in the form of reader boards, banners, or yard or window signs displayed on a person's own property or property occupied by a person. However, a facility used for such political advertising for which a rental charge is normally made must be reported as an in-kind contribution and counts towards any applicable contribution limit of the person providing the facility;

(viii) Legal or accounting services rendered to or on behalf of:

(A) A political party or caucus political committee if the person paying for the services is the regular employer of the person rendering such services; or

(B) A candidate or an authorized committee if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely for the purpose

of ensuring compliance with state election or public disclosure laws; or

(ix) The performance of ministerial functions by a person on behalf of two or more candidates or political committees either as volunteer services defined in (b)(vi) of this subsection or for payment by the candidate or political committee for whom the services are performed as long as:

(A) The person performs solely ministerial functions;

(B) A person who is paid by two or more candidates or political committees is identified by the candidates and political committees on whose behalf services are performed as part of their respective statements of organization under RCW 42.17A.205; and

(C) The person does not disclose, except as required by law, any information regarding a candidate's or committee's plans, projects, activities, or needs, or regarding a candidate's or committee's contributions or expenditures that is not already publicly available from campaign reports filed with the commission, or otherwise engage in activity that constitutes a contribution under (a)(ii) of this subsection.

A person who performs ministerial functions under this subsection (13)(b)(ix) is not considered an agent of the candidate or committee as long as he or she has no authority to authorize expenditures or make decisions on behalf of the candidate or committee.

(c) Contributions other than money or its equivalent are deemed to have a monetary value equivalent to the fair market value of the contribution. Services or property or rights furnished at less than their fair market value for the purpose of assisting any candidate or political committee are deemed a contribution. Such a contribution must be reported as an in-kind contribution at its fair market value and counts towards any applicable contribution limit of the provider.

(14) "Depository" means a bank, mutual savings bank, savings and loan association, or credit union doing business in this state.

(15) "Elected official" means any person elected at a general or special election to any public office, and any person appointed to fill a vacancy in any such office.

(16) "Election" includes any primary, general, or special election for public office and any election in which a ballot proposition is submitted to the voters. An election in which the qualifications for voting include other than those requirements set forth in Article VI, section 1 (Amendment 63) of the Constitution of the state of Washington shall not be considered an election for purposes of this chapter.

(17) "Election campaign" means any campaign in support of or in opposition to a candidate for election to public office and any campaign in support of, or in opposition to, a ballot proposition.

(18) "Election cycle" means the period beginning on the first day of January after the date of the last previous general election for the office that the candidate seeks and ending on December 31st after the next election for the office. In the case of a special election to fill a vacancy in an office, "election cycle" means the period beginning on the day the vacancy occurs and ending on December 31st after the special election.

(19)(a) "Electioneering communication" means any broadcast, cable, or satellite television or radio transmission, United States postal service mailing, billboard, newspaper, or periodical that:

(i) Clearly identifies a candidate for a state, local, or judicial office either by specifically naming the candidate, or identifying the candidate without using the candidate's name;

(ii) Is broadcast, transmitted, mailed, erected, distributed, or otherwise published within sixty days before any election for that office in the jurisdiction in which the candidate is seeking election; and

(iii) Either alone, or in combination with one or more communications identifying the candidate by the same sponsor during the sixty days before an election, has a fair market value of one thousand dollars or more.

(b) "Electioneering communication" does not include:

(i) Usual and customary advertising of a business owned by a candidate, even if the candidate is mentioned in the advertising when the candidate has been regularly mentioned in that advertising appearing at least twelve months preceding his or her becoming a candidate;

(ii) Advertising for candidate debates or forums when the advertising is paid for by or on behalf of the debate or forum sponsor, so long as two or more candidates for the same position have been invited to participate in the debate or forum;

(iii) A news item, feature, commentary, or editorial in a regularly scheduled news medium that is:

(A) Of primary interest to the general public;

(B) In a news medium controlled by a person whose business is that news medium; and

(C) Not a medium controlled by a candidate or a political committee;

(iv) Slate cards and sample ballots;

(v) Advertising for books, films, dissertations, or similar works (A) written by a candidate when the candidate entered into a contract for such publications or media at least twelve months before becoming a candidate, or (B) written about a candidate;

(vi) Public service announcements;

(vii) A mailed internal political communication primarily limited to the members of or contributors to a political party organization or political committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;

(viii) An expenditure by or contribution to the authorized committee of a candidate for state, local, or judicial office; or

(ix) Any other communication exempted by the commission through rule consistent with the intent of this chapter.

(20) "Expenditure" includes a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure. "Expenditure" also includes a promise to pay, a payment, or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. For the purposes of this chapter, agreements to make expenditures, contracts, and promises to pay may be reported as estimated obligations until actual payment is made. "Expenditure" shall not include the partial or complete repayment by a candidate or political committee of the principal of a loan, the receipt of which loan has been properly reported.

(21) "Final report" means the report described as a final report in RCW 42.17A.235(2).

(22) "General election" for the purposes of RCW 42.17A.405 means the election that results in the election of a person to a state or local office. It does not include a primary.

(23) "Gift" has the definition in RCW 42.52.010.

(24) "Immediate family" includes the spouse or domestic partner, dependent children, and other dependent relatives, if

living in the household. For the purposes of the definition of "intermediary" in this section, "immediate family" means an individual's spouse or domestic partner, and child, stepchild, grandchild, parent, stepparent, grandparent, brother, half brother, sister, or half sister of the individual and the spouse or the domestic partner of any such person and a child, stepchild, grandchild, parent, stepparent, grandparent, brother, half brother, sister, or half sister of the individual's spouse or domestic partner and the spouse or the domestic partner of any such person.

(25)(a) "Incidental committee" means any nonprofit organization not otherwise defined as a political committee but that may incidentally make a contribution or an expenditure in support of, or opposition to, any candidate or any ballot proposition in Washington, directly or through a political committee.

(b) "Incidental committee" does not include:

(i) Any organization registered under section 527 of the internal revenue code of 1986 that files disclosure reports with the public disclosure commission, disclosure reports with the federal elections commission, or public quarterly, semiannual, or monthly filings with the internal revenue service; or

(ii) Any organization that files a lobbyist registration form in Washington state that includes the information required by RCW 42.17A.600(1)(i). The organization must file the registration form electronically when an electronic filing method is available. The organization must update the information required by RCW 42.17A.600(1)(i) within sixty days before any primary, general, or special election if the organization has made or expects to make more than twenty-five thousand dollars in contributions that calendar year and according to the schedule for contribution and expenditure reports under RCW 42.17A.235(2) if there are any changes to the information required by RCW 42.17A.600(1)(i) within thirty days before an election.

(26) "Incumbent" means a person who is in present possession of an elected office.

((26)) (27) "Independent expenditure" means an expenditure that has each of the following elements:

(a) It is made in support of or in opposition to a candidate for office by a person who is not (i) a candidate for that office, (ii) an authorized committee of that candidate for that office, (iii) a person who has received the candidate's encouragement or approval to make the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office, or (iv) a person with whom the candidate has collaborated for the purpose of making the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office;

(b) The expenditure pays in whole or in part for political advertising that either specifically names the candidate supported or opposed, or clearly and beyond any doubt identifies the candidate without using the candidate's name; and

(c) The expenditure, alone or in conjunction with another expenditure or other expenditures of the same person in support of or opposition to that candidate, has a value of eight hundred dollars or more. A series of expenditures, each of which is under eight hundred dollars, constitutes one independent expenditure if their cumulative value is eight hundred dollars or more.

((27)) (28)(a) "Intermediary" means an individual who transmits a contribution to a candidate or committee from another person unless the contribution is from the individual's employer, immediate family, or an association to which the individual belongs.

(b) A treasurer or a candidate is not an intermediary for purposes of the committee that the treasurer or candidate serves.

(c) A professional fund-raiser is not an intermediary if the fund-raiser is compensated for fund-raising services at the usual and customary rate.

(d) A volunteer hosting a fund-raising event at the individual's home is not an intermediary for purposes of that event.

~~((28))~~ (29) "Legislation" means bills, resolutions, motions, amendments, nominations, and other matters pending or proposed in either house of the state legislature, and includes any other matter that may be the subject of action by either house or any committee of the legislature and all bills and resolutions that, having passed both houses, are pending approval by the governor.

~~((29))~~ (30) "Legislative office" means the office of a member of the state house of representatives or the office of a member of the state senate.

~~((30))~~ (31) "Lobby" and "lobbying" each mean attempting to influence the passage or defeat of any legislation by the legislature of the state of Washington, or the adoption or rejection of any rule, standard, rate, or other legislative enactment of any state agency under the state administrative procedure act, chapter 34.05 RCW. Neither "lobby" nor "lobbying" includes an association's or other organization's act of communicating with the members of that association or organization.

~~((34))~~ (32) "Lobbyist" includes any person who lobbies either in his or her own or another's behalf.

~~((32))~~ (33) "Lobbyist's employer" means the person or persons by whom a lobbyist is employed and all persons by whom he or she is compensated for acting as a lobbyist.

~~((33))~~ (34) "Ministerial functions" means an act or duty carried out as part of the duties of an administrative office without exercise of personal judgment or discretion.

~~((34))~~ (35) "Participate" means that, with respect to a particular election, an entity:

(a) Makes either a monetary or in-kind contribution to a candidate;

(b) Makes an independent expenditure or electioneering communication in support of or opposition to a candidate;

(c) Endorses a candidate before contributions are made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent;

(d) Makes a recommendation regarding whether a candidate should be supported or opposed before a contribution is made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent; or

(e) Directly or indirectly collaborates or consults with a subsidiary corporation or local unit on matters relating to the support of or opposition to a candidate, including, but not limited to, the amount of a contribution, when a contribution should be given, and what assistance, services or independent expenditures, or electioneering communications, if any, will be made or should be made in support of or opposition to a candidate.

~~((35))~~ (36) "Person" includes an individual, partnership, joint venture, public or private corporation, association, federal, state, or local governmental entity or agency however constituted, candidate, committee, political committee, political party, executive committee thereof, or any other organization or group of persons, however organized.

~~((36))~~ (37) "Political advertising" includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support or opposition in any election campaign.

~~((37))~~ (38) "Political committee" means any person (except a candidate or an individual dealing with his or her own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.

~~((38))~~ (39) "Primary" for the purposes of RCW 42.17A.405 means the procedure for nominating a candidate to state or local office under chapter 29A.52 RCW or any other primary for an election that uses, in large measure, the procedures established in chapter 29A.52 RCW.

~~((39))~~ (40) "Public office" means any federal, state, judicial, county, city, town, school district, port district, special district, or other state political subdivision elective office.

~~((40))~~ (41) "Public record" has the definition in RCW 42.56.010.

~~((44))~~ (42) "Recall campaign" means the period of time beginning on the date of the filing of recall charges under RCW 29A.56.120 and ending thirty days after the recall election.

~~((42))~~ (43)(a) "Sponsor" for purposes of an electioneering communications, independent expenditures, or political advertising means the person paying for the electioneering communication, independent expenditure, or political advertising. If a person acts as an agent for another or is reimbursed by another for the payment, the original source of the payment is the sponsor.

(b) "Sponsor," for purposes of a political committee, means any person, except an authorized committee, to whom any of the following applies:

(i) The committee receives eighty percent or more of its contributions either from the person or from the person's members, officers, employees, or shareholders;

(ii) The person collects contributions for the committee by use of payroll deductions or dues from its members, officers, or employees.

~~((43))~~ (44) "Sponsored committee" means a committee, other than an authorized committee, that has one or more sponsors.

~~((44))~~ (45) "State office" means state legislative office or the office of governor, lieutenant governor, secretary of state, attorney general, commissioner of public lands, insurance commissioner, superintendent of public instruction, state auditor, or state treasurer.

~~((45))~~ (46) "State official" means a person who holds a state office.

~~((46))~~ (47) "Surplus funds" mean, in the case of a political committee or candidate, the balance of contributions that remain in the possession or control of that committee or candidate subsequent to the election for which the contributions were received, and that are in excess of the amount necessary to pay remaining debts incurred by the committee or candidate with respect to that election. In the case of a continuing political committee, "surplus funds" mean those contributions remaining in the possession or control of the committee that are in excess of the amount necessary to pay all remaining debts when it makes its final report under RCW 42.17A.255.

~~((47))~~ (48) "Treasurer" and "deputy treasurer" mean the individuals appointed by a candidate or political committee, pursuant to RCW 42.17A.210, to perform the duties specified in that section.

**NEW SECTION. Sec. 25.** A new section is added to chapter 42.17A RCW to read as follows:

(1) The commission shall provide a link on its web site to a searchable database on the web site of the federal election commission containing information on organizations under section 527 of the internal revenue code of 1986.

(2) The commission shall ensure that individual entries in contribution reports published on the commission's web site link to the lobbying disclosure reports of specific contributors, where the contributor has filed a lobbying disclosure report.

**NEW SECTION. Sec. 26.** A new section is added to chapter 42.17A RCW to read as follows:

(1)(a) An incidental committee must file a statement of organization with the commission within two weeks after the date the committee first:

(i) Has the expectation of making contributions, other than in-kind contributions of staff time and office-related equipment, resources, and rent to an affiliated committee, or expenditures of at least twenty-five thousand dollars in a calendar year in any election campaign, or to a political committee or an incidental committee; and

(ii) Must disclose a received contribution under RCW 42.17A.240(2)(d).

(b) If an incidental committee first meets the criteria requiring filing a statement of organization as specified in (a) of this subsection in the last three weeks before an election, then it must file the statement of organization within three business days.

(c) An incidental committee that does not make contributions or expenditures in the amounts specified in (a) of this subsection is not required to file a statement of organization with the commission.

(2) The statement of organization shall include but not be limited to:

(a) The name and address of the committee;

(b) The names and addresses of all related or affiliated political or incidental committees or other persons, and the nature of the relationship or affiliation;

(c) The names, addresses, and titles of its officers; or if it has no officers, the names, addresses, and titles of its responsible leaders and the name of the person designated as the treasurer of the incidental committee;

(d) The name, office sought, and party affiliation of each candidate whom the committee is supporting or opposing if the committee contributes directly to a candidate and, if donating to a political committee, the name and address of that political committee;

(e) The ballot proposition concerned, if any, and whether the committee is in favor of or opposed to such proposition; and

(f) Such other information as the commission may by rule prescribe, in keeping with the policies and purposes of this chapter.

(3) Any material change in information previously submitted in a statement of organization shall be reported to the commission within the ten days following the change.

**Sec. 27.** RCW 42.17A.235 and 2015 c 54 s 1 are each amended to read as follows:

(1) In addition to the information required under RCW 42.17A.205 and 42.17A.210, on the day the treasurer is designated, each candidate or political committee must file with the commission a report of all contributions received and expenditures made prior to that date, if any. In addition to the information required under RCW 42.17A.205 and 42.17A.210, on the day an incidental committee files a statement of organization with the commission, each incidental committee must file with the commission a report of any expenditures under RCW 42.17A.240(6), as well as the ten largest aggregate contributions received in the current calendar year from a single person of ten thousand dollars or greater, including any persons tied as the tenth largest source of contributions received, if any, and all aggregate contributions received in the current calendar

year from a single person with a value of one hundred thousand dollars or greater.

(2) Each treasurer of a political committee or incidental committee required to file a statement of organization under this chapter shall file with the commission a report containing the information required by RCW 42.17A.240 at the following intervals:

(a) On the twenty-first day and the seventh day immediately preceding the date on which the election is held;

(b) On the tenth day of the first month after the election; and

(c) On the tenth day of each month in which no other reports are required to be filed under this section;

(i) For a political committee, only if the committee has received a contribution or made an expenditure in the preceding calendar month and either the total contributions received or total expenditures made since the last such report exceed two hundred dollars; or

(ii) For an incidental committee, only if the committee has:

(A) Received a contribution that would change the information required under RCW 42.17A.240(2)(d) as included in its last report; or

(B) Made any expenditure reportable under RCW 42.17A.240(6) since its last report, and the total expenditures made since the last report exceed two hundred dollars.

The report filed twenty-one days before the election shall report all contributions received and expenditures made as of the end of one business day before the date of the report. The report filed seven days before the election shall report all contributions received and expenditures made as of the end of one business day before the date of the report. Reports filed on the tenth day of the month shall report all contributions received and expenditures made from the closing date of the last report filed through the last day of the month preceding the date of the current report.

(3) For the period beginning the first day of the fourth month preceding the date of the special election, or for the period beginning the first day of the fifth month before the date of the general election, and ending on the date of that special or general election, each Monday the treasurer of a political committee shall file with the commission a report of each bank deposit made during the previous seven calendar days. The report shall contain the name of each person contributing the funds and the amount contributed by each person. However, persons who contribute no more than twenty-five dollars in the aggregate are not required to be identified in the report. A copy of the report shall be retained by the treasurer for his or her records. In the event of deposits made by a deputy treasurer, the copy shall be forwarded to the treasurer for his or her records. Each report shall be certified as correct by the treasurer or deputy treasurer making the deposit.

(4)(a) The treasurer or candidate of a political committee shall maintain books of account accurately reflecting all contributions and expenditures on a current basis within five business days of receipt or expenditure. During the eight days immediately preceding the date of the election the books of account shall be kept current within one business day. As specified in the committee's statement of organization filed under RCW 42.17A.205, the books of account must be open for public inspection by appointment at the designated place for inspections between 8:00 a.m. and 8:00 p.m. on any day from the eighth day immediately before the election through the day immediately before the election, other than Saturday, Sunday, or a legal holiday. It is a violation of this chapter for a candidate or political committee to refuse to allow and keep an appointment for an inspection to be conducted during these authorized times and days. The appointment must be allowed at an authorized time and

day for such inspections that is within twenty-four hours of the time and day that is requested for the inspection.

(b) At the time of making the appointment, a person wishing to inspect the books of account must provide the treasurer the name and telephone number of the person wishing to inspect the books of account. The person inspecting the books of account must show photo identification before the inspection begins.

(c) A treasurer may refuse to show the books of account to any person who does not make an appointment or provide the required identification.

(5) Copies of all reports filed pursuant to this section shall be readily available for public inspection by appointment, pursuant to subsection (4) of this section, at the principal headquarters or, if there is no headquarters, at the address of the treasurer or such other place as may be authorized by the commission.

(6) The treasurer or candidate shall preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred.

(7) All reports filed pursuant to subsection (1) or (2) of this section shall be certified as correct by the candidate and the treasurer.

(8) When there is no outstanding debt or obligation, the campaign fund is closed, and the campaign is concluded in all respects or in the case of a political committee, the committee has ceased to function and has dissolved, the treasurer shall file a final report. Upon submitting a final report, the duties of the treasurer shall cease and there is no obligation to make any further reports.

(9) By December 31, 2017, the commission shall adopt rules for the dissolution of incidental committees.

**Sec. 28.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to read as follows:

Each report required under RCW 42.17A.235 (1) and (2) must be certified as correct by the treasurer and the candidate and shall disclose the following:

(1) The funds on hand at the beginning of the period;

(2) The name and address of each person who has made one or more contributions during the period, together with the money value and date of each contribution and the aggregate value of all contributions received from each person during the campaign, or in the case of a continuing political committee, the current calendar year, with the following exceptions:

(a) Pledges in the aggregate of less than one hundred dollars from any one person need not be reported;

(b) Income that results from a fund-raising activity conducted in accordance with RCW 42.17A.230 may be reported as one lump sum, with the exception of that portion received from persons whose names and addresses are required to be included in the report required by RCW 42.17A.230;

(c) Contributions of no more than twenty-five dollars in the aggregate from any one person during the election campaign may be reported as one lump sum if the treasurer maintains a separate and private list of the name, address, and amount of each such contributor; ((and))

(d) Contributions received by an incidental committee from any one person need not be reported unless:

(i) The person is one of the committee's ten largest sources of contributions received, including any persons tied as the tenth largest source of contributions received, during the current calendar year, and the value of the aggregate contributions received from that person during the current calendar year is ten thousand dollars or greater; or

(ii) The person contributed one hundred thousand dollars or more to the incidental committee during the current calendar year;

(e) The commission may suspend or modify reporting requirements for contributions received by an incidental committee in cases of manifestly unreasonable hardship under RCW 42.17A.120; and

(f) The money value of contributions of postage ((shall be)) is the face value of the postage;

(3) Each loan, promissory note, or security instrument to be used by or for the benefit of the candidate or political committee made by any person, including the names and addresses of the lender and each person liable directly, indirectly or contingently and the date and amount of each such loan, promissory note, or security instrument;

(4) All other contributions not otherwise listed or exempted;

(5) The name and address of each candidate or political committee to which any transfer of funds was made, including the amounts and dates of the transfers;

(6) The name and address of each person to whom an expenditure was made in the aggregate amount of more than fifty dollars during the period covered by this report, the amount, date, and purpose of each expenditure, and the total sum of all expenditures. An incidental committee only must report on such expenditures that were made directly or indirectly in support of or in opposition to any election campaign or to a political or incidental committee;

(7) The name and address of each person directly compensated for soliciting or procuring signatures on an initiative or referendum petition, the amount of the compensation to each person, and the total expenditures made for this purpose. Such expenditures shall be reported under this subsection in addition to what is required to be reported under subsection (6) of this section;

(8) The name and address of any person and the amount owed for any debt, obligation, note, unpaid loan, or other liability in the amount of more than two hundred fifty dollars or in the amount of more than fifty dollars that has been outstanding for over thirty days;

(9) The surplus or deficit of contributions over expenditures;

(10) The disposition made in accordance with RCW 42.17A.430 of any surplus funds; and

(11) Any other information required by the commission by rule in conformance with the policies and purposes of this chapter.

**NEW SECTION. Sec. 29.** 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.

On page 1, line 1 of the title, after "Relating to" strike the remainder of the title and insert "increasing transparency of contributions by creating the Washington state DISCLOSE act of 2017; amending RCW 42.17A.235 and 42.17A.240; reenacting and amending RCW 42.17A.005; adding new sections to chapter 42.17A RCW; and creating new sections.

#### POINT OF ORDER

Senator Fain: "Thank you Mr. President. In keeping with your previous rulings about the scope and object, we believe this is outside the scope. Additionally, this is a piece of legislation that was in a separate bill and before this chamber. Another indication that it may be outside the scope of the underlying bill."

REMARKS BY SENATOR BILLIG

Senator Billig: “Thank you Mr. President. Well I believe the striking amendment is well within the scope and object of the underlying bill. Senate Bill No. 5533 is broadly related to our campaign finance laws, the restrictions contained within those laws, and how campaign contributions can influence and impact our election. The underlying bill addresses nonprofit organizations, 501(c) organizations, subject to our campaign finance laws. The underlying bill addresses restrictions, including prohibitions on contributions and regulations for when independent expenditures are allowed. The underlying bill, which is called the Disclose Act, excuse me, the amendment is referred to as the Disclose Act. The underlying bill also imposes new administrative requirements through new accounting provisions for those making independent expenditures with the goal of increased transparency by requiring segregated accounting in order to avoid an all out ban on independent expenditures. And just like the underlying bill, this amendment addresses our campaign finance laws and intends to address how elections can be influenced by campaign contributions. And like the underlying bill, the amendment also creates restrictions on contributions and independent expenditures made by certain 501(c) organizations and makes administrative changes in order to address transparency in the form of reporting requirements. And for that reason Mr. President, I ask that you rule the proposed striker before us to be in order. Thank you.”

#### RULING BY THE PRESIDENT

President Habib: “In ruling upon the point of order raised by Senator Fain as to the scope and object of Substitute Senate Bill 5533, the President finds and rules as follows:

Substitute Senate Bill 5533 prohibits entities who collectively bargain with the governor from making campaign contributions in support of or opposition to a gubernatorial candidate. The scope of the bill – defining collective bargaining and prohibiting gubernatorial campaign expenditures from entities who collectively bargain with the governor – is narrow and specific. However, the object, or aim of the bill appears to be broader. Its purpose is to prevent a ‘pay to play’ scenario.

The striking amendment eliminates every provision in the bill and instead directs that certain nonprofits file statements with the PDC disclosing the largest contributors to their organizations.

The amendment appears to have no connection to the substitute bill other than the very broad subject of contributions to elections. There is not even a passing reference to collective bargaining. As such, the amendment is within neither the scope nor the object of the bill.

For these reasons, the President finds that the amendment does change the scope and object of the bill, and the amendment is therefore out of order.”

#### MOTION

On motion of Senator Rossi, the rules were suspended, Substitute Senate Bill No. 5533 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Rossi, Ericksen, Schoesler, Baumgartner, Sheldon and Miloscia spoke in favor of passage of the bill.

Senators Hunt, Ranker, Frockt, Keiser, Liias, Chase and Billig spoke against passage of the bill.

#### REMARKS BY THE PRESIDENT

President Habib: “I am going to remind members, Senator Miloscia, I am going to remind you and other members, the Governor may not be a member of this body, but he is the chief executive of this state and it is a pretty large and serious allegation to say that he didn’t comply with the law. And so I know members are passionate about transparency, about good government, but I would urge senators to be extremely careful when impugning the actions and certainly the legality of the actions of our governor.”

Senator Kuderer spoke against passage of the bill.

#### POINT OF ORDER

Senator Padden: “Yes, Mr. President, could you please instruct the speaker to stay on the topic at hand, the bill, not another bill that is before the Legislature.”

#### REPLY BY THE PRESIDENT

President Habib: “Senator Kuderer, are you speaking to the bill?”

Senator Kuderer: “I am responding to the good senator from the ninth district, who connected the two, and I think I should have an opportunity to respond to the fact that he raised the levy lid in connection with his argument.”

President Habib: “If the passage you are quoting does not make that connection, then you should not read that passage. If you would like to make the connection and then pivot to your point, then please do that. Otherwise, reading that passage is not constructive to the debate.”

Senator Kuderer continued her remarks.

#### REMARKS BY THE PRESIDENT

President Habib: “Senator Kuderer, that is not topical. So please speak to the bill before us. The bill has to do with the Governor, collective bargaining, campaign finance, all of those things. That passage you are reading is not topical. You may continue your remarks.”

Senator Kuderer concluded her remarks.

Senators Braun and Angel spoke in favor of passage of the bill.

Senators Hasegawa and Conway spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5533.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5533 and the bill passed the Senate by the following vote: Yeas, 25; Nays, 24; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, Miloscia, O’Ban, Padden, Pearson, Rivers, Rossi, Schoesler, Sheldon, Short, Walsh, Warnick, Wilson and Zeiger

Voting nay: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko, Van De Wege and Wellman

SUBSTITUTE SENATE BILL NO. 5533, 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

Senator Billig moved that the Senate advance to the ninth order of business.

Senator Fain objected to the motion by Senator Billig.

Senator Billig requested a roll call on the motion to advance to the ninth order.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

The President declared the question before the Senate to be the motion by Senator Billig that the Senate to advance to the ninth order of business.

#### ROLL CALL

The Secretary called the roll on the motion to advance to the ninth order of business and the motion failed to carry by the following vote: Yeas, 24; Nays, 25; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko, Van De Wege and Wellman

Voting nay: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, Miloscia, O'Ban, Padden, Pearson, Rivers, Rossi, Schoesler, Sheldon, Short, Walsh, Warnick, Wilson and Zeiger

#### SECOND READING

SENATE BILL NO. 5475, by Senators Brown, Baumgartner, Rivers, Takko, King, Sheldon, Bailey, Ericksen, Angel, Honeyford, Miloscia, Becker, Braun, Hobbs and Schoesler

Providing a business and occupation tax exemption for manufacturers of small modular reactors.

#### MOTIONS

On motion of Senator Brown, Second Substitute Senate Bill No. 5475 was substituted for Senate Bill No. 5475 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Brown, the rules were suspended, Second Substitute Senate Bill No. 5475 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Brown, Schoesler and Sheldon spoke in favor of passage of the bill.

Senators Chase, McCoy and Carlyle spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 5475.

#### ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 5475 and the bill passed the Senate by the following vote: Yeas, 27; Nays, 22; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Hobbs, Honeyford, King, Miloscia, O'Ban, Padden, Pearson, Rivers, Rossi, Schoesler, Sheldon, Short, Takko, Walsh, Warnick, Wilson and Zeiger

Voting nay: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Liias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Van De Wege and Wellman

SECOND SUBSTITUTE SENATE BILL NO. 5475, 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. 5339, by Senators O'Ban, Padden, Miloscia, King, Schoesler, Zeiger, Becker, Baumgartner, Rossi, Wilson, Sheldon, Angel, Honeyford, Braun and Warnick

Accommodating the civil rights of religious objectors to mandatory payments to labor organizations.

#### MOTIONS

On motion of Senator O'Ban, Substitute Senate Bill No. 5339 was substituted for Senate Bill No. 5339 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator O'Ban, the rules were suspended, Substitute Senate Bill No. 5339 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator O'Ban spoke in favor of passage of the bill.

Senators Keiser, Conway, Liias, Chase and Hasegawa spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5339.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5339 and the bill passed the Senate by the following vote: Yeas, 25; Nays, 24; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, Miloscia, O'Ban, Padden, Pearson, Rivers, Rossi, Schoesler, Sheldon, Short, Walsh, Warnick, Wilson and Zeiger

Voting nay: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko, Van De Wege and Wellman

SUBSTITUTE SENATE BILL NO. 5339, 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. 5558, by Senators Darneille, O'Ban and Angel

Issuing a two-year identicard for offenders released from prison facilities.

The measure was read the second time.

MOTION

On motion of Senator Liias, the rules were suspended, Senate Bill No. 5558 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

MOTION

On motion of Senator Liias, the rules were suspended and Senate Bill No. 5558 was returned to second reading for the purpose of amendment.

MOTIONS

On motion of Senator Darneille, Third Substitute Senate Bill No. 5558 was substituted for Senate Bill No. 5558 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Darneille, the rules were suspended, Third Substitute Senate Bill No. 5558 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Darneille, Padden and Hasegawa spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Third Substitute Senate Bill No. 5558.

ROLL CALL

The Secretary called the roll on the final passage of Third Substitute Senate Bill No. 5558 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 3; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Ericksen, Fain, Fortunato, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pearson, Pedersen, Ranker, Rivers, Rolfes, Rossi, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman, Wilson and Zeiger

Voting nay: Senators Frockt, Hasegawa and Liias

THIRD SUBSTITUTE SENATE BILL NO. 5558, 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. 5620, by Senators King, Hobbs, Fain, Mullet and Palumbo

Concerning transportation network companies.

MOTION

On motion of Senator King, Substitute Senate Bill No. 5620 was substituted for Senate Bill No. 5620 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator King moved that the following floor striking amendment no. 102 by Senators Hobbs and King be adopted:

Strike everything after the enacting clause and insert the following:

**NEW SECTION. Sec. 30.** The purpose of this chapter is to: Provide statewide uniform regulation for transportation network companies within the state of Washington, encourage technological innovation, and preserve and enhance access to important transportation options for residents and visitors to Washington state.

**NEW SECTION. Sec. 31.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Digital network" means any online-enabled technology application service, web site, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers.

(2) "Local law enforcement officer" means, for purposes of enforcement, any person authorized by a municipality or county, as applicable, to carry out enforcement activities under this chapter.

(3) "Municipality" means a city, town, or code city with a certificate of incorporation, or township created by an act of the state.

(4) "Prearranged ride" means the provision of transportation or a trip by a transportation network company driver to a transportation network company rider, beginning when a transportation network company driver accepts a ride requested by a transportation network company rider through a digital network controlled by a transportation network company, continuing while the transportation network company driver transports the transportation network company rider, and ending when the last transportation network company rider departs from the transportation network company vehicle. "Prearranged ride" does not include: (a) Transportation provided by a taxi, limousine, motor carrier as defined in RCW 81.80.010, or other for hire vehicle or pursuant to chapter 46.72, 46.73, or 81.72 RCW; (b) a shared expense carpool or vanpool arrangement or service as defined as ride sharing in RCW 46.74.010; (c) transportation provided by an auto transportation company as defined in RCW 81.68.010; or (d) transportation provided by metropolitan public transportation as defined in RCW 35.58.020.

(5) "Transportation network company" means a corporation, partnership, sole proprietorship, or other entity that is licensed under this chapter and operating in Washington state and uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides. A transportation network company is not deemed to control, direct, or manage the transportation network company vehicles or transportation network company drivers that connect to its digital network, except when agreed to by written contract. "Transportation network company" does not include a for hire transportation service, taxicab transportation service provided under chapter 46.72 or 81.72 RCW, an auto transportation company as defined in RCW 81.68.010, or metropolitan public transportation as defined in RCW 35.58.020.

(6) "Transportation network company driver" means an individual who:

(a) Receives connections to potential transportation network company riders and related services from a transportation network company; and

(b) Uses a transportation network company vehicle to offer or provide a prearranged ride to transportation network company riders upon connection through a digital network controlled by a transportation network company in exchange for compensation or payment of a fee.

(7) "Transportation network company rider" means an individual or persons who use a transportation network company's digital network to connect with a transportation network company driver who provides prearranged rides to the rider in the transportation network company driver's transportation network company vehicle between points chosen by the rider.

(8) "Transportation network company services" means services provided by a transportation network company driver at any time that a transportation network company driver is logged in to a transportation network company's digital network or providing a prearranged ride. "Transportation network company services" does not include services provided either directly or under contract with a political subdivision or other entity exempt from federal income tax under 26 U.S.C. Sec. 115 of the federal internal revenue code.

(9) "Transportation network company vehicle" means a vehicle that:

(a) Is used by a transportation network company driver to provide a prearranged ride;

(b) Is owned, leased, or otherwise authorized for use by the transportation network company driver;

(c) Is not a taxicab, limousine, commuter ride-sharing vehicle, for hire vehicle, auto transportation company vehicle, or metropolitan public transportation vehicle for purposes of chapter 35.58, 46.72, 46.72A, 46.73, 46.74, 46.76, 81.68, or 81.72 RCW; and

(d) Has a seating capacity of fewer than eight persons, excluding the driver.

**NEW SECTION. Sec. 32.** A transportation network company or transportation network company driver is not a common carrier, motor carrier, or any other carrier as defined in RCW 81.80.010, and does not provide commuter ride sharing, taxicab, for hire vehicle services, auto transportation company services, or metropolitan public transportation services pursuant to chapter 35.58, 46.72, 46.73, 81.68, or 81.72 RCW. A transportation network company driver is not required to register a transportation network company vehicle used to provide prearranged rides as a commercial vehicle or for hire vehicle.

**NEW SECTION. Sec. 33.** (1) A person must first obtain a permit from the department to operate a transportation network company in Washington state, except that any transportation network company operating in the state before the effective date of this section may continue operating until the department creates a permit process and sets a registration deadline.

(2) The department must annually issue a permit to each applicant that meets the requirements for a transportation network company as set forth in this chapter and pays an annual permit fee of five thousand dollars to the department.

(3) The department must deposit the permit fees collected under this section into the transportation network company account created in section 23 of this act.

**NEW SECTION. Sec. 34.** Any transportation network company operating in Washington state must maintain an agent for service of process in the state.

**NEW SECTION. Sec. 35.** (1) On behalf of a transportation network company driver, a transportation network company may charge a fare for transportation network company services provided to any transportation network company rider, but must disclose to the rider the fare or fare calculation method on its web site or within its digital network. Before a rider enters a transportation network company vehicle, the transportation network company must provide, on behalf of the transportation network company driver, either the fare for the prearranged ride or the option to receive an estimated fare for the prearranged ride.

(2) During a state of emergency, as declared by the governor or the president of the United States, a transportation network company may not charge a fare for transportation network company services provided to any transportation network company rider that exceeds two and one-half times the base fare.

**NEW SECTION. Sec. 36.** A transportation network company's digital network or web site must display a photograph of the transportation network company driver and the license plate number of the transportation network company vehicle before the transportation network company rider enters the vehicle.

**NEW SECTION. Sec. 37.** Within one week following the completion of a trip, a transportation network company must transmit an electronic receipt to the transportation network company rider on behalf of the transportation network company driver that lists:

- (1) The origin and destination of the trip;
- (2) The total time and distance of the trip; and
- (3) An itemization of the total fare paid, if any.

**NEW SECTION. Sec. 38.** A transportation network company driver is an independent contractor and not an employee of the transportation network company if all of the following conditions are met:

(1) The transportation network company does not unilaterally prescribe specific hours during which a transportation network company driver must be logged in to the transportation network company's digital network;

(2) The transportation network company imposes no restrictions on the transportation network company driver's ability to utilize a digital network from any other transportation network company;

(3) The transportation network company does not restrict a transportation network company driver from engaging in any other occupation or business; and

(4) The transportation network company and transportation network company driver agree in writing that the transportation network company driver is an independent contractor with respect to the transportation network company.

**NEW SECTION. Sec. 39.** (1) A transportation network company must implement a zero tolerance policy regarding a transportation network company driver's activities while accessing the transportation network company's digital network. The zero tolerance policy must address the use of drugs or alcohol while a transportation network company driver is providing prearranged rides or is logged in to the transportation network company's digital network but is not providing prearranged rides.

(2) A transportation network company must provide notice of this policy on its web site, as well as procedures to report a complaint about a transportation network company driver with whom a transportation network company rider was matched and whom the rider reasonably suspects was under the influence of drugs or alcohol during the course of the trip.

(3) Upon receipt of a complaint alleging a violation of the zero tolerance policy, the transportation network company must suspend the transportation network company driver's ability to

accept trip requests through the transportation network company's digital network as soon as possible and conduct an investigation into the reported incident. The suspension must last the duration of the investigation. If the transportation network company determines that the transportation network company driver violated the zero tolerance policy, the transportation network company must take appropriate action against the driver, including, at a minimum, suspending the driver from the transportation network company's digital network until the transportation network company determines that the driver is compliant with the zero tolerance policy.

(4) A transportation network company must maintain records relevant to the enforcement of the policy under this section for a period of at least two years from the date that a transportation network company rider complaint is received by the transportation network company.

**NEW SECTION. Sec. 40.** (1) Before allowing an individual to accept trip requests as a transportation network company driver through a transportation network company's digital network:

(a) The individual must submit an application to the transportation network company, which includes information regarding his or her name, address, phone, age, driver's license number, motor vehicle registration, automobile liability insurance, and other information required by the transportation network company;

(b) The transportation network company, or a designated third party on behalf of the transportation network company, that is either nationally accredited or approved by the director, must conduct an annual local and national criminal background check for the applicant to include a review of:

(i) A multistate/multijurisdiction criminal records locator or other similar commercial nationwide database with validation (primary source search); and

(ii) The United States department of justice national sex offender public web site; and

(c) The transportation network company, or designated third party, must obtain and review a driving history research report for the individual.

(2) A transportation network company must not permit an individual to act as a transportation network company driver on its digital network who:

(a) Has had more than three moving violations in the prior three-year period, or one of the following major violations in the prior three-year period:

(i) Attempting to elude the police pursuant to RCW 46.61.024;

(ii) Reckless driving pursuant to RCW 46.61.500; or

(iii) Driving on a suspended or revoked driver's license pursuant to RCW 46.20.342 or 46.20.345;

(b) Has been convicted, within the past seven years, of:

(i) Any class A or B felony, as defined in Title 9A RCW;

(ii) Any violent offense as defined in RCW 9.94A.030, or serious violent offense defined in RCW 9.94A.030;

(iii) Any most serious offense as defined in RCW 9.94A.030; or

(iv) Driving under the influence, hit and run, or any other driving-related crime pursuant to RCW 46.61.500 through 46.61.540;

(c) Has been convicted of any sex offense as defined in RCW 9.94A.030 or is a match in the United States department of justice national sex offender public web site;

(d) Does not possess a valid driver's license;

(e) Does not possess proof of automobile liability insurance for the motor vehicle or vehicles used to provide prearranged rides;

(f) Is not at least twenty years of age; or

(g) Has not self-certified that he or she is physically and mentally fit to be a transportation network company driver.

(3) Subsection (2)(a) and (b) of this section apply to any conviction of any offense committed in another jurisdiction that includes all of the elements of any of the offenses described or defined in subsection (2)(a) and (b) of this section.

(4) A driver providing transportation network company services who is not in compliance with subsection (1)(b), (2), or (3) of this section commits a civil infraction subject to a monetary penalty of fifty dollars. A state or local law enforcement officer may issue a citation for any such violation. If such a driver is cited for a violation under this subsection, every transportation network company that permits such a driver to access the transportation network company's digital network to provide transportation network company services is subject to a fine of five hundred dollars.

**NEW SECTION. Sec. 41.** (1) A transportation network company must require that any motor vehicle that a transportation network company driver will use to provide prearranged rides:

(a) Is not more than twelve years old as determined by the model year of the vehicle;

(b) Meets the emissions requirements for motor vehicles; and

(c) Has received a safety inspection by a third party in the last year that includes the following components:

(i) Foot brakes;

(ii) Parking brakes;

(iii) Steering mechanism;

(iv) Windshield;

(v) Rear window and other glass;

(vi) Windshield wipers;

(vii) All exterior lights, including headlights, taillights, brake lights, turn indicator lights, and hazard lights;

(viii) Interior dome light;

(ix) Heating and cooling;

(x) Front seat adjustment mechanism;

(xi) Doors (open, close, lock);

(xii) Horn;

(xiii) Instrument panel and gauges;

(xiv) Bumpers;

(xv) Muffler and exhaust system;

(xvi) Condition of tires, including tread depth;

(xvii) Interior and exterior mirrors; and

(xviii) Safety belts for driver and passenger(s).

(2) All transportation network company vehicles must display trade dress that is visible to the rider when outside the vehicle when providing transportation network company services.

(3) A transportation network company must inform a transportation network company driver of the driver's responsibility to comply with all applicable safety recalls issued by a vehicle manufacturer or the national highway traffic safety administration for each motor vehicle the driver will use to provide prearranged rides.

(4)(a) A driver providing transportation network company services who is not in compliance with subsection (1)(c) of this section commits a civil infraction subject to a monetary penalty of fifty dollars. A state or local law enforcement officer may issue a citation for any such violation. If such a driver is cited for a violation under this subsection, every transportation network company that permits such a driver to access the transportation network company's digital network to provide transportation

network company services is subject to a fine of five hundred dollars.

(b) A driver providing transportation network company services who violates subsection (2) of this section commits a civil infraction. A state or local law enforcement officer may issue a citation for any such violation and may assess a monetary penalty of one hundred dollars for a first offense, five hundred dollars for a second offense, and one thousand dollars for a third or subsequent offense.

**NEW SECTION. Sec. 42.** (1) A transportation network company driver may not:

(a) Solicit or accept a trip request to provide transportation network company services other than a trip request arranged through a transportation network company's digital network;

(b) Provide transportation network company services for more than fourteen consecutive hours in a twenty-four hour period; or

(c) Allow any other individual to use that driver's access to a transportation network company's digital network.

(2)(a) A driver providing transportation network company services who violates subsection (1)(a) of this section or the zero tolerance policy commits a civil infraction. A state or local law enforcement officer may issue a citation for any such violation and may assess a monetary penalty of five hundred dollars for a first offense and one thousand dollars for a second or subsequent offense.

(b) A driver providing transportation network company services who violates subsection (1)(b) of this section commits a civil infraction. A state or local law enforcement officer may issue a citation for any such violation and may assess a monetary penalty of one hundred dollars for a first offense, five hundred dollars for a second offense, and one thousand dollars for a third or subsequent offense.

(c) A driver providing transportation network company services who violates subsection (1)(c) of this section or the zero tolerance policy commits a civil infraction. A state or local law enforcement officer may issue a citation for any such violation and may assess a monetary penalty of five hundred dollars for a first offense, seven hundred fifty dollars for a second offense, and one thousand dollars for a third or subsequent offense.

**NEW SECTION. Sec. 43.** (1) A transportation network company must adopt a policy of nondiscrimination on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity with respect to transportation network company riders and potential riders and notify transportation network company drivers of such policy.

(2) A transportation network company driver must comply with all applicable laws regarding nondiscrimination against transportation network company riders or potential riders on the basis of race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity.

(3) A transportation network company driver must comply with all applicable laws relating to the transportation of service animals.

(4) A transportation network company may not impose additional charges for providing services to persons with disabilities because of those disabilities.

(5) A driver providing transportation network company services who violates this section commits a civil infraction. A state or local law enforcement officer may issue a citation for any such violation and may assess a monetary penalty of five hundred dollars for a first offense, seven hundred fifty dollars for a second offense, and one thousand dollars for a third or subsequent offense.

**NEW SECTION. Sec. 44.** A transportation network company must maintain the following records:

(1) Individual trip records for at least three years from the end of the calendar year in which each trip was provided; and

(2) Individual records of transportation network company drivers at least until the end of the calendar year marking the three-year anniversary of the date on which a transportation network company driver's relationship with the transportation network company has ended.

**NEW SECTION. Sec. 45.** (1) For the sole purpose of verifying that a transportation network company is in compliance with the requirements of this chapter and no more than biannually, the department, or the local authority for a city with a population of more than five hundred thousand or a county with a population of more than one million, may review a sample of records that the transportation network company is required to maintain under this chapter. The sample of records must be chosen randomly by the department or local authority in a manner agreeable to both parties. Any audit must take place at a mutually agreed location in the state of Washington. Any record sample furnished to the department or local authority may exclude information that would tend to identify specific transportation network company drivers or riders.

(2) Any records inspected under this chapter are designated confidential and are not subject to disclosure to a third party by the department or local authority without prior written consent of the transportation network company and the transportation network company driver.

**NEW SECTION. Sec. 46.** (1)(a) Each prearranged ride provided by a transportation network company driver to a transportation network company rider while on the transportation network company's digital network must be assessed a ten-cent per trip passenger surcharge fee to cover the costs of enforcement and regulation of state transportation network company licensing and to be distributed to local political divisions of the state.

(b) The director may, by rule adopted under section 21 of this act, review the per trip surcharge fee imposed under (a) of this subsection not more frequently than annually, and increase the fee by rule to cover costs related to the continuing administration and enforcement of this chapter by the department, or by local authorities as permitted under this chapter, provided that any increase is limited to the extent such costs are not covered by the fee.

(2) Using geographic information system data, a transportation network company must determine whether each prearranged ride originated within the incorporated boundaries of a municipality, or outside of the incorporated boundaries of a municipality and within the boundaries of a county of this state.

(3) Within thirty days of the end of each calendar quarter, a transportation network company must submit to the department:

(a) The total amount of passenger surcharge fees collected by a transportation network company on behalf of transportation network company drivers; and

(b) For trips that originated in a municipality or unincorporated county, a report listing the percentage of the yearly total amount of passenger surcharge fees from trips that originated in each municipality or unincorporated county during the reporting period.

(4) The department must retain such amount of the passenger surcharge fee collected under subsection (3)(a) of this section as is necessary to cover the expenses borne by the department derived from the: (a) Regulation and registration of transportation network companies; and (b) the collection, remittance, and distribution of passenger surcharge fees under this section. The

department must deposit these funds in the transportation network company account created in section 23 of this act.

(5) Within sixty days of the end of each calendar quarter, the department must distribute the remaining portion of the total passenger surcharge fees collected under subsection (3)(a) of this section less the amount retained under subsection (4) of this section to each municipality or county where a trip originated during the reporting period. The distribution to each municipality or county must be proportionate to the percentage of the yearly total amount of surcharge fees that originated in each municipality or county. The funds collected by each municipality or county under this subsection must be used to fund enforcement activities by the municipalities and counties relating to this chapter.

**NEW SECTION. Sec. 47.** (1) In addition to the surcharge fee assessed under section 17 of this act, each prearranged ride provided by a transportation network company driver to a transportation network company rider that originates in a city with a population of two hundred thousand or more or in a county with a population of one million or more must be assessed a ten cent per trip surcharge fee to offset costs associated with improving transportation options for individuals with disabilities.

(2) The surcharge fee assessed under subsection (1) of this section may be used to provide for, but is not limited to, reimbursement for: Costs associated with converting or purchasing a vehicle to be used as a taxicab or transportation network company vehicle that is fully wheelchair accessible by ramp or lift; costs for a transportation network company, taxicab company, or other for hire vehicle company to provide wheelchair-accessible vehicle rides to customers when the cost to provide the ride exceeds the cost charged to the customer; or extra fuel and maintenance costs.

(3) The surcharge fee assessed under subsection (1) of this section must be remitted directly to each applicable city and county within thirty days of the end of each calendar quarter.

**NEW SECTION. Sec. 48.** (1) If the department determines, after notice and a hearing, that a transportation network company is in violation of this chapter or any rule adopted under this chapter, the department must issue a monetary penalty or suspend or revoke a transportation network company permit, or both, in accordance with this chapter. In determining the amount of the monetary penalty, the department must consider the size of the transportation network company based on the number of intrastate trips provided by the transportation network company in the previous calendar year, the gravity of the violation, the degree to which the transportation network company exercised good faith in attempting to achieve compliance or to remedy noncompliance, and any previous violations by the transportation network company cited by the department.

(2) The department must adopt rules to establish a process for the administrative appeal of any penalty, suspension, or revocation imposed by the department in accordance with this section.

**NEW SECTION. Sec. 49.** The uniform regulation of business and professions act, chapter 18.235 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter.

**NEW SECTION. Sec. 50.** The director may adopt rules consistent with and as necessary to carry out this chapter.

**Sec. 51.** RCW 42.56.270 and 2016 sp.s. c 9 s 3, 2016 sp.s. c 8 s 1, and 2016 c 178 s 1 are each reenacted and amended to read as follows:

The following financial, commercial, and proprietary information is exempt from disclosure under this chapter:

(1) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss;

(2) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (a) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (b) highway construction or improvement as required by RCW 47.28.070;

(3) Financial and commercial information and records supplied by private persons pertaining to export services provided under chapters 43.163 and 53.31 RCW, and by persons pertaining to export projects under RCW 43.23.035;

(4) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.325, 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency;

(5) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW;

(6) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information;

(7) Financial and valuable trade information under RCW 51.36.120;

(8) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW;

(9) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010;

(10)(a) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a horse racing license submitted pursuant to RCW 67.16.260(1)(b), marijuana producer, processor, or retailer license, liquor license, gambling license, or lottery retail license;

(b) Internal control documents, independent auditors' reports and financial statements, and supporting documents: (i) Of house-banked social card game licensees required by the gambling commission pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted by tribes with an approved tribal/state compact for class III gaming;

(11) Proprietary data, trade secrets, or other information that relates to: (a) A vendor's unique methods of conducting business; (b) data unique to the product or services of the vendor; or (c) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011;

(12)(a) When supplied to and in the records of the department of commerce:

(i) Financial and proprietary information collected from any person and provided to the department of commerce pursuant to RCW 43.330.050(8); and

(ii) Financial or proprietary information collected from any person and provided to the department of commerce or the office of the governor in connection with the siting, recruitment, expansion, retention, or relocation of that person's business and until a siting decision is made, identifying information of any person supplying information under this subsection and the locations being considered for siting, relocation, or expansion of a business;

(b) When developed by the department of commerce based on information as described in (a)(i) of this subsection, any work product is not exempt from disclosure;

(c) For the purposes of this subsection, "siting decision" means the decision to acquire or not to acquire a site;

(d) If there is no written contact for a period of sixty days to the department of commerce from a person connected with siting, recruitment, expansion, retention, or relocation of that person's business, information described in (a)(ii) of this subsection will be available to the public under this chapter;

(13) Financial and proprietary information submitted to or obtained by the department of ecology or the authority created under chapter 70.95N RCW to implement chapter 70.95N RCW;

(14) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of, grants under chapter 43.350 RCW, to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information;

(15) Financial and commercial information provided as evidence to the department of licensing as required by RCW 19.112.110 or 19.112.120, except information disclosed in aggregate form that does not permit the identification of information related to individual fuel licensees;

(16) Any production records, mineral assessments, and trade secrets submitted by a permit holder, mine operator, or landowner to the department of natural resources under RCW 78.44.085;

(17)(a) Farm plans developed by conservation districts, unless permission to release the farm plan is granted by the landowner or operator who requested the plan, or the farm plan is used for the application or issuance of a permit;

(b) Farm plans developed under chapter 90.48 RCW and not under the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to RCW 42.56.610 and 90.64.190;

(18) Financial, commercial, operations, and technical and research information and data submitted to or obtained by a health sciences and services authority in applications for, or delivery of, grants under RCW 35.104.010 through 35.104.060, to the extent that such information, if revealed, would reasonably be expected to result in private loss to providers of this information;

(19) Information gathered under chapter 19.85 RCW or RCW 34.05.328 that can be identified to a particular business;

(20) Financial and commercial information submitted to or obtained by the University of Washington, other than information the university is required to disclose under RCW 28B.20.150, when the information relates to investments in private funds, to the extent that such information, if revealed, would reasonably be expected to result in loss to the University of Washington consolidated endowment fund or to result in private loss to the providers of this information;

(21) Market share data submitted by a manufacturer under RCW 70.95N.190(4);

(22) Financial information supplied to the department of financial institutions or to a portal under RCW 21.20.883, when

filed by or on behalf of an issuer of securities for the purpose of obtaining the exemption from state securities registration for small securities offerings provided under RCW 21.20.880 or when filed by or on behalf of an investor for the purpose of purchasing such securities;

(23) Unaggregated or individual notices of a transfer of crude oil that is financial, proprietary, or commercial information, submitted to the department of ecology pursuant to RCW 90.56.565(1)(a), and that is in the possession of the department of ecology or any entity with which the department of ecology has shared the notice pursuant to RCW 90.56.565;

(24) Financial institution and retirement account information, and building security plan information, supplied to the liquor and cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and 69.50.345, when filed by or on behalf of a licensee or prospective licensee for the purpose of obtaining, maintaining, or renewing a license to produce, process, transport, or sell marijuana as allowed under chapter 69.50 RCW; ~~((and))~~

(25) Marijuana transport information, vehicle and driver identification data, and account numbers or unique access identifiers issued to private entities for traceability system access, submitted by an individual or business to the liquor and cannabis board under the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and 69.50.345 for the purpose of marijuana product traceability. Disclosure to local, state, and federal officials is not considered public disclosure for purposes of this section; ~~((and))~~

(26) Financial and commercial information submitted to or obtained by the retirement board of any city that is responsible for the management of an employees' retirement system pursuant to the authority of chapter 35.39 RCW, when the information relates to investments in private funds, to the extent that such information, if revealed, would reasonably be expected to result in loss to the retirement fund or to result in private loss to the providers of this information except that (a) the names and commitment amounts of the private funds in which retirement funds are invested and (b) the aggregate quarterly performance results for a retirement fund's portfolio of investments in such funds are subject to disclosure; ~~((and))~~

(27) Proprietary financial, commercial, operations, and technical and research information and data submitted to or obtained by the liquor and cannabis board in applications for marijuana research licenses under RCW 69.50.372, or in reports submitted by marijuana research licensees in accordance with rules adopted by the liquor and cannabis board under RCW 69.50.372; and

(28) Any records, including proprietary financial, commercial, operations, and personal information and data submitted to or obtained by the department of licensing or any municipality or county under chapter 46.--- RCW (the new chapter created in section 37 of this act).

**NEW SECTION. Sec. 23.** The transportation network company account is created in the custody of the state treasurer. All receipts from sections 4(2) and 17(4) of this act must be deposited into the account. Expenditures from the account may be used only for the purposes provided in section 17(4) of this act. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

**Sec. 24.** RCW 43.79A.040 and 2016 c 203 s 2, 2016 c 173 s 10, 2016 c 69 s 21, and 2016 c 39 s 7 are each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if

the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

(2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments must occur prior to distribution of earnings set forth in subsection (4) of this section.

(4)(a) Monthly, the state treasurer must distribute the earnings credited to the investment income account to the state general fund except under (b), (c), and (d) of this subsection.

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family leave insurance account, the food animal veterinarian conditional scholarship account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the multiagency permitting team account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the transportation network company account, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state heritage center account, the reduced cigarette ignition propensity account, the center for childhood deafness and hearing loss account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, and the radiation perpetual maintenance fund.

(c) The following accounts and funds must receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right-of-way revolving fund, the advanced

environmental mitigation revolving account, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. **Sec. 25.** (1) Except as provided otherwise in this section, the state of Washington fully occupies and preempts: The entire field of regulation of transportation network company licensing and permits for transportation network companies and transportation network company drivers; all requirements, applications, certifications, examinations, and background checks for transportation network company drivers, and the processing and adjudication of each; and all rate, entry, or operational requirements for transportation network companies within the boundaries of the state. Any political subdivision in this state may enforce only those laws and ordinances relating to the regulation of such fields concerning the transportation network company industry that are specifically authorized by state law and are consistent with this chapter. This section is not intended to limit, extend, address, affect, or permit the authority of any political subdivision to impose generally applicable requirements upon transportation network companies within its jurisdiction, such as obtaining a business license. Local laws and ordinances that are inconsistent with, more restrictive than, or exceed the requirements of this chapter may not be enacted and are preempted and repealed, regardless of the code, charter, or home rule status of such political subdivision.

(2) This section does not limit the authority of a city with a population of five hundred thousand or more or a county with a population of one million or more to enforce this chapter, including any rules adopted by the department under this chapter, as applicable to transportation network companies, transportation network company drivers, and transportation network company vehicles.

(3) Any public entity operating a commercial airport facility may fully regulate all transportation network company activities related to the provision of transportation network company services at the airport facility or on airport facility property including, but not limited to, rate, entry, and operational requirements and the enforcement of the public entity's rules; provided, however, that the state maintains the authority as set forth in sections 3, 4, 5, 7, 8, 9, 10, 11, 12 (1)(a) and (c), (2), and (3), and 13 of this act. This chapter does not limit the authority of a public entity operating an airport facility from requiring a transportation network company permitted under section 4 of this act to enter into a contract or agreement governing the operations of the transportation network company on airport facility property.

(4) This chapter does not affect the authority of a municipality, county, or other local governmental entity from regulating and enforcing rules relating to traffic flow, traffic patterns, and roadways, including the public right-of-way, to ensure public safety and convenience and, if applicable, imposing impact fees.

**Sec. 26.** RCW 48.177.010 and 2015 c 236 s 2 are each amended to read as follows:

(1)(a) Before being used to provide ~~((commercial))~~ transportation network company services, every personal vehicle must be covered by a primary automobile insurance policy that specifically covers ~~((commercial))~~ transportation network company services. However, the insurance coverage requirements of this section are alternatively satisfied by securing coverage pursuant to chapter 46.72 or 46.72A RCW that covers the personal vehicle being used to provide ~~((commercial))~~ transportation network company services and that is in effect twenty-four hours per day, seven days per week. Except as provided in subsection (2) of this section, a ~~((commercial))~~ transportation ~~((services provider))~~ network company must secure this policy for every personal vehicle used to provide ~~((commercial))~~ transportation network company services. For purposes of this section, a "primary automobile insurance policy" is not a private passenger automobile insurance policy.

(b) The primary automobile insurance policy required under this section must provide coverage, as specified in this subsection (1)(b), at all times the driver is logged in to a ~~((commercial))~~ transportation ~~((services provider's))~~ network company's digital network ~~((or software application))~~ and at all times a passenger is in ~~((the))~~ a transportation network company vehicle as part of a prearranged ride.

(i) The primary automobile insurance policy required under this subsection must provide the following coverage during ~~((commercial))~~ transportation network company services applicable during the period before a driver accepts a requested ride through a digital network ~~((or software application))~~:

(A) Liability coverage in an amount no less than fifty thousand dollars per person for bodily injury, one hundred thousand dollars per accident for bodily injury of all persons, and thirty thousand dollars for damage to property;

(B) Underinsured motorist coverage to the extent required under RCW 48.22.030; and

(C) Personal injury protection coverage to the extent required under RCW 48.22.085 and 48.22.095.

(ii) The primary automobile insurance policy required under this subsection must provide the following coverage, applicable during the period of a prearranged ride:

(A) Combined single limit liability coverage in the amount of one million dollars for death, personal injury, and property damage;

(B) Underinsured motorist coverage in the amount of one million dollars; and

(C) Personal injury protection coverage to the extent required under RCW 48.22.085 and 48.22.095.

(2)(a) As an alternative to the provisions of subsection (1) of this section, if the office of the insurance commissioner approves the offering of an insurance policy that recognizes that a person is acting as a transportation network company driver ~~((for a commercial transportation services provider))~~ and using a personal vehicle to provide ~~((commercial))~~ transportation network company services, a driver may secure a primary automobile insurance policy covering a personal vehicle and providing the same coverage as required in subsection (1) of this section. The policy coverage may be in the form of a rider to, or endorsement of, the driver's private passenger automobile insurance policy only if approved as such by the office of the insurance commissioner.

(b) If the primary automobile insurance policy maintained by a driver to meet the obligation of this section does not provide coverage for any reason, including that the policy lapsed or did not exist, the ~~((commercial))~~ transportation ~~((services provider))~~

network company must provide the coverage required under this section beginning with the first dollar of a claim.

(c) The primary automobile insurance policy required under this subsection and subsection (1) of this section may be secured by any of the following:

(i) The ~~((commercial))~~ transportation ~~((services provider))~~ network company as provided under subsection (1) of this section;

(ii) The transportation network company driver as provided under (a) of this subsection; or

(iii) A combination of both the ~~((commercial))~~ transportation ~~((services provider))~~ network company and the transportation network company driver.

(3) The insurer or insurers providing coverage under subsections (1) and (2) of this section are the only insurers having the duty to defend any liability claim from an accident occurring while ~~((commercial))~~ transportation network company services are being provided.

(4) In addition to the requirements in subsections (1) and (2) of this section, before allowing a person to provide ~~((commercial))~~ transportation network company services as a transportation network company driver, a ~~((commercial))~~ transportation ~~((services provider))~~ network company must provide written proof to the driver that the driver is covered by a primary automobile insurance policy that meets the requirements of this section. Alternatively, if a transportation network company driver purchases a primary automobile insurance policy as allowed under subsection (2) of this section, the ~~((commercial))~~ transportation ~~((services provider))~~ network company must verify that the driver has done so.

(5) A primary automobile insurance policy required under subsection (1) or (2) of this section may be placed with an insurer licensed under this title to provide insurance in the state of Washington or as an eligible surplus line insurance policy as described in RCW 48.15.040.

(6) Insurers that write automobile insurance in Washington may exclude any and all coverage afforded under a private passenger automobile insurance policy issued to an owner or operator of a personal vehicle for any loss or injury that occurs while a transportation network company driver ~~((for a commercial transportation services provider))~~ is logged in to a ~~((commercial))~~ transportation ~~((services provider's))~~ network company's digital network or while a transportation network company driver provides a prearranged ride. This right to exclude all coverage may apply to any coverage included in a private passenger automobile insurance policy including, but not limited to:

(a) Liability coverage for bodily injury and property damage;

(b) Personal injury protection coverage;

(c) Underinsured motorist coverage;

(d) Medical payments coverage;

(e) Comprehensive physical damage coverage; and

(f) Collision physical damage coverage.

(7) Nothing in this section shall be construed to require a private passenger automobile insurance policy to provide primary or excess coverage or a duty to defend for the period of time in which a transportation network company driver is logged in to a ~~((commercial))~~ transportation ~~((services provider's))~~ network company's digital network ~~((or software application))~~ or while the driver is engaged in a prearranged ride or the driver otherwise uses a vehicle to transport passengers for compensation.

(8) Insurers that exclude coverage under subsection (6) of this section have no duty to defend or indemnify any claim expressly excluded under subsection (6) of this section. Nothing in this section shall be deemed to invalidate or limit an exclusion

contained in a policy, including any policy in use or approved for use in Washington state before July 24, 2015, that excludes coverage for vehicles used to carry persons or property for a charge or available for hire by the public.

(9) An exclusion exercised by an insurer in subsection (6) of this section applies to any coverage selected or rejected by a named insured under RCW 48.22.030 and 48.22.085. The purchase of a rider or endorsement by a transportation network company driver under subsection (2)(a) of this section does not require a separate coverage rejection under RCW 48.22.030 or 48.22.085.

(10) If more than one insurance policy provides valid and collectible coverage for a loss arising out of an occurrence involving a motor vehicle operated by a transportation network company driver, the responsibility for the claim must be divided as follows:

(a) Except as provided otherwise under subsection (2)(c) of this section, if the driver has been matched with a passenger and is traveling to pick up the passenger, or the driver is providing transportation network company services to a passenger, the ~~((commercial))~~ transportation ((services provider)) network company that matched the driver and passenger must provide insurance coverage; or

(b) If the driver is logged in to the digital network ~~((or software application))~~ of more than one ~~((commercial))~~ transportation ((services provider)) network company but has not been matched with a passenger, the liability must be divided equally among all of the applicable insurance policies that specifically provide coverage for ~~((commercial))~~ transportation network company services.

(11) In an accident or claims coverage investigation, a ~~((commercial))~~ transportation ((services provider)) network company or its insurer must cooperate with a private passenger automobile insurance policy insurer and other insurers that are involved in the claims coverage investigation to facilitate the exchange of information, including the provision of (a) dates and times at which an accident occurred that involved a participating transportation network company driver and (b) within ten business days after receiving a request, a copy of the provider's electronic record showing the precise times that the participating driver logged on and off the provider's digital network ~~((or software application))~~ on the day the accident or other loss occurred. The ~~((commercial))~~ transportation ((services provider)) network company or its insurer must retain all data, communications, or documents related to insurance coverage or accident details for a period of not less than the applicable statutes of limitation, plus two years from the date of an accident to which those records pertain.

(12) This section does not modify or abrogate any otherwise applicable insurance requirement set forth in this title.

(13) After July 1, 2016, an insurance company regulated under this title may not deny an otherwise covered claim arising exclusively out of the personal use of the private passenger automobile solely on the basis that the insured, at other times, used the private passenger automobile covered by the policy to provide ~~((commercial))~~ transportation network company services.

(14) If an insurer for a ~~((commercial))~~ transportation ((services provider)) network company makes a payment for a claim covered under comprehensive coverage or collision coverage, the ~~((commercial))~~ transportation ((services provider)) network company must cause its insurer to issue the payment directly to the business repairing the vehicle or jointly to the

owner of the vehicle and the primary lienholder on the covered vehicle.

(15)(a) To be eligible for securing a primary automobile insurance policy under this section, a ~~((commercial))~~ transportation ((services provider)) network company must make the following disclosures in writing to a prospective driver in the prospective driver's terms of service:

WHILE OPERATING ON THE DIGITAL NETWORK ((OR SOFTWARE APPLICATION)) OF THE ~~((COMMERCIAL))~~ TRANSPORTATION ((SERVICES PROVIDER)) NETWORK COMPANY, YOUR PRIVATE PASSENGER AUTOMOBILE INSURANCE POLICY MIGHT NOT AFFORD LIABILITY, UNDERINSURED MOTORIST, PERSONAL INJURY PROTECTION, COMPREHENSIVE, OR COLLISION COVERAGE, DEPENDING ON THE TERMS OF THE POLICY.

IF THE VEHICLE THAT YOU PLAN TO USE TO PROVIDE ~~((COMMERCIAL))~~ TRANSPORTATION NETWORK COMPANY SERVICES FOR OUR COMPANY HAS A LIEN AGAINST IT, YOU MUST NOTIFY THE LIENHOLDER THAT YOU WILL BE USING THE VEHICLE FOR ~~((COMMERCIAL))~~ TRANSPORTATION NETWORK COMPANY SERVICES THAT MAY VIOLATE THE TERMS OF YOUR CONTRACT WITH THE LIENHOLDER.

(b) The prospective driver must acknowledge the terms of service electronically or by signature.

(16) A driver providing transportation network company services who is not in compliance with this section commits a civil infraction subject to a monetary penalty of fifty dollars. A state or local law enforcement officer may issue a citation for any such violation. If such a driver is cited for a violation under this subsection, every transportation network company that permits such a driver to access the transportation network company's digital network to provide transportation network company services is subject to a fine of five hundred dollars.

**Sec. 27.** RCW 51.12.020 and 2015 c 236 s 4 are each amended to read as follows:

The following are the only employments which shall not be included within the mandatory coverage of this title:

(1) Any person employed as a domestic servant in a private home by an employer who has less than two employees regularly employed forty or more hours a week in such employment.

(2) Any person employed to do gardening, maintenance, or repair, in or about the private home of the employer. For the purposes of this subsection, "maintenance" means the work of keeping in proper condition, "repair" means to restore to sound condition after damage, and "private home" means a person's place of residence.

(3) A person whose employment is not in the course of the trade, business, or profession of his or her employer and is not in or about the private home of the employer.

(4) Any person performing services in return for aid or sustenance only, received from any religious or charitable organization.

(5) Sole proprietors or partners.

(6) Any child under eighteen years of age employed by his or her parent or parents in agricultural activities on the family farm.

(7) Jockeys while participating in or preparing horses for race meets licensed by the Washington horse racing commission pursuant to chapter 67.16 RCW.

(8)(a) Except as otherwise provided in (b) of this subsection, any bona fide officer of a corporation voluntarily elected or voluntarily appointed in accordance with the articles of incorporation or bylaws of the corporation, who at all times

during the period involved is also a bona fide director, and who is also a shareholder of the corporation. Only such officers who exercise substantial control in the daily management of the corporation and whose primary responsibilities do not include the performance of manual labor are included within this subsection.

(b) Alternatively, a corporation that is not a "public company" as defined in RCW 23B.01.400 may exempt eight or fewer bona fide officers, who are voluntarily elected or voluntarily appointed in accordance with the articles of incorporation or bylaws of the corporation and who exercise substantial control in the daily management of the corporation, from coverage under this title without regard to the officers' performance of manual labor if the exempted officer is a shareholder of the corporation, or may exempt any number of officers if all the exempted officers are related by blood within the third degree or marriage. If a corporation that is not a "public company" elects to be covered under subsection (8)(a) of this section, the corporation's election must be made on a form prescribed by the department and under such reasonable rules as the department may adopt.

(c) Determinations respecting the status of persons performing services for a corporation shall be made, in part, by reference to Title 23B RCW and to compliance by the corporation with its own articles of incorporation and bylaws. For the purpose of determining coverage under this title, substance shall control over form, and mandatory coverage under this title shall extend to all workers of this state, regardless of honorary titles conferred upon those actually serving as workers.

(d) A corporation may elect to cover officers who are exempted by this subsection in the manner provided by RCW 51.12.110.

(9) Services rendered by a musician or entertainer under a contract with a purchaser of the services, for a specific engagement or engagements when such musician or entertainer performs no other duties for the purchaser and is not regularly and continuously employed by the purchaser. A purchaser does not include the leader of a group or recognized entity who employs other than on a casual basis musicians or entertainers.

(10) Services performed by a newspaper vendor, carrier, or delivery person selling or distributing newspapers on the street, to offices, to businesses, or from house to house and any freelance news correspondent or "stringer" who, using his or her own equipment, chooses to submit material for publication for free or a fee when such material is published.

(11) Services performed by an insurance producer, as defined in RCW 48.17.010, or a surplus line broker licensed under chapter 48.15 RCW.

(12) Services performed by a booth renter. However, a person exempted under this subsection may elect coverage under RCW 51.32.030.

(13) Members of a limited liability company, if either:

(a) Management of the company is vested in its members, and the members for whom exemption is sought would qualify for exemption under subsection (5) of this section were the company a sole proprietorship or partnership; or

(b) Management of the company is vested in one or more managers, and the members for whom the exemption is sought are managers who would qualify for exemption under subsection (8) of this section were the company a corporation.

(14) A driver providing ~~((commercial))~~ transportation network company services ((as defined in RCW 48.177.005)) under chapter 46.--- RCW (the new chapter created in section 37 of this act). The driver may elect coverage in the manner provided by RCW 51.32.030.

(15) For hire vehicle operators under chapter 46.72 RCW who own or lease the for hire vehicle, chauffeurs under chapter 46.72A

RCW who own or lease the limousine, and operators of taxicabs under chapter 81.72 RCW who own or lease the taxicab. An owner or lessee may elect coverage in the manner provided by RCW 51.32.030.

**Sec. 28.** RCW 46.72.010 and 1996 c 87 s 18 are each amended to read as follows:

When used in this chapter:

(1) The term "for hire vehicle" includes all vehicles used for the transportation of passengers for compensation, except auto stages, school buses operating exclusively under a contract to a school district, ride-sharing vehicles under chapter 46.74 RCW, limousine carriers licensed under chapter 46.72A RCW, vehicles used to provide transportation network company services under chapter 46.--- RCW (the new chapter created in section 37 of this act), vehicles used by nonprofit transportation providers for elderly persons or ~~((handicapped))~~ persons with disabilities and their attendants under chapter 81.66 RCW, vehicles used by auto transportation companies licensed under chapter 81.68 RCW, vehicles used to provide courtesy transportation at no charge to and from parking lots, hotels, and rental offices, and vehicles used by charter party carriers of passengers and excursion service carriers licensed under chapter 81.70 RCW;

(2) The term "for hire operator" means and includes any person, concern, or entity engaged in the transportation of passengers for compensation in for hire vehicles.

**Sec. 29.** RCW 46.74.020 and 1979 c 111 s 2 are each amended to read as follows:

Ride-sharing vehicles are not deemed to be hire vehicles and do not fall within the provisions of chapter 46.72 RCW or any other provision of Title 46 RCW affecting for hire vehicles or transportation network company vehicles, whether or not the ride-sharing operator receives compensation.

**Sec. 30.** RCW 50.04.100 and 1982 1st ex.s. c 18 s 14 are each amended to read as follows:

"Employment", subject only to the other provisions of this title, means personal service, of whatever nature, unlimited by the relationship of master and servant as known to the common law or any other legal relationship, including service in interstate commerce, performed for wages or under any contract calling for the performance of personal services, written or oral, express or implied. However, for purposes of this title "employment" does not include transportation network company services performed by a transportation network company driver under chapter 46.--- RCW (the new chapter created in section 37 of this act), on or after January 1, 2011.

Except as provided by RCW 50.04.145, personal services performed for an employing unit by one or more contractors or subcontractors acting individually or as a partnership, which do not meet the provisions of RCW 50.04.140, shall be considered employment of the employing unit: PROVIDED, HOWEVER, That such contractor or subcontractor shall be an employer under the provisions of this title in respect to personal services performed by individuals for such contractor or subcontractor.

**Sec. 31.** RCW 81.68.015 and 2009 c 557 s 1 are each amended to read as follows:

This chapter does not apply to corporations or persons, their lessees, trustees, receivers, or trustees appointed by any court whatsoever insofar as they own, control, operate, or manage taxicabs, hotel buses, school buses, or any other carrier that does not come within the term "auto transportation company" as defined in RCW 81.68.010.

This chapter does not apply to persons operating motor vehicles when operated wholly within the limits of incorporated cities or towns, and for a distance not exceeding three road miles beyond the corporate limits of the city or town in Washington in

which the original starting point of the vehicle is located, and which operation either alone or in conjunction with another vehicle or vehicles is not a part of any journey beyond the three-mile limit.

This chapter does not apply to commuter ride sharing or ride sharing for persons with special transportation needs in accordance with RCW 46.74.010, so long as the ride-sharing operation does not compete with or infringe upon comparable service actually being provided before the initiation of the ride-sharing operation by an existing auto transportation company certificated under this chapter.

This chapter does not apply to a service carrying passengers for compensation over any public highway in this state between fixed termini or over a regular route if the commission finds, with or without a hearing, that the service does not serve an essential transportation purpose, is solely for recreation, and would not adversely affect the operations of the holder of a certificate under this chapter, and that exemption from this chapter is otherwise in the public interest. Companies providing these services must, however, obtain a permit under chapter 81.70 RCW.

This chapter does not apply to a service carrying passengers for compensation over any public highway in this state between fixed termini or over a regular route if the commission finds, with or without a hearing, that the service is provided pursuant to a contract with a state agency, or funded by a grant issued by the department of transportation, and that exemption from this chapter is otherwise in the public interest. Companies providing these services must, however, obtain a permit under chapter 81.70 RCW.

This chapter does not apply to transportation network companies, transportation network company drivers, or transportation network company vehicles under chapter 46.--- RCW (the new chapter created in section 37 of this act).

**Sec. 32.** RCW 19.182.040 and 2011 c 333 s 2 are each amended to read as follows:

(1) Except as authorized under subsection (2) of this section, no consumer reporting agency may make a consumer report containing any of the following items of information:

(a) Bankruptcies that, from date of adjudication of the most recent bankruptcy, antedate the report by more than ten years;

(b) Suits and judgments that, from date of entry, antedate the report by more than seven years or until the governing statute of limitations has expired, whichever is the longer period;

(c) Paid tax liens that, from date of payment, antedate the report by more than seven years;

(d) Accounts placed for collection or charged to profit and loss that antedate the report by more than seven years;

(e) Records of arrest, indictment, or conviction of an adult for a crime that, from date of disposition, release, or parole, antedate the report by more than seven years;

(f) Juvenile records, as defined in RCW 13.50.010(1)((c)) (d), when the subject of the records is twenty-one years of age or older at the time of the report; and

(g) Any other adverse item of information that antedates the report by more than seven years.

(2) Subsection (1)(a) through (e) and (g) of this section is not applicable in the case of a consumer report to be used in connection with:

(a) A credit transaction involving, or that may reasonably be expected to involve, a principal amount of fifty thousand dollars or more;

(b) The underwriting of life insurance involving, or that may reasonably be expected to involve, a face amount of fifty thousand dollars or more; ~~((e))~~

(c) The employment of an individual at an annual salary that equals, or that may reasonably be expected to equal, twenty thousand dollars or more; or

(d) A background check searching for any conviction of an adult for a crime that is a sex offense as defined in RCW 9.94A.030.

NEW SECTION. Sec. 33. A new section is added to chapter 50.04 RCW to read as follows:

Except for services subject to RCW 50.44.010, 50.44.020, 50.44.030, or 50.50.010, "employment" does not include transportation network company services performed by a transportation network company driver under chapter 46.--- RCW (the new chapter created in section 37 of this act) on or after January 1, 2011.

NEW SECTION. Sec. 34. This chapter does not change or limit the authority of: The utilities and transportation commission to regulate special needs transportation providers under chapter 81.66 RCW, auto transportation companies under chapter 81.68 RCW, or charter and excursion companies under chapter 81.70 RCW; or a certificate holder under chapter 81.66, 81.68, or 81.70 RCW to provide transportation services within the scope of the holder's certificate.

NEW SECTION. Sec. 35. RCW 48.177.005 (Definitions) and 2016 c 21 s 1 are each repealed.

NEW SECTION. Sec. 36. RCW 48.177.010 is recodified as a section in chapter 46.--- RCW (the new chapter created in section 37 of this act).

NEW SECTION. Sec. 37. Sections 1 through 21, 23, 25, and 34 of this act constitute a new chapter in Title 46 RCW."

On page 1, line 1 of the title, after "companies;" strike the remainder of the title and insert "amending RCW 48.177.010, 51.12.020, 46.72.010, 46.74.020, 50.04.100, 81.68.015, and 19.182.040; reenacting and amending RCW 42.56.270 and 43.79A.040; adding a new section to chapter 50.04 RCW; adding a new chapter to Title 46 RCW; recodifying RCW 48.177.010; repealing RCW 48.177.005; and prescribing penalties."

WITHDRAWAL OF AMENDMENT

On motion of Senator Ranker and without objection, the following floor amendment no. 128 by Senator Ranker on page 3, line 35 to floor striking amendment no. 102 was withdrawn:

On page 3, line 35 of the amendment, after "of" strike "five" and insert "one hundred"

MOTION

Senator Billig moved that the following floor amendment no. 103 by Senators Billig and King to floor striking amendment no. 102 be adopted:

On page 13, line 9 of the amendment, after "department." insert "Any deceptive, manipulative, or coordinated practice used by a transportation network company to evade authorities, including through the use of a digital network or the system supporting the digital network, is a violation of this chapter and results in a six-month suspension of the transportation network company's permit to operate in this state."

Senators Billig, King and Liias spoke in favor of adoption of the amendment to the striking amendment.

Senator Baumgartner spoke against adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 103 by Senators Billig and King on page 13, line 9 to floor striking amendment no. 102.

The motion by Senator Billig carried and floor amendment no. 103 was adopted by voice vote.

#### MOTION

Senator King moved that the following floor amendment no. 119 by Senators Hobbs and King to floor striking amendment no. 102 be adopted:

On page 21, line 2 of the amendment, after "rules" insert "and regulations"

Senators King and Hobbs spoke in favor of adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 119 by Senators Hobbs and King on page 21, line 2 to floor striking amendment no. 102.

The motion by Senator King carried and floor amendment no. 119 was adopted by voice vote.

#### MOTION

Senator Carlyle moved that the following floor amendment no. 126 by Senators Carlyle, Kuderer and Pedersen to floor striking amendment no. 102 be adopted:

On page 32, after line 30 of the amendment, insert the following:

**"NEW SECTION. Sec. 35.** (1) A transportation network company driver, transportation network company, any of the company's agents, or any person acting on behalf of a transportation network company may not take adverse action against any transportation network company rider or riders if:

(a) The rider or former rider has informed any other person or made a complaint, or the driver or transportation network company believes a rider has informed any other person or made a complaint, including to the driver, the transportation network company, the department, the attorney general, or any other person, that the driver or transportation network company engaged in conduct that the rider reasonably believes violates this chapter;

(b) The rider or former rider has sought information about the rider's rights under this chapter or informed others about their rights under this chapter; or

(c) The rider or former rider has, or the driver or transportation network company believes a rider has, otherwise exercised rights protected under this chapter.

(2) For purposes of this section, "adverse action" means revoking or denying services.

**NEW SECTION. Sec. 36.** (1) The legislature finds that the practices covered under this chapter are matters vitally affecting the public interest for the purpose of applying chapter 19.86 RCW. A violation of this chapter is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying chapter 19.86 RCW.

(2) The attorney general must maintain a toll-free number for complaints from transportation network company riders or former riders related to this chapter and maintain a web site to inform riders of their rights under this chapter.

(3) The transportation network company must maintain data regarding transportation network company rider complaints. The department and attorney general must have access to the data."

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

On page 33, line 1 of the amendment, after "34" insert "through 36"

Senators Carlyle and King spoke in favor of adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 126 by Senators Carlyle, Kuderer and Pedersen on page 32, after line 30 to floor striking amendment no. 102.

The motion by Senator Carlyle carried and floor amendment no. 126 to floor striking amendment no. 102 was adopted by voice vote.

The President declared the question before the Senate to be the adoption of floor striking amendment no. 102 by Senators Hobbs and King, as amended, to Substitute Senate Bill No. 5620.

The motion by Senator King carried and floor striking amendment no. 102, as amended, was adopted by voice vote.

#### MOTION

On motion of Senator King, the rules were suspended, Engrossed Substitute Senate Bill No. 5620 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators King, Mullet, Baumgartner, Hobbs and Chase spoke in favor of passage of the bill.

Senators Keiser, Conway, Hasegawa and Saldaña 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. 5620.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5620 and the bill passed the Senate by the following vote: Yeas, 34; Nays, 15; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Darneille, Erickson, Fain, Fortunato, Hawkins, Hobbs, Honeyford, King, Miloscia, Mullet, O'Ban, Padden, Palumbo, Pearson, Rivers, Rossi, Schoesler, Sheldon, Short, Takko, Walsh, Warnick, Wilson and Zeiger

Voting nay: Senators Conway, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Lias, McCoy, Nelson, Pedersen, Ranker, Rolfes, Saldaña, Van De Wege and Wellman

ENGROSSED SUBSTITUTE SENATE BILL NO. 5620, 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. 5312, by Senators Baumgartner, Saldaña, Walsh, Billig, Angel, Hasegawa, Keiser, Chase, Zeiger, Rolfes, Ranker, Fain, Frockt, Conway, Wellman, Darneille, Pedersen and Miloscia

Prohibiting certain employers from including any question on an application about an applicant's criminal record, inquiring either orally or in writing about an applicant's criminal records, or obtaining information from a criminal background check, until after the employer initially determines that the applicant is otherwise qualified.

## MOTION

On motion of Senator Baumgartner, Substitute Senate Bill No. 5312 was substituted for Senate Bill No. 5312 and the substitute bill was placed on the second reading and read the second time.

## MOTION

Senator Baumgartner moved that the following floor amendment no. 84 by Senators Baumgartner, Fortunato and Saldaña be adopted:

On page 4, line 9, after "violation" insert ", which must allow a ninety-day period to correct the violation before a second violation is assessed"

Senator Baumgartner spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 84 by Senators Baumgartner, Fortunato and Saldaña on page 4, line 9 to Substitute Senate Bill No. 5312.

The motion by Senator Baumgartner carried and floor amendment no. 84 was adopted by voice vote.

## MOTION

Senator Saldaña moved that the following floor amendment no. 105 by Senators Keiser and Saldaña be adopted:

On page 4, beginning on line 26, strike all of section 7  
Renumber the remaining sections consecutively and correct any internal references accordingly.  
On page 5, line 1, strike "7,"

Senator Saldaña spoke in favor of adoption of the amendment.  
Senator Baumgartner spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 105 by Senators Keiser and Saldaña on page 4, line 26 to Substitute Senate Bill No. 5312.

The motion by Senator Saldaña did not carry and floor amendment no. 105 was not adopted by voice vote.

## MOTION

On motion of Senator Baumgartner, the rules were suspended, Engrossed Substitute Senate Bill No. 5312 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Baumgartner, Darneille, Miloscia, Walsh, Hasegawa and Saldaña spoke in favor of passage of the bill.

Senators Padden and Ericksen 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. 5312.

## ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5312 and the bill passed the Senate by the following vote: Yeas, 25; Nays, 24; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Billig, Braun, Cleveland, Conway, Darneille, Fain, Frockt, Hasegawa, Hobbs, Hunt, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Rolfes, Takko, Van De Wege, Walsh, Wellman and Zeiger

Voting nay: Senators Becker, Brown, Carlyle, Chase, Ericksen, Fortunato, Hawkins, Honeyford, Keiser, Nelson, O'Ban, Padden, Palumbo, Pearson, Pedersen, Ranker, Rivers, Rossi, Saldaña, Schoesler, Sheldon, Short, Warnick and Wilson

ENGROSSED SUBSTITUTE SENATE BILL NO. 5312, 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. 5659, by Senators Bailey, Hawkins, Schoesler and Warnick

Addressing the eligibility of emergency medical technicians employed by public hospital districts for membership in the law enforcement officers' and firefighters' retirement system.

## MOTION

On motion of Senator Bailey, Substitute Senate Bill No. 5659 was substituted for Senate Bill No. 5659 and the substitute bill was placed on the second reading and read the second time.

## MOTION

Senator Bailey moved that the following floor amendment no. 116 by Senators Bailey, Conway and Schoesler be adopted:

Beginning on page 11, line 17, strike all of section 3 and insert the following:

**"NEW SECTION. Sec. 3.** (1) A member who provided emergency medical services on behalf of a public hospital district or public corporation established under RCW 35.21.730 to provide emergency medical services as defined in RCW 18.73.030(10) may establish credit for such service rendered on or after July 24, 2005. Upon receipt of a written request the department of retirement systems must notify the member of the cost to establish credit for all or part of such service.

(a) A member has one year from July 1, 2017, to elect to establish credit in plan 2 under this section. Such election must be filed in writing with the department of retirement systems by June 30, 2018. The elected period must be in contiguous monthly increments beginning with the oldest service.

(i) To establish service under this section, except as provided in section 4 of this act, the member must pay the employee contributions he or she would have paid if he or she had been participating in the retirement system at the time of the service:

(A) No later than five years from the effective date of the election made under this section; and

(B) Prior to retirement.

(ii) Upon full payment of employee contributions for the elected period of service the department of retirement systems must:

(A) Credit the member with the service; and

(B) Bill the employer for the employer contributions it would have paid if such member had been participating in the retirement system at the time of such service. The amount billed to the employer by the department of retirement systems must be reduced by the amount of any employer contributions to an employee's retirement account prior to December 1, 2011.

(iii) The employer shall pay the required amount prior to July 1, 2028.

(b)(i) A member of the public employees' retirement system who is eligible for membership in plan 2 under this act may:

(A) Make an election in writing to the department of retirement systems by July 1, 2017, to remain a member of the public employees' retirement system and not participate in the law enforcement officers' and firefighters' retirement system plan 2;

(B) Leave any service credit earned as a member of the public employees' retirement system in the public employees' retirement system, and have service rendered on or after July 1, 2017, as an emergency medical technician in the law enforcement officers' and firefighters' retirement system plan 2, becoming a dual member under the provisions of chapter 41.54 RCW; or

(C) Within one year from July 1, 2017, to elect to transfer service credit previously earned as an emergency medical technician for a public hospital district or public corporation established under RCW 35.21.730 to provide emergency medical services as defined in RCW 18.73.030(10) to the law enforcement officers' and firefighters' retirement system plan 2 as defined in RCW 41.26.030. Such election must be filed in writing with the department of retirement systems by June 30, 2018.

(I) A member who elects to transfer service credit under this subsection shall pay, for the applicable period of service, the difference between the contributions the employee paid to the public employees' retirement system plan and the contributions that would have been paid by the employee had the employee been a member of the law enforcement officers' and firefighters' retirement system plan 2, plus interest on this difference as determined by the director.

(II) The payment under (a) of this subsection must be made no later than five years from the effective date of the election and must be made prior to retirement, except as provided under section 4 of this act.

(2) Upon transfer or establishment of service credit, contributions, and interest under this section, the employee is permanently excluded from membership in the public employees' retirement system for all service transfers related to their time served as an emergency medical technician for a public hospital district or public corporation established under RCW 35.21.730 to provide emergency medical services as defined in RCW 18.73.030(10) under the public employees' retirement system.

(3) A public hospital district or public corporation established under RCW 35.21.730 to provide emergency medical services as defined in RCW 18.73.030(10) shall provide the department of retirement systems with a list of former employees who were employed as emergency medical technicians on or after July 24, 2005, and who are eligible to establish credit for service under this section. The list must include a former employee's name, last known address, and period of employment. The department of retirement systems must notify former employees of the process and cost to establish credit for service under this section."

Senators Bailey and Conway spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 116 by Senators Bailey,

Conway and Schoesler on page 11, line 17 to Substitute Senate Bill No. 5659.

The motion by Senator Bailey carried and floor amendment no. 116 was adopted by voice vote.

#### MOTION

On motion of Senator Bailey, the rules were suspended, Engrossed Substitute Senate Bill No. 5659 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5659.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5659 and the bill passed the Senate by the following vote: Yeas, 41; Nays, 8; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Darneille, Ericksen, Fain, Fortunato, Hawkins, Hobbs, Honeyford, King, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pearson, Pedersen, Ranker, Rivers, Rolfes, Rossi, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman, Wilson and Zeiger

Voting nay: Senators Conway, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Lias and Saldaña

ENGROSSED SUBSTITUTE SENATE BILL NO. 5659, 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. 5340, by Senators Keiser, Baumgartner and Conway

Concerning class B elevator work permits.

#### MOTIONS

On motion of Senator Keiser, Substitute Senate Bill No. 5340 was substituted for Senate Bill No. 5340 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Keiser, the rules were suspended, Substitute Senate Bill No. 5340 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Keiser 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. 5340.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5340 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Ericksen, Fain, Fortunato, Frockt, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy,

Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pearson, Pedersen, Ranker, Rivers, Rolfes, Rossi, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman, Wilson and Zeiger

Voting nay: Senator Hasegawa

SUBSTITUTE SENATE BILL NO. 5340, 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. 5793, by Senators Warnick and Chase

Concerning an assessment on cattle.

The measure was read the second time.

#### MOTION

On motion of Senator Warnick, the rules were suspended, Senate Bill No. 5793 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Warnick and Chase 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. 5793.

#### ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5793 and the bill passed the Senate by the following vote: Yeas, 30; Nays, 19; Absent, 0; Excused, 0.

Voting yea: Senators Angel, Becker, Brown, Chase, Cleveland, Conway, Fain, Fortunato, Frockt, Hasegawa, Hobbs, Honeyford, King, Kuderer, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pearson, Pedersen, Rivers, Rossi, Saldaña, Takko, Walsh, Warnick, Wilson and Zeiger

Voting nay: Senators Bailey, Baumgartner, Billig, Braun, Carlyle, Darneille, Ericksen, Hawkins, Hunt, Keiser, Lias, Padden, Ranker, Rolfes, Schoesler, Sheldon, Short, Van De Wege and Wellman

SENATE BILL NO. 5793, 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 8:48 p.m., on motion of Senator Fain, the Senate adjourned until 10:00 o'clock a.m. Wednesday, March 8, 2017.

CYRUS HABIB, President of the Senate

HUNTER G. GOODMAN, Secretary of the Senate