

FIFTY FOURTH DAY

MORNING SESSION

Senate Chamber, Olympia
Friday, March 2, 2018

The Senate was called to order at 9:11 a.m. by the President Pro Tempore, Senator Keiser presiding. The Secretary called the roll and announced to the President Pro Tempore that all Senators were present.

The Sergeant at Arms Color Guard consisting of Pages Mr. Brandon Eibert and Miss Lillian Leche, presented the Colors.

Mr. Ashwal Chand led the chamber in the Pledge of Allegiance.

The prayer was offered by Chaplain Arthur Sphar, retired Pastor and Chaplain of the Sumner and Bonney Lake Police Departments. Chaplain Sphar is a guest of Senator Fortunato.

MOTION

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

MOTION

On motion of Senator Liias, the Senate advanced to the fourth order of business.

MESSAGES FROM THE HOUSE

March 1, 2018

MR. PRESIDENT:

The House has passed:

SUBSTITUTE HOUSE BILL NO. 2998,
and the same is herewith transmitted.

BERNARD DEAN, Chief Clerk

March 1, 2018

MR. PRESIDENT:

The House has passed:

SENATE BILL NO. 6210,
SENATE BILL NO. 6240,
SENATE BILL NO. 6287,
SENATE BILL NO. 6367,
SENATE BILL NO. 6404,

SECOND SUBSTITUTE SENATE BILL NO. 6453,
and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

March 1, 2018

MR. PRESIDENT:

The House has passed:

SENATE BILL NO. 5028,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5928,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6109,
SUBSTITUTE SENATE BILL NO. 6124,
SENATE BILL NO. 6125,
SENATE BILL NO. 6218,
SENATE BILL NO. 6408,
SENATE BILL NO. 6414,
SUBSTITUTE SENATE BILL NO. 6438,
SENATE BILL NO. 6462,
ENGROSSED SENATE JOINT MEMORIAL NO. 8008,

and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

March 1, 2018

MR. PRESIDENT:

The House has passed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 6199,
and the same is herewith transmitted.

BERNARD DEAN, Chief Clerk

MOTION

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

INTRODUCTION AND FIRST READING

SHB 2998 by House Committee on Finance (originally sponsored by Representatives Robinson, Cody, Jinkins, Tharinger and Ormsby)

AN ACT Relating to providing a business and occupation tax exemption for accountable communities of health; adding a new section to chapter 82.04 RCW; creating new sections; and declaring an emergency.

Referred to Committee on Ways & Means.

MOTION

On motion of Senator Liias, the measure listed on the Introduction and First Reading report was referred to the committee as designated.

MOTION

On motion of Senator Liias, the Senate advanced to the eighth order of business.

MOTION

Senator Padden moved adoption of the following resolution:

**SENATE RESOLUTION
8705**

By Senators Padden, Baumgartner, Short, Frockt, Schoesler, Billig, Braun, Ericksen, and Wagoner

WHEREAS, Schweitzer Engineering Laboratories (SEL) is a one hundred percent employee-owned producer of products and services that protect electric power systems around the world, and has been headquartered in Pullman since 1984; and

WHEREAS, SEL's worldwide workforce recently surpassed five thousand two hundred employees, and the company has expanded its Pullman campus, which will add eight hundred fifty jobs, and expanded into a twenty-eight thousand square-foot facility in Spokane Valley that has the capacity to accommodate one hundred twenty employees; and

WHEREAS, SEL has established a positive reputation as an employer, being an early adopter of on-site, no copay employee health clinics, and offering a childcare center, Little Edison's

School, which is celebrating its third anniversary, and providing career growth through apprenticeships and continuing education support; and

WHEREAS, The combination of SEL's expertise and reputation have earned the company extensive recognition that includes numerous best-employer awards and more recently the United States Energy Association award for 2016 Project of the Year, and in 2017 the Employer of the Year Award from the Association of Washington Business, in honor of the innovation, creativity and community spirit SEL embodies; and

WHEREAS, SEL has also benefited the lives of people well beyond Washington's borders, through such actions as donating to disaster-relief efforts in the United States and around the world, including contributions to Hurricane Harvey relief efforts in 2017, a generous donation to the Red Cross, and offering a disaster discount for products necessary to restore power systems after natural disasters; and

WHEREAS, SEL along with their President and Chief Technology Officer Dr. Edmund O. Schweitzer, III and his wife Beatriz are known for their philanthropy, including a contribution to Washington State University towards the Endowed Chair in Power Apparatus and Systems in the Voiland College of Engineering and Architecture, and significant support for infrastructure improvements at the Pullman-Moscow Regional Airport; and

WHEREAS, Dr. Edmund and Beatriz Schweitzer also have a long personal history of civic service and community support, as evidenced recently by their strong backing for construction of the new Trinity Catholic School in Spokane, the first school built in nearly fifty years by the Diocese of Spokane; and as recognized with the Outstanding Philanthropists Award from the United Way of Spokane County;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State Senate honor and recognize the numerous and admirable achievements of Schweitzer Engineering Laboratories, as a leading employer in the state of Washington and a worldwide leader in engineering and technology that consistently exemplifies the values of integrity, creativity, and community service; and

BE IT FURTHER RESOLVED, That the Washington State Senate honor and recognize the numerous and admirable achievements of Dr. Edmund O. Schweitzer, III and Beatriz Schweitzer for their strong sense of community and desire to better the lives of SEL employees and their families and countless other people and families in Whitman and Spokane counties and the nation; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Secretary of the Senate to Edmund and Beatriz Schweitzer and Schweitzer Engineering Laboratories.

Senators Padden, Baumgartner, Schoesler, Chase and Honeyford spoke in favor of adoption of the resolution.

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

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

INTRODUCTION OF SPECIAL GUESTS

The President welcomed and introduced Ms. Kelly Fukai, Regional Affairs Specialist for Schweitzer Engineering Laboratories; Mr. Gary Chandler, Vice President of Government Affairs for the Association of Washington Businesses; and Mr. Chris Johnson, President of the Association of Washington Businesses, who were seated in the gallery.

MOTION

On motion of Senator Liias, the Senate reverted to the sixth order of business.

MOTION

On motion of Senator Liias and without objection, pursuant to Rule 18, Substitute House Bill No. 2822 was made a special order of business to be considered at 4:56 p.m.

MOTION TO LIMIT DEBATE

Pursuant to Rule 29, on motion of Senator Liias and without objection, senators were limited to speaking but once and for no more than three minutes on each question under debate for the remainder of the day by voice vote.

SECOND READING

HOUSE BILL NO. 2285, by Representatives Chapman, Tarleton, Lytton, Tharinger, Blake and Appleton

Establishing a reporting process for the department of natural resources regarding certain marbled murrelet habitat information.

The measure was read the second time.

MOTION

Senator Van De Wege moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature finds that the 1997 state trust lands habitat conservation plan and the proposed amendment related to the conservation of the marbled murrelet, which provide certainty for beneficiaries of affected state lands and state forestlands, present an important and ongoing issue for the people of the state of Washington. The legislature further finds that complying with the endangered species act is a necessary aspect of managing state trust lands. The lands that are the subject of the 1997 habitat conservation plan are held by the state in trust for the trust beneficiaries, and the proposed amendment to the 1997 state trust lands habitat conservation plan presents an opportunity for the legislature to engage in its role as a fiduciary of those lands.

(2) The legislature intends that the process set forth in this act will serve as a model for future processes in the event that there are any subsequent amendments to the 1997 state trust lands habitat conservation plan beyond those envisioned in this act.

NEW SECTION. Sec. 2. A new section is added to chapter 43.30 RCW under the subchapter heading "powers and duties--general" to read as follows:

(1)(a) By December 1, 2018, and each December 1st until the year after the United States fish and wildlife service issues an incidental take permit on the state trust land habitat conservation plan for the long-term conservation strategy for the marbled murrelet, the department must provide a report to the legislature, consistent with RCW 43.01.036, as required in this section.

(b) No fewer than ninety days before submitting the report to the legislature as described in this section, the department must

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first submit a draft of the report for review and comment to the chair and ranking member of the committees of the house of representatives and senate with jurisdiction over state trust lands management.

(c) Each regular legislative session, the standing committee with jurisdiction over state trust land management from the house of representatives and senate must each hold a meeting, which may be held as a joint meeting, on the report required in this section and the habitat conservation plan update process.

(2) The report required in this section must annually include an economic analysis of potential losses or gains from any proposed marbled murrelet long-term conservation strategy selected by the board of natural resources, forwarded to or approved by the United States fish and wildlife service, and subsequently adopted by the board.

(3) The initial report required under this section must also include recommendations relating to the following, to be updated as appropriate in subsequent reports:

(a) Actions that support maintaining or increasing family-wage timber and related jobs in the affected rural communities, taking into account, as appropriate, the role of other market factors;

(b) Strategies to ensure no net loss of revenues to the trust beneficiaries due to the implementation of additional marbled murrelet conservation measures;

(c) Additional means of financing county services; and

(d) Additional reasonable, incentive-based, nonregulatory conservation measures for the marbled murrelet that also provide economic benefits to rural communities.

NEW SECTION. Sec. 3. A new section is added to chapter 43.30 RCW under the subchapter heading "powers and duties--general" to read as follows:

(1) To assist the department in developing and providing the report to the legislature required in section 2 of this act, the commissioner must appoint a marbled murrelet advisory committee.

(2) The marbled murrelet advisory committee may include one or more representatives from the following categories:

(a) State trust lands beneficiaries;

(b) Impacted state forestlands beneficiaries, including counties;

(c) Junior taxing districts;

(d) Environmental organizations;

(e) Local governments or an association representing local governments;

(f) Milling interests or an association representing milling interests;

(g) Private forest landowners or a statewide association representing private forest landowners; and

(h) Local public interest groups.

(3) The advisory committee required under this section may consult with relevant state and federal agencies and tribes.

NEW SECTION. Sec. 4. (1) Sections 2 and 3 of this act expire at the end of the calendar year following the issuance by the United States fish and wildlife service of an incidental take permit on the long-term conservation strategy for the marbled murrelet under the state trust lands habitat conservation plan and subsequent adoption by the board of natural resources.

(2) The department of natural resources must notify the chief clerk of the house of representatives, the secretary of the senate, and the office of the code reviser when the conditional expiration date of sections 1 and 2 of this act is satisfied."

On page 1, line 3 of the title, after "information;" strike the remainder of the title and insert "adding new sections to chapter 43.30 RCW; creating a new section; and providing a contingent

expiration date."

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to Engrossed Substitute House Bill No. 2285.

The motion by Senator Van De Wege carried and the committee striking amendment was adopted by voice vote.

MOTION

On motion of Senator Van De Wege, the rules were suspended, House Bill No. 2285 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Van De Wege and Warnick spoke in favor of passage of the bill.

The Vice President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2285.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2285 and the bill passed the Senate by the following vote: Yeas, 35; Nays, 14; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Sheldon, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman and Zeiger

Voting nay: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Ericksen, Fortunato, Honeyford, Padden, Rivers, Schoesler, Short and Wilson

HOUSE BILL NO. 2285, 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

SUBSTITUTE HOUSE BILL NO. 1209, by House Committee on Business & Financial Services (originally sponsored by Representatives Bergquist, Vick, Kirby, Walsh and Blake)

Concerning municipal access to local financial services. Revised for 1st Substitute: Addressing municipal access to local financial services.

The measure was read the second time.

MOTION

Senator Mullet moved that the following committee striking amendment by the Committee on Financial Institutions & Insurance be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 39.58.010 and 2016 c 152 s 1 are each amended to read as follows:

In this chapter, unless the context otherwise requires:

(1) "Capitalization" means the measure or measures of capitalization, other than net worth, of a depository applying for designation as or operating as a public depository pursuant to this

chapter, based upon regulatory standards of financial institution capitalization adopted by rule or resolution of the commission after consultation with the director of the department of financial institutions;

(2) "Collateral" means the particular assets pledged as security to insure payment or performance of the obligations under this chapter as enumerated in RCW 39.58.050;

(3) "Commission" means the Washington public deposit protection commission created under RCW 39.58.030;

(4) "Commission report" means a formal accounting rendered by all public depositaries to the commission in response to a demand for specific information made by the commission detailing pertinent affairs of each public depositary as of the close of business on a specified date, which is the "commission report date." "Commission report due date" is the last day for the timely filing of a commission report;

(5) "Depositary pledge agreement" means a tripartite agreement executed by the commission with a financial institution and its designated trustee. Such agreement shall be approved by the directors or the loan committee of the financial institution and shall continuously be a record of the financial institution. New securities may be pledged under this agreement in substitution of or in addition to securities originally pledged without executing a new agreement;

(6) "Director of the department of financial institutions" means the Washington state director of the department of financial institutions;

(7) "Eligible collateral" means the securities or letters of credit enumerated in RCW 39.58.050 (5), (6), and (7);

(8) "Financial institution" means any national or state chartered commercial bank or trust company, savings bank, ~~(or)~~ savings association, or federal or state chartered credit union, or branch or branches thereof, located in this state and lawfully engaged in business;

(9) "Investment deposits" means time deposits, money market deposit accounts, and savings deposits of public funds available for investment. "Investment deposits" do not include time deposits represented by a transferable or a negotiable certificate, instrument, passbook, or statement, or by book entry or otherwise;

(10) "Liquidity" means the measure or measures of liquidity of a depositary applying for designation as or operating as a public depositary pursuant to this chapter, based upon regulatory standards of financial institution liquidity adopted by rule or resolution of the commission after consultation with the director of the department of financial institutions;

(11) "Loss" means the issuance of an order by a regulatory or supervisory authority or a court of competent jurisdiction (a) restraining a public depositary from making payments of deposit liabilities or (b) appointing a receiver for a public depositary;

(12) "Maximum liability," with reference to a public depositary's liability under this chapter for loss per occurrence by another public depositary, on any given date means:

(a) A sum equal to ten percent of:

(i) All uninsured public deposits held by a public depositary that has not incurred a loss by the then most recent commission report date; or

(ii) The average of the balances of said uninsured public deposits on the last four immediately preceding reports required pursuant to RCW 39.58.100, whichever amount is greater; or

(b) Such other sum or measure as the commission may from time to time set by resolution according to criteria established by rule, consistent with the commission's broad administrative discretion to achieve the objective of RCW 39.58.020.

As long as the uninsured public deposits of a public depositary are one hundred percent collateralized by eligible collateral as provided for in RCW 39.58.050, the "maximum liability" of a

public depositary that has not incurred a loss may not exceed the amount set forth in (a) of this subsection.

This definition of "maximum liability" does not limit the authority of the commission to adjust the collateral requirements of public depositaries pursuant to RCW 39.58.040;

(13) "Net worth" of a public depositary means (a) the equity capital as reported to its primary regulatory authority on the quarterly report of condition or statement of condition, or other required report required by its primary regulatory authority or federal deposit insurer, and may include capital notes and debentures which are subordinate to the interests of depositors, or (b) equity capital adjusted by rule or resolution of the commission after consultation with the director of the department of financial institutions;

(14) "Public deposit" means public funds on deposit with a public depositary;

(15) "Public depositary" means a financial institution that has been approved by the commission to hold public deposits, and has segregated, for the benefit of the commission, eligible collateral having a value of not less than its maximum liability ~~(, and, unless otherwise provided for in this chapter, does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state);~~

(16) "Public funds" means moneys under the control of a treasurer, the state treasurer, or custodian belonging to, or held for the benefit of, the state or any of its political subdivisions, public corporations, municipal corporations, agencies, courts, boards, commissions, or committees, including moneys held as trustee, agent, or bailee belonging to, or held for the benefit of, the state or any of its political subdivisions, public corporations, municipal corporations, agencies, courts, boards, commissions, or committees;

(17) "Public funds available for investment" means such public funds as are in excess of the anticipated cash needs throughout the duration of the contemplated investment period;

(18) "State public depositary" means a Washington state-chartered financial institution that is authorized as a public depositary under this chapter;

(19) "State treasurer" means the treasurer of the state of Washington;

(20) "Treasurer" means a county treasurer, a city treasurer, a treasurer of any other municipal corporation, and any other custodian of public funds, except the state treasurer;

(21) "Trustee" means a third-party safekeeping agent which has completed a depositary pledge agreement with a public depositary and the commission. Such third-party safekeeping agent may be a federal home loan bank, or such other third-party safekeeping agent approved by the commission.

Sec. 2. RCW 39.58.105 and 2016 c 152 s 3 are each amended to read as follows:

(1) The commission may require the state auditor or the director of the department of financial institutions, to the extent of their respective authority under applicable federal and Washington state law, to thoroughly investigate and report to it concerning the condition of any financial institution which makes application to become a public depositary, and may also as often as it deems necessary require the state auditor or the director of the department of financial institutions, to the extent of their respective authority under applicable federal and Washington state law, to make such investigation and report concerning the condition of any financial institution which has been designated as a public depositary. The expense of all such investigations and reports shall be borne by the financial institution examined.

(2) In lieu of any such investigation or report, the commission may rely upon information made available to it or the director of

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the department of financial institutions by the office of the comptroller of the currency, the national credit union administration, the federal deposit insurance corporation, the federal reserve board, any state financial institutions regulatory agency, or any successor state or federal financial institutions regulatory agency, and any such information or data received by the commission shall be kept and maintained in the same manner and have the same protections as examination reports received by the commission from the director of the department of financial institutions pursuant to RCW 30A.04.075(2)(h) (~~and~~), 32.04.220(2)(h), and 31.12.565(2)(j).

(3) The director of the department of financial institutions shall in addition advise the commission of any action he or she has directed any state public depository to take which will result in a reduction of greater than ten percent of the net worth of such depository as shown on the most recent report it submitted pursuant to RCW 39.58.100.

Sec. 3. RCW 39.58.240 and 2012 c 26 s 1 are each amended to read as follows:

~~((1) Solely for the purpose of receiving public deposits that may total no more than the maximum deposit insured by the national credit union share insurance fund, a credit union is a public depository subject to RCW 39.58.040 and 39.58.100. The maximum deposit applies to all funds attributable to any one depositor of public funds in any one credit union. A credit union is not a public depository for any other purpose under this chapter, including but not limited to inclusion in the single public depository pool under RCW 39.58.200.~~

~~(2) For the purposes of this section, a credit union includes a state chartered credit union chartered under chapter 31.12 RCW, or a credit union chartered under federal law.) A credit union may only accept deposits greater than the maximum insured amount from a public funds depositor that either is a county with a population of three hundred thousand persons or less or is a public funds depositor located within a county with a population of three hundred thousand persons or less."~~

On page 1, line 1 of the title, after "services;" strike the remainder of the title and insert "and amending RCW 39.58.010, 39.58.105, and 39.58.240."

MOTION

Senator Schoesler moved that the following floor amendment no. 825 by Senator Schoesler be adopted:

Beginning on page 1, line 3 of the amendment, strike all material through page 5, line 23 and insert the following:

"NEW SECTION. Sec. 1. The joint legislative audit and review committee is directed to review the amount of business and occupation taxes collected by the state from financial institutions that accept public funds and to deliver a report on their findings to the legislature by December 31, 2020. The report must include:

(1) A list of all financial institutions, by county, that accept public deposits;

(2) The amount of public funds held by all public depositories; and

(3) The total business and occupation tax collected from financial institutions that accept public deposits for the years 2016, 2017, 2018, and 2019."

On page 5, line 25 of the title amendment, after "insert" strike the remainder of the title amendment and insert "and creating a new section."

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Senator Schoesler spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Mullet spoke against adoption of the amendment to the committee striking amendment.

MOTION

On motion of Senator Bailey, Senator Baumgartner was excused.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 825 by Senator Schoesler on page 1, line 3 to Substitute House Bill No. 1209.

The motion by Senator Schoesler did not carry and floor amendment no. 825 was not adopted by voice vote.

MOTION

Senator Angel moved that the following floor amendment no. 733 by Senator Angel be adopted:

On page 3, beginning on line 23 of the amendment, after "liability" strike all material through "state))" on line 26 and insert ", and, unless otherwise provided for in this chapter, does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state"

On page 5, beginning on line 5 of the amendment, strike all of section 3 and insert the following:

"NEW SECTION. Sec. 3. RCW 39.58.240 (Credit union as public depository—Conditions) and 2012 c 26 s 1 & 2010 c 36 s 1 are each repealed."

On page 5, after line 23 of the amendment, insert the following:

"Sec. 4. RCW 82.04.405 and 1998 c 311 s 4 are each amended to read as follows:

Unless a credit union accepts public deposits as defined in RCW 39.58.010, this chapter shall not apply to the gross income of credit unions organized under the laws of this state, any other state, or the United States."

On page 5, line 25 of the title amendment, after "insert" strike the remainder of the title amendment and insert "amending RCW 39.58.010, 39.58.105, and 82.04.405; and repealing RCW 39.58.240."

Senator Angel spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Mullet spoke against adoption of the amendment to the committee striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 733 by Senator Angel on page 3, line 23 to Substitute House Bill No. 1209.

The motion by Senator Angel did not carry and floor amendment no. 733 was not adopted by voice vote.

MOTION

Senator Schoesler moved that the following floor amendment no. 826 by Senator Schoesler be adopted:

On page 5, beginning on line 20 of the amendment, after "depositor" strike all material through "less" on line 23 and insert "if that credit union, or credit union branch as defined in RCW 31.12.005(3), is located in a county with two or fewer financial institutions with a permanent physical location, not including credit unions"

Senator Schoesler spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Mullet spoke against adoption of the amendment to the committee striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 826 by Senator Schoesler on page 5, line 20 to Substitute House Bill No. 1209.

The motion by Senator Schoesler did not carry and floor amendment no. 826 was not adopted by voice vote.

MOTION

Senator Schoesler moved that the following floor amendment no. 827 by Senator Schoesler be adopted:

On page 5, line 20, after "population of" strike "three hundred" and insert "twenty"

On page 5, line 22, after "population of" strike "three hundred" and insert "twenty"

Senator Schoesler spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Mullet spoke against adoption of the amendment to the committee striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 827 by Senator Schoesler on page 5, line 20 to Substitute House Bill No. 1209.

The motion by Senator Schoesler did not carry and floor amendment no. 827 was not adopted by voice vote.

MOTION

Senator Schoesler moved that the following floor amendment no. 828 by Senator Schoesler be adopted:

On page 5, line 23 of the amendment, after "less." insert "Any public deposit accepted by a credit union over the maximum insured amount may only be available for consumer and mortgage loans and is not available for commercial or business loans."

Sec. 4. RCW 31.12.428 and 2001 c 83 s 18 are each amended to read as follows:

(1) No loan may be made to any borrower if the loan would cause the borrower to be indebted to the credit union on all types of loans in an aggregated amount exceeding ten thousand dollars or twenty-five percent of the capital of the credit union, whichever is greater, without the approval of the director.

(2) No business or commercial loan may be made from public deposits accepted over the maximum deposit insured by the national credit union share insurance fund.

(3) The director by rule may establish separate limits on business loans to one borrower."

On page 5, line 26 of the title amendment, after "39.58.105," strike "and" and after "39.58.240" insert ", and 31.12.428"

Senator Schoesler spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Mullet spoke against adoption of the amendment to the committee striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 828 by Senator Schoesler on page 5, line 23 to Substitute House Bill No. 1209.

The motion by Senator Schoesler did not carry and floor amendment no. 828 was not adopted by voice vote.

MOTION

Senator Schoesler moved that the following floor amendment no. 829 by Senator Schoesler be adopted:

On page 5, line 23 of the amendment, after "less" insert ", and the public funds depositor also has a physical presence in the same taxing district as the credit union"

Senator Schoesler spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Mullet spoke against adoption of the amendment to the committee striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 829 by Senator Schoesler on page 5, line 23 to Substitute House Bill No. 1209.

The motion by Senator Schoesler did not carry and floor amendment no. 829 was not adopted by voice vote.

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Financial Institutions & Insurance to Substitute House Bill No. 1209.

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

MOTION

On motion of Senator Mullet, the rules were suspended, Substitute House Bill No. 1209 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

Senators Angel and Schoesler spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 1209.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1209 and the bill passed the Senate by the following vote: Yeas, 29; Nays, 19; Absent, 0; Excused, 1.

Voting yea: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Short, Takko, Van De Wege, Wilson and Zeiger

Voting nay: Senators Angel, Bailey, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, O'Ban, Padden, Schoesler, Sheldon, Wagoner, Walsh, Warnick and Wellman

Excused: Senator Baumgartner

SUBSTITUTE HOUSE BILL NO. 1209, 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

HOUSE BILL NO. 2261, by Representatives MacEwen, Santos, Young and Griffey

Concerning housing authorities.

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The measure was read the second time.

MOTION

On motion of Senator Darneille, the rules were suspended, House Bill No. 2261 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Darneille and O'Ban spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2261.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2261 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 1; Excused, 1.

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

Absent: Senator Wellman

Excused: Senator Baumgartner

HOUSE BILL NO. 2261, 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

SUBSTITUTE HOUSE BILL NO. 2667, by House Committee on Appropriations (originally sponsored by Representatives Macri, McBride, Ormsby, Stanford, Senn, Stonier, Kloba, Jinkins, Gregerson, Appleton, Ortiz-Self, Wylie, Doglio, Pollet, Slatter, Fey, Goodman and Santos)

Concerning eligibility for the essential needs and housing support and the aged, blind, or disabled assistance programs.

The measure was read the second time.

MOTION

Senator Darneille moved that the following committee striking amendment by the Committee on Human Services & Corrections be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 74.04.805 and 2013 2nd sp.s. c 10 s 3 are each amended to read as follows:

(1) The department is responsible for determining eligibility for referral for essential needs and housing support under RCW 43.185C.220. Persons eligible are persons who:

(a) Are incapacitated from gainful employment by reason of bodily or mental infirmity that will likely continue for a minimum of ninety days. The standard for incapacity in this subsection, as evidenced by the ninety-day duration standard, is not intended to

be as stringent as federal supplemental security income disability standards;

(b) Are citizens or aliens lawfully admitted for permanent residence or otherwise residing in the United States under color of law;

(c) Have furnished the department their social security number. If the social security number cannot be furnished because it has not been issued or is not known, an application for a number must be made prior to authorization of benefits, and the social security number must be provided to the department upon receipt;

(d) Have countable income as described in RCW 74.04.005 at or below four hundred twenty-eight dollars for a married couple or at or below three hundred thirty-nine dollars for a single individual;

(e) Do not have countable resources in excess of those described in RCW 74.04.005; and

(f) Are not eligible for:

(i) ~~((The aged, blind, or disabled assistance program;~~
~~(ii))~~ The pregnant women assistance program; or
~~((iii))~~ (ii) Federal aid assistance, other than basic food benefits transferred electronically and medical assistance.

(2) Recipients of aged, blind, or disabled assistance program benefits who meet other eligibility requirements in this section are eligible for a referral for essential needs and housing support services within funds appropriated for the department of commerce.

(3) The following persons are not eligible for a referral for essential needs and housing support:

(a) ~~((Persons who are unemployable due primarily to alcohol or drug addiction, except as provided in subsection (3) of this subsection. These persons must be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals must be made at the time of application or at the time of eligibility review. This subsection may not be construed to prohibit the department from making a referral for essential needs and housing support for persons who have a substance abuse addiction who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for a referral for essential needs and housing support;~~

~~(b))~~ Persons who refuse or fail to cooperate in obtaining federal aid assistance, without good cause;

~~((e))~~ (b) Persons who refuse or fail without good cause to participate in drug or alcohol treatment if an assessment by a certified chemical dependency counselor indicates a need for such treatment. Good cause must be found to exist when a person's physical or mental condition, as determined by the department, prevents the person from participating in drug or alcohol dependency treatment, when needed outpatient drug or alcohol treatment is not available to the person in the county of his or her residence or when needed inpatient treatment is not available in a location that is reasonably accessible for the person; and

~~((d))~~ (c) Persons who are fleeing to avoid prosecution of, or to avoid custody or confinement for conviction of, a felony, or an attempt to commit a felony, under the laws of the state of Washington or the place from which the person flees; or who are violating a condition of probation, community supervision, or parole imposed under federal or state law for a felony or gross misdemeanor conviction.

~~((3))~~ (4) For purposes of determining whether a person is incapacitated from gainful employment under subsection (1) of this section:

(a) The department shall adopt by rule medical criteria for incapacity determinations to ensure that eligibility decisions are

consistent with statutory requirements and are based on clear, objective medical information; and

(b) The process implementing the medical criteria must involve consideration of opinions of the treating or consulting physicians or health care professionals regarding incapacity, and any eligibility decision which rejects uncontroverted medical opinion must set forth clear and convincing reasons for doing so.

~~((4))~~ (5) For purposes of reviewing a person's continuing eligibility and in order to remain eligible for the program, persons who have been found to have an incapacity from gainful employment must demonstrate that there has been no material improvement in their medical or mental health condition. The department may discontinue benefits when there was specific error in the prior determination that found the person eligible by reason of incapacitation.

~~((5))~~ (6) The department must review the cases of all persons who have received benefits under the essential needs and housing support program for twelve consecutive months, and at least annually after the first review, to determine whether they are eligible for the aged, blind, or disabled assistance program.

Sec. 2. RCW 74.62.030 and 2013 2nd sp.s. c 10 s 2 are each amended to read as follows:

(1)(a) ~~((Effective November 1, 2011,))~~ The aged, blind, or disabled assistance program shall provide financial grants to persons in need who:

(i) Are not eligible to receive federal aid assistance, other than basic food benefits transferred electronically and medical assistance;

(ii) Meet the eligibility requirements of subsection (3) of this section; and

(iii) Are aged, blind, or disabled. For purposes of determining eligibility for assistance for the aged, blind, or disabled assistance program, the following definitions apply:

(A) "Aged" means age sixty-five or older.

(B) "Blind" means statutorily blind as defined for the purpose of determining eligibility for the federal supplemental security income program.

(C) "Disabled" means likely to meet the federal supplemental security income disability standard. In making this determination, the department should give full consideration to the cumulative impact of an applicant's multiple impairments, an applicant's age, and vocational and educational history.

In determining whether a person is disabled, the department may rely on, but is not limited to, the following:

(I) A previous disability determination by the social security administration or the disability determination service entity within the department; or

(II) A determination that an individual is eligible to receive optional categorically needy medicaid as a disabled person under the federal regulations at 42 C.F.R. Parts 435, Secs. 201(a)(3) and 210.

(b) The following persons are not eligible for the aged, blind, or disabled assistance program:

(i) Persons who are not able to engage in gainful employment due primarily to alcohol or drug addiction. These persons shall be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals shall be made at the time of application or at the time of eligibility review. This subsection may not be construed to prohibit the department from granting aged, blind, or disabled assistance benefits to alcoholics and drug addicts who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for the aged, blind, or disabled assistance program; or

(ii) Persons for whom there has been a final determination of ineligibility for federal supplemental security income benefits.

(c) Persons may receive aged, blind, or disabled assistance benefits and essential needs and housing program support under RCW 43.185C.220 concurrently while pending application for federal supplemental security income benefits. The monetary value of any aged, blind, or disabled assistance benefit that is subsequently duplicated by the person's receipt of supplemental security income for the same period shall be considered a debt due the state and shall by operation of law be subject to recovery through all available legal remedies.

(2) ~~((Effective November 1, 2011,))~~ The pregnant women assistance program shall provide financial grants to persons who:

(a) Are not eligible to receive federal aid assistance other than basic food benefits or medical assistance; and

(b) Are pregnant and in need, based upon the current income and resource standards of the federal temporary assistance for needy families program, but are ineligible for federal temporary assistance for needy families benefits for a reason other than failure to cooperate in program requirements; and

(c) Meet the eligibility requirements of subsection (3) of this section.

(3) To be eligible for the aged, blind, or disabled assistance program under subsection (1) of this section or the pregnant women assistance program under subsection (2) of this section, a person must:

(a) Be a citizen or alien lawfully admitted for permanent residence or otherwise residing in the United States under color of law;

(b) Meet the income and resource standards described in RCW 74.04.805(1) (d) and (e);

(c) Have furnished the department his or her social security number. If the social security number cannot be furnished because it has not been issued or is not known, an application for a number shall be made prior to authorization of benefits, and the social security number shall be provided to the department upon receipt;

(d) Not have refused or failed without good cause to participate in drug or alcohol treatment if an assessment by a certified chemical dependency counselor indicates a need for such treatment. Good cause must be found to exist when a person's physical or mental condition, as determined by the department, prevents the person from participating in drug or alcohol dependency treatment, when needed outpatient drug or alcohol treatment is not available to the person in the county of his or her residence or when needed inpatient treatment is not available in a location that is reasonably accessible for the person; and

(e) Not have refused or failed to cooperate in obtaining federal aid assistance, without good cause.

(4) ~~((Effective November 1, 2011,))~~ Referrals for essential needs and housing support under RCW 43.185C.220 shall be provided to persons found eligible under RCW 74.04.805.

(5) No person may be considered an eligible individual for benefits under this section with respect to any month if during that month the person:

(a) Is fleeing to avoid prosecution of, or to avoid custody or confinement for conviction of, a felony, or an attempt to commit a felony, under the laws of the state of Washington or the place from which the person flees; or

(b) Is violating a condition of probation, community supervision, or parole imposed under federal or state law for a felony or gross misdemeanor conviction.

(6) The department must share client data for individuals eligible for essential needs and housing support with the department of commerce and designated essential needs and housing support entities as required under RCW 43.185C.230.

Sec. 3. RCW 43.185C.230 and 2013 2nd sp.s. c 10 s 5 are each amended to read as follows:

The department, in collaboration with the department of social and health services, shall:

(1) Develop a mechanism through which the department and local governments or community-based organizations can verify a person has been determined eligible by the department of social and health services and remains eligible for the essential needs and housing support program; and

(2) Provide a secure and current list of individuals eligible for the essential needs and housing support program to designated entities within each county. The list must be updated at least monthly and include, as available and applicable, the eligible individual's:

- (a) Name;
- (b) Address;
- (c) Phone number;
- (d) Shelter location; and
- (e) Case manager contact information.

NEW SECTION. Sec. 4. Sections 1 and 2 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately."

On page 1, line 4 of the title, after "programs;" strike the remainder of the title and insert "amending RCW 74.04.805, 74.62.030, and 43.185C.230; and declaring an emergency."

MOTION

Senator Braun moved that the following floor amendment no. 760 by Senators Braun and Mullet be adopted:

On page 2, beginning on line 7 of the amendment, after "(a)" strike all material through ~~((b))~~ on line 18 and insert "Persons who are unemployable due primarily to alcohol or drug addiction, except as provided in subsection ~~((3))~~ (4) of this ~~((subsection))~~ section. These persons must be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals must be made at the time of application or at the time of eligibility review. This subsection may not be construed to prohibit the department from making a referral for essential needs and housing report for persons who have a substance abuse addiction who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for a referral for essential needs and housing support;

(b)"

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

Senator Braun spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Darneille spoke against adoption of the amendment to the committee striking amendment.

MOTION

Senator Braun demanded a roll call.

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

The President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Braun on page 2, line 7 to the committee striking amendment.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Braun and the amendment was adopted by the following vote: Yeas, 23; Nays, 26; Absent, 0; Excused, 0.

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

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

MOTION

Senator Bailey moved that the following floor amendment no. 755 by Senator Bailey be adopted:

On page 6, beginning on line 34, strike all of Section 4 Renummer the remaining sections consecutively and correct any internal references accordingly.

Senator Bailey spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Darneille spoke against adoption of the amendment to the committee striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 755 by Senator Bailey on page 6, line 34 to the committee striking amendment.

The motion by Senator Bailey did not carry and floor amendment no. 755 was not adopted by voice vote.

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Human Services & Corrections to House Bill No. 2261.

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

MOTION

On motion of Senator Darneille, the rules were suspended, Substitute House Bill No. 2667 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 2667 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2667 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 32; Nays, 17; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pedersen, Ranker, Rolfes, Saldaña,

Sheldon, Takko, Van De Wege, Walsh, Wellman and Zeiger

Voting nay: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Ericksen, Fortunato, Honeyford, King, Padden, Rivers, Schoesler, Short, Wagoner, Warnick and Wilson

SUBSTITUTE HOUSE BILL NO. 2667, as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1831, by House Committee on Appropriations (originally sponsored by Representatives Pettigrew, Macri, Santos, Ortiz-Self, Frame, Kagi, Fitzgibbon, Stanford, Ormsby and Pollet)

Revising resource limitations for public assistance.

The measure was read the second time.

MOTION

On motion of Senator Darneille, the rules were suspended, Engrossed Second Substitute House Bill No. 1831 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Darneille, O'Ban and Braun spoke in favor of passage of the bill.

Senators Schoesler and Honeyford spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1831.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1831 and the bill passed the Senate by the following vote: Yeas, 36; Nays, 12; Absent, 1; Excused, 0.

Voting yea: Senators Angel, Bailey, Billig, Braun, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Fortunato, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Sheldon, Takko, Van De Wege, Walsh, Wellman and Zeiger

Voting nay: Senators Becker, Brown, Ericksen, Hawkins, Honeyford, King, Padden, Schoesler, Short, Wagoner, Warnick and Wilson

Absent: Senator Baumgartner

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1831, 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

THIRD SUBSTITUTE HOUSE BILL NO. 2382, by House Committee on Transportation (originally sponsored by Representatives Ryu, Kagi and Valdez)

Promoting the use of surplus public property for public benefit.

The measure was read the second time.

MOTION

Senator Darneille moved that the following committee striking amendment by the Committee on Transportation be adopted:

Strike everything after the enacting clause and insert the following:

"PART 1 - INVENTORY OF STATE PROPERTY

Sec. 1. RCW 43.63A.510 and 1993 c 461 s 2 are each amended to read as follows:

(1) The department ~~((shall))~~ must work with the ~~((departments of natural resources, transportation, social and health services, corrections, and general administration))~~ designated agencies to identify ~~((and))~~, catalog, and recommend best use of underutilized, state-owned land and property suitable for the development of affordable housing for very low-income, low-income or moderate-income households. The ~~((departments of natural resources, transportation, social and health services, corrections, and general administration shall))~~ designated agencies must provide an inventory of real property that is owned or administered by each agency and is vacant or available for lease or sale. The department must work with the designated agencies to include in the inventories a consolidated list of any property transactions executed by the agencies under the authority of section 3 of this act, including the property appraisal, the terms and conditions of sale, lease, or transfer, the value of the public benefit, and the impact of transaction to the agency. The inventories ~~((shall))~~ with revisions must be provided to the department by November 1 ~~((1993, with inventory revisions provided each November 1 thereafter))~~ of each year.

(2) The department must consolidate inventories into two groups: Properties suitable for consideration in affordable housing development; and properties not suitable for consideration in affordable housing development. In making this determination, the department must use industry accepted standards such as: Location, approximate lot size, current land use designation, and current zoning classification of the property. The department shall provide a recommendation, based on this grouping, to the office of financial management and appropriate policy and fiscal committees of the legislature by December 1st of each year.

(3) Upon written request, the department shall provide a copy of the inventory of state-owned and publicly owned lands and buildings to parties interested in developing the sites for affordable housing.

~~((3))~~ (4) As used in this section:

(a) "Affordable housing" means residential housing that is rented or owned by a person who qualifies as a very low-income, low-income, or moderate-income household or who is from a special needs population, and whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income.

(b) "Very low-income household" means a single person, family, or unrelated persons living together whose income is at or below fifty percent of the median income, adjusted for household size, for the county where the affordable housing is located.

(c) "Low-income household" means a single person, family, or unrelated persons living together whose income is more than fifty percent but is at or below eighty percent of the median income where the affordable housing is located.

(d) "Moderate-income household" means a single person, family, or unrelated persons living together whose income is more

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than eighty percent but is at or below one hundred fifteen percent of the median income where the affordable housing is located.

(e) "Affordable housing development" means state-owned real property appropriate for sale, transfer, or lease to an affordable housing developer capable of:

- (i) Receiving the property within one hundred eighty days; and
- (ii) Creating affordable housing units for occupancy within thirty-six months from the time of transfer.

(f) "Designated agencies" means the Washington state patrol, the state parks and recreation commission, and the departments of natural resources, social and health services, corrections, and enterprise services.

PART 2 - RIGHT OF FIRST REFUSAL FOR GOVERNMENT AGENCIES

Sec. 2. RCW 43.17.400 and 2015 c 225 s 64 are each amended to read as follows:

~~(1) ((The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.~~

~~(a) "Disposition" means sales, exchanges, or other actions resulting in a transfer of land ownership.~~

~~(b) "State agencies" includes:~~

~~(i) The department of natural resources established in chapter 43.30 RCW;~~

~~(ii) The department of fish and wildlife established in chapter 43.300 RCW;~~

~~(iii) The department of transportation established in chapter 47.01 RCW;~~

~~(iv) The parks and recreation commission established in chapter 79A.05 RCW; and~~

~~(v) The department of enterprise services established in this chapter.~~

~~(2) State agencies proposing disposition of state-owned land must provide written notice of the proposed disposition to the legislative authorities of the counties, cities, and towns in which the land is located at least sixty days before entering into the disposition agreement.) Before any state agency may dispose of surplus state-owned real property to a private or any nongovernmental party, the agency must provide written notice to the following governmental entities at least sixty days before entering into any proposed disposition agreement:~~

~~(a) All other state agencies;~~

~~(b) Each federal agency operating within the state; and~~

~~(c) The governing authority of each county, city, town, special purpose district, and federally recognized Indian tribe in which the land is located.~~

~~(2) The state agency must dispose of the property, for continued public benefit as defined in section 3 of this act, to any governmental entity responding within the notification period, upon mutual agreement reached within a reasonable time period after the response is received. Priority must be given to state agencies. The disposition may be for any terms and conditions agreed upon by the proper authorities of each party, in accordance with RCW 39.33.010, except where the disposition at fair market value is required by law.~~

~~(3) The requirements of this section are in addition and supplemental to other requirements of the laws of this state.~~

~~(4) For purposes of this section, "disposition" means the sale, exchange, or other action resulting in a transfer of ownership.~~

~~(5) The requirements of this section do not apply to the department of transportation.~~

PART 3 - DISPOSAL OF PUBLIC PROPERTY FOR PUBLIC BENEFIT

NEW SECTION. Sec. 3. A new section is added to chapter 39.33 RCW to read as follows:

(1) Any state agency, municipality, or political subdivision, with authority to dispose of surplus public property, may transfer, lease, or other disposal of such property for a public benefit purpose, consistent with and subject to this section. Any such transfer, lease, or other disposal may be made to a public, private, or nongovernmental body on any mutually agreeable terms and conditions, including a no cost transfer, subject to and consistent with this section. Consideration must include appraisal costs, debt service, all closing costs, and any other liabilities to the agency, municipality, or political subdivision. However, the property may not be so transferred, leased, or disposed of if such transfer, lease, or disposal would violate any bond covenant or encumber or impair any contract.

(2) A deed, lease, or other instrument transferring or conveying property pursuant to subsection (1) of this section must include:

(a) A covenant or other requirement that the property shall be used for the designated public benefit purpose; and

(b) Remedies that apply if the recipient of the property fails to use it for the designated public purpose or ceases to use it for such purpose.

(3) To implement the authority granted by this section, the governing body or legislative authority of a municipality or political subdivision must enact rules to regulate the disposition of property for public benefit purposes. Any transfer, lease, or other disposition of property authorized under this section must be consistent with existing locally adopted comprehensive plans as described in RCW 36.70A.070.

(4) This section is deemed to provide a discretionary alternative method for the doing of the things authorized herein, and shall not be construed as imposing any additional condition upon the exercise of any other powers vested in any state agency, municipality, or political subdivision.

(5) No transfer, lease, or other disposition of property for public benefit purposes made pursuant to any other provision of law prior to the effective date of this section may be construed to be invalid solely because the parties thereto did not comply with the procedures of this section.

(6) The transfer at no cost, lease, or other disposal of surplus real property for public benefit purposes is deemed a lawful purpose of any state agency, municipality, or political subdivision, for which accounts are kept on an enterprise fund or equivalent basis, regardless of the primary purpose or function of such agency.

(7) This section does not apply to the sale or transfer of any state forestlands, any state lands or property granted to the state by the federal government for the purposes of common schools or education, or subject to a legal restriction that would be violated by compliance with this section.

(8) For purposes of this section:

(a) "Public benefit" means affordable housing for low-income and very low-income households as defined in RCW 43.63A.510, and related facilities that support the goals of affordable housing development in providing economic and social stability for low-income persons; and

(b) "Surplus public property" means excess real property that is not required for the needs of or the discharge of the responsibilities of the state agency, municipality, or political subdivision.

Sec. 4. RCW 35.94.040 and 1973 1st ex.s. c 95 s 1 are each amended to read as follows:

(1) Whenever a city shall determine, by resolution of its legislative authority, that any lands, property, or equipment originally acquired for public utility purposes is surplus to the

city's needs and is not required for providing continued public utility service, then such legislative authority by resolution and after a public hearing may cause such lands, property, or equipment to be leased, sold, or conveyed. Such resolution shall state the fair market value or the rent or consideration to be paid and such other terms and conditions for such disposition as the legislative authority deems to be in the best public interest.

(2) The provisions of RCW 35.94.020 and 35.94.030 shall not apply to dispositions authorized by this section.

(3) This section does not apply to property transferred, leased, or otherwise disposed in accordance with section 3 of this act.

Sec. 5. RCW 43.09.210 and 2000 c 183 s 2 are each amended to read as follows:

(1) Separate accounts shall be kept for every appropriation or fund of a taxing or legislative body showing date and manner of each payment made therefrom, the name, address, and vocation of each person, organization, corporation, or association to whom paid, and for what purpose paid.

(2) Separate accounts shall be kept for each department, public improvement, undertaking, institution, and public service industry under the jurisdiction of every taxing body.

(3) All service rendered by, or property transferred from, one department, public improvement, undertaking, institution, or public service industry to another, shall be paid for at its true and full value by the department, public improvement, undertaking, institution, or public service industry receiving the same, and no department, public improvement, undertaking, institution, or public service industry shall benefit in any financial manner whatever by an appropriation or fund made for the support of another.

(4) All unexpended balances of appropriations shall be transferred to the fund from which appropriated, whenever the account with an appropriation is closed.

(5) This section does not apply to:

(a) Agency surplus personal property handled under RCW 43.19.1919(~~(5)~~) (1)(e); or

(b) The transfer, lease, or other disposal of surplus property for public benefit purposes, as provided under section 3 of this act.

Sec. 6. RCW 43.43.115 and 1993 c 438 s 1 are each amended to read as follows:

Whenever real property owned by the state of Washington and under the jurisdiction of the Washington state patrol is no longer required, it may be sold at fair market value, or otherwise disposed as permitted under section 3 of this act. Any such sale or disposal must be in accordance with RCW 43.17.400. All proceeds received from the sale of real property, less any real estate broker commissions up to four percent of the sale price, shall be deposited into the state patrol highway account: PROVIDED, That if accounts or funds other than the state patrol highway account have contributed to the purchase or improvement of the real property, the office of financial management shall determine the proportional equity of each account or fund in the property and improvements, and shall direct the proceeds to be deposited proportionally therein.

Sec. 7. RCW 43.82.010 and 2015 c 99 s 1 are each amended to read as follows:

(1) The director of enterprise services, on behalf of the agency involved and after consultation with the office of financial management, shall purchase, lease, lease purchase, rent, or otherwise acquire all real estate, improved or unimproved, as may be required by elected state officials, institutions, departments, commissions, boards, and other state agencies, or federal agencies where joint state and federal activities are undertaken and may grant easements and transfer, exchange, sell, lease, or sublease all

or part of any surplus real estate for those state agencies which do not otherwise have the specific authority to dispose of real estate. Any such transfer, exchange, or sale must comply with RCW 43.17.400, and may be made in accordance with section 3 of this act. This section does not transfer financial liability for the acquired property to the department of enterprise services.

(2) Except for real estate occupied by federal agencies, the director shall determine the location, size, and design of any real estate or improvements thereon acquired or held pursuant to subsection (1) of this section. Facilities acquired or held pursuant to this chapter, and any improvements thereon, shall conform to standards adopted by the director and approved by the office of financial management governing facility efficiency unless a specific exemption from such standards is provided by the director of enterprise services. The director of enterprise services shall report to the office of financial management and the appropriate committees of the legislature annually on any exemptions granted pursuant to this subsection.

(3) Except for leases permitted under subsection (4) of this section, the director of enterprise services may fix the terms and conditions of each lease entered into under this chapter, except that no lease shall extend greater than twenty years in duration. The director of enterprise services may enter into a long-term lease greater than ten years in duration upon a determination by the director of the office of financial management that the long-term lease provides a more favorable rate than would otherwise be available, it appears to a substantial certainty that the facility is necessary for use by the state for the full length of the lease term, and the facility meets the standards adopted pursuant to subsection (2) of this section. The director of enterprise services may enter into a long-term lease greater than ten years in duration if an analysis shows that the life-cycle cost of leasing the facility is less than the life-cycle cost of purchasing or constructing a facility in lieu of leasing the facility.

(4) The director of enterprise services may fix the terms of leases for property under the department of enterprise services' control at the former Northern State Hospital site for up to sixty years.

(5) Except as permitted under chapter 39.94 RCW, no lease for or on behalf of any state agency may be used or referred to as collateral or security for the payment of securities offered for sale through a public offering. Except as permitted under chapter 39.94 RCW, no lease for or on behalf of any state agency may be used or referred to as collateral or security for the payment of securities offered for sale through a private placement without the prior written approval of the state treasurer. However, this limitation shall not prevent a lessor from assigning or encumbering its interest in a lease as security for the repayment of a promissory note provided that the transaction would otherwise be an exempt transaction under RCW 21.20.320. The state treasurer shall adopt rules that establish the criteria under which any such approval may be granted. In establishing such criteria the state treasurer shall give primary consideration to the protection of the state's credit rating and the integrity of the state's debt management program. If it appears to the state treasurer that any lease has been used or referred to in violation of this subsection or rules adopted under this subsection, then he or she may recommend that the governor cause such lease to be terminated. The department of enterprise services shall promptly notify the state treasurer whenever it may appear to the department that any lease has been used or referred to in violation of this subsection or rules adopted under this subsection.

(6) It is the policy of the state to encourage the colocation and consolidation of state services into single or adjacent facilities, whenever appropriate, to improve public service delivery, minimize duplication of facilities, increase efficiency of

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operations, and promote sound growth management planning.

(7) The director of enterprise services shall provide coordinated long-range planning services to identify and evaluate opportunities for col locating and consolidating state facilities. Upon the renewal of any lease, the inception of a new lease, or the purchase of a facility, the director of enterprise services shall determine whether an opportunity exists for col locating the agency or agencies in a single facility with other agencies located in the same geographic area. If a col location opportunity exists, the director of enterprise services shall consult with the affected state agencies and the office of financial management to evaluate the impact col location would have on the cost and delivery of agency programs, including whether program delivery would be enhanced due to the centralization of services. The director of enterprise services, in consultation with the office of financial management, shall develop procedures for implementing col location and consolidation of state facilities.

(8) The director of enterprise services is authorized to purchase, lease, rent, or otherwise acquire improved or unimproved real estate as owner or lessee and to lease or sublet all or a part of such real estate to state or federal agencies. The director of enterprise services shall charge each using agency its proportionate rental which shall include an amount sufficient to pay all costs, including, but not limited to, those for utilities, janitorial and accounting services, and sufficient to provide for contingencies; which shall not exceed five percent of the average annual rental, to meet unforeseen expenses incident to management of the real estate.

(9) If the director of enterprise services determines that it is necessary or advisable to undertake any work, construction, alteration, repair, or improvement on any real estate acquired pursuant to subsection (1) or (8) of this section, the director shall cause plans and specifications thereof and an estimate of the cost of such work to be made and filed in his or her office and the state agency benefiting thereby is hereby authorized to pay for such work out of any available funds: PROVIDED, That the cost of executing such work shall not exceed the sum of twenty-five thousand dollars. Work, construction, alteration, repair, or improvement in excess of twenty-five thousand dollars, other than that done by the owner of the property if other than the state, shall be performed in accordance with the public works law of this state.

(10) In order to obtain maximum utilization of space, the director of enterprise services shall make space utilization studies, and shall establish standards for use of space by state agencies. Such studies shall include the identification of opportunities for col location and consolidation of state agency office and support facilities.

(11) The director of enterprise services may construct new buildings on, or improve existing facilities, and furnish and equip, all real estate under his or her management. Prior to the construction of new buildings or major improvements to existing facilities or acquisition of facilities using a lease purchase contract, the director of enterprise services shall conduct an evaluation of the facility design and budget using life-cycle cost analysis, value-engineering, and other techniques to maximize the long-term effectiveness and efficiency of the facility or improvement.

(12) All conveyances and contracts to purchase, lease, rent, transfer, exchange, or sell real estate and to grant and accept easements shall be approved as to form by the attorney general, signed by the director of enterprise services or the director's designee, and recorded with the county auditor of the county in which the property is located.

(13) The director of enterprise services may delegate any or all

of the functions specified in this section to any agency upon such terms and conditions as the director deems advisable. By January 1st of each year, beginning January 1, 2008, the department shall submit an annual report to the office of financial management and the appropriate committees of the legislature on all delegated leases.

(14) This section does not apply to the acquisition of real estate by:

(a) The state college and universities for research or experimental purposes;

(b) The state liquor (~~control~~) and cannabis board for liquor stores and warehouses;

(c) The department of natural resources, the department of fish and wildlife, the department of transportation, and the state parks and recreation commission for purposes other than the leasing of offices, warehouses, and real estate for similar purposes; and

(d) The department of commerce for community college health career training programs, offices for the department of commerce or other appropriate state agencies, and other nonprofit community uses, including community meeting and training facilities, where the real estate is acquired during the 2013-2015 fiscal biennium.

(15) Notwithstanding any provision in this chapter to the contrary, the department of enterprise services may negotiate ground leases for public lands on which property is to be acquired under a financing contract pursuant to chapter 39.94 RCW under terms approved by the state finance committee.

(16) The department of enterprise services shall report annually to the office of financial management and the appropriate fiscal committees of the legislature on facility leases executed for all state agencies for the preceding year, lease terms, and annual lease costs. The report must include leases executed under RCW 43.82.045 and subsection (13) of this section."

On page 1, line 2 of the title, after "benefit;" strike the remainder of the title and insert "amending RCW 43.63A.510, 43.17.400, 35.94.040, 43.09.210, 43.43.115, and 43.82.010; and adding a new section to chapter 39.33 RCW."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Transportation to Third Substitute House Bill No. 2382.

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

MOTION

On motion of Senator Darneille, the rules were suspended, Third Substitute House Bill No. 2382 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Darneille, Chase, Miloscia and Hasegawa spoke in favor of passage of the bill.

Senators King, Angel and Fortunato spoke against passage of the bill.

POINT OF INQUIRY

Senator Baumgartner: "Thank you Madam President, I rise to ask a question of the prime sponsor of the bill. Well, I will just rise to, I rise to ask to ask a question to Senator Chase, Senator Hasegawa. I will just ask a question to Senator Hasegawa if I may."

President Pro Tempore Keiser: "Are we out of control?"

Senator Baumgartner: "In our state's constitution, what is the priority duty?"

Senator Hasegawa: "The paramount duty is education."

The President Pro Tempore declared the question before the Senate to be the final passage of Third Substitute House Bill No. 2382 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Third Substitute House Bill No. 2382 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 26; Nays, 23; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Lias, McCoy, Miloscia, 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, O'Ban, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Walsh, Warnick, Wilson and Zeiger

THIRD SUBSTITUTE HOUSE BILL NO. 2382, as amended by the Senate, 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

HOUSE BILL NO. 2468, by Representatives Vick and Kirby

Allowing firms in the Canadian province of British Columbia to perform attest or compilation services for companies in Washington state that are the consolidated, subsidiary, or component entity of another corporate entity registered in Canada.

The measure was read the second time.

MOTION

On motion of Senator Conway, the rules were suspended, House Bill No. 2468 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2468.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2468 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon,

Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

HOUSE BILL NO. 2468, 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

HOUSE BILL NO. 1672, by Representatives Frame, Sells, Gregerson, Doglio, Stambaugh, Ormsby, Manweller, Dent, Stonier, Steele, Walsh, Goodman, Bergquist and Pollet

Concerning the time period for workers to recover wages under prevailing wage laws.

The measure was read the second time.

MOTION

On motion of Senator Hasegawa, the rules were suspended, House Bill No. 1672 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 1672.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1672 and the bill passed the Senate by the following vote: Yeas, 38; Nays, 11; Absent, 0; Excused, 0.

Voting yea: Senators Bailey, Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Sheldon, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman and Zeiger

Voting nay: Senators Angel, Baumgartner, Becker, Braun, Brown, Ericksen, Honeyford, Padden, Schoesler, Short and Wilson

HOUSE BILL NO. 1672, 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

SUBSTITUTE HOUSE BILL NO. 2276, by House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Eslick, Haler and Young)

Concerning notification of wildlife transfer, relocation, or introduction into a new location.

The measure was read the second time.

MOTION

Senator Wagoner moved that the following committee striking amendment by the Committee on Agriculture, Water, Natural Resources & Parks be adopted:

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Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 77.12 RCW to read as follows:

(1) The department must provide notice and hold a public hearing prior to department personnel relocating or introducing any wolves, coyotes, lynx, bobcats, and animals defined as big game in RCW 77.08.030, where the action is intended for population enhancement.

(2)(a) The notice of the public hearing must be made at least thirty days prior to the date of the hearing. The notice must state the public hearing date, time, and location, and provide a brief explanation of the department's proposed action. The brief explanation must include the species of wildlife, the estimated number of animals, the general location where the wildlife will be released, and the potential range the wildlife is likely to roam.

(b) A press release of the notice of the public hearing must be sent to media outlets providing news services to the communities that are likely to be impacted by the wildlife's presence. The notice of the public hearing must be posted on the department's web site, and if possible, posted on a local government or community web site near where the wildlife will be relocated or introduced; and be provided in writing to the town, city, or county legislative members and the mayor or county executive of any location that is likely to be impacted by the presence of the wildlife.

(3) The public hearing must be open to the public and held within the community most likely to be impacted by the presence of the relocated or introduced wildlife. The presiding official or department personnel must present information explaining the department's proposed actions and related management of the wildlife in sufficient detail to provide an understanding of the reasons for the proposed movement and potential impacts of the action in or near the community. The hearing must be conducted by the presiding official to afford interested persons the opportunity to present comments. Written or electronic submissions will also be accepted and included in the department's hearing record."

On page 1, line 2 of the title, after "location;" strike the remainder of the title and insert "and adding a new section to chapter 77.12 RCW."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Agriculture, Water, Natural Resources & Parks to Substitute House Bill No. 2276.

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

MOTION

On motion of Senator Wagoner, the rules were suspended, Substitute House Bill No. 2276 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Wagoner and Van De Wege spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 2276 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Substitute

House Bill No. 2276 as amended by the Senate 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

SUBSTITUTE HOUSE BILL NO. 2276, as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED HOUSE BILL NO. 1849, by Representatives Sells, Doglio, Pollet, Ormsby, Tharinger and Farrell

Addressing compliance with apprenticeship utilization requirements.

The measure was read the second time.

MOTION

On motion of Senator Conway, the rules were suspended, Engrossed House Bill No. 1849 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

Senator Braun spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed House Bill No. 1849.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed House Bill No. 1849 and the bill passed the Senate by the following vote: Yeas, 37; Nays, 12; Absent, 0; Excused, 0.

Voting yea: Senators Baumgartner, Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Sheldon, Takko, Van De Wege, Walsh, Warnick, Wellman and Zeiger

Voting nay: Senators Angel, Bailey, Becker, Braun, Brown, Ericksen, Honeyford, Padden, Schoesler, Short, Wagoner and Wilson

ENGROSSED HOUSE BILL NO. 1849, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2177, by House Committee on Appropriations (originally sponsored by Representatives Chapman, Steele, Frame and Tharinger)

Creating the rural county high employer demand jobs program.
Revised for 2nd Substitute: Creating a rural county jobs program.

The measure was read the second time.

MOTION

Senator Ranker moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature recognizes that:

(a) According to research from Georgetown University, by the year 2020, seventy percent of jobs in Washington state will require at least some education and training beyond high school, which aligns with Washington's educational attainment goals established under RCW 28B.77.020; and

(b) Research by the state board for community and technical colleges and other entities has found that attending college for at least one year and earning a credential results in a substantial boost in earnings for adults who enter a community college with a high school diploma or less.

(2) In addition, the legislature finds that:

(a) Rural counties face unique challenges to achieving full economic and community development in the face of societal trends that concentrate job and population growth in larger metropolitan areas. For example, seventy-five percent of the job growth in Washington by 2018 is projected to be confined to just five large counties. In addition, two-thirds of the state's recent population growth has occurred in the three largest counties and seven counties have actually lost population in recent years.

(b) One barrier to economic growth and investment in many rural counties is the lack of a trained, qualified workforce for the opportunities present in rural areas, particularly in science, technology, engineering, and mathematics (STEM) and health care fields of study. These opportunities often require specialized skills tailored for specific, regional employer needs. In many cases, employment opportunities are available in rural communities; however, some assistance is needed to help local residents acquire the skills necessary to access the opportunities in their own backyards.

(3) The legislature declares that opportunity, community vitality, quality of life, and prosperity are essential for all Washington communities. Therefore, the legislature intends to create a program to assist rural communities in growing the workforce the community needs to meet its specific industry sector demands.

Sec. 2. RCW 28B.145.020 and 2014 c 208 s 2 are each amended to read as follows:

(1) The opportunity scholarship board is created. The board consists of eleven members:

(a) Six members appointed by the governor. For three of the six appointments, the governor shall consider names from a list provided by the president of the senate and the speaker of the house of representatives; and

(b) Five foundation or business and industry representatives appointed by the governor from among the state's most productive industries such as aerospace, manufacturing, health care, information technology, engineering, agriculture, and others, as well as philanthropy. The foundation or business and industry representatives shall be selected from among nominations provided by the private sector donors to the opportunity

scholarship and opportunity expansion programs. However, the governor may request, and the private sector donors shall provide, an additional list or lists from which the governor shall select these representatives.

(2) Board members shall hold their offices for a term of four years from the first day of September and until their successors are appointed. No more than the terms of two members may expire simultaneously on the last day of August in any one year.

(3) The members of the board shall elect one of the business and industry representatives to serve as chair.

(4) Seven members of the board constitute a quorum for the transaction of business. In case of a vacancy, or when an appointment is made after the date of expiration of the term, the governor or the president of the senate or the speaker of the house of representatives, depending upon which made the initial appointment to that position, shall fill the vacancy for the remainder of the term of the board member whose office has become vacant or expired.

(5) The board shall be staffed by the program administrator.

(6) The purpose of the board is to provide oversight and guidance for the opportunity expansion (~~and~~), the opportunity scholarship programs, and the rural jobs program, in light of established legislative priorities and to fulfill the duties and responsibilities under this chapter, including but not limited to determining eligible education programs for purposes of the opportunity scholarship program and rural jobs program. Duties, exercised jointly with the program administrator, include soliciting funds and setting annual fund-raising goals.

(7) The board may report to the governor and the appropriate committees of the legislature with recommendations as to:

(a) Whether some or all of the scholarships should be changed to conditional scholarships that must be repaid in the event the participant does not complete the eligible education program; and

(b) A source or sources of funds for the opportunity expansion program in addition to the voluntary contributions of the high-technology research and development tax credit under RCW 82.32.800.

Sec. 3. RCW 28B.145.090 and 2014 c 208 s 4 are each amended to read as follows:

(1) The board may elect to have the state investment board invest the funds in the student support pathways account and the scholarship account and endowment account described under RCW 28B.145.030(2)(b). If the board so elects, the state investment board has the full power to invest, reinvest, manage, contract, sell, or exchange investment money in the (~~two~~) three accounts. All investment and operating costs associated with the investment of money shall be paid under RCW 43.33A.160 and 43.84.160. With the exception of these expenses, the earnings from the investment of the money shall be retained by the accounts.

(2) All investments made by the state investment board shall be made with the exercise of that degree of judgment and care under RCW 43.33A.140 and the investment policy established by the state investment board.

(3) As deemed appropriate by the state investment board, money in the student support pathways account, scholarship account, and endowment (~~accounts~~) account may be commingled for investment with other funds subject to investment by the state investment board.

(4) Members of the state investment board shall not be considered an insurer of the funds or assets and are not liable for any action or inaction.

(5) Members of the state investment board are not liable to the state, to the fund, or to any other person as a result of their activities as members, whether ministerial or discretionary,

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except for willful dishonesty or intentional violations of law. The state investment board in its discretion may purchase liability insurance for members.

(6) The authority to establish all policies relating to the student support pathways account, scholarship account, and ~~((the))~~ endowment account, other than the investment policies as provided in subsections (1) through (3) of this section, resides with the board and program administrator acting in accordance with the principles set forth in this chapter. With the exception of expenses of the state investment board in subsection (1) of this section, disbursements from the student support pathways account, scholarship account, and endowment account shall be made only on the authorization of the opportunity scholarship board or its designee, and moneys in the accounts may be spent only for the purposes specified in this chapter.

(7) The state investment board shall routinely consult and communicate with the board on the investment policy, earnings of the accounts, and related needs of the program.

NEW SECTION. Sec. 4. A new section is added to chapter 28B.145 RCW to read as follows:

(1)(a) The rural county high employer demand jobs program is created to meet the workforce needs of business and industry in rural counties by assisting students in earning certificates, associate degrees, or other industry-recognized credentials necessary for employment in high employer demand fields.

(b) Subject to the requirements of this section, the rural jobs program provides selected students scholarship funds and support services, as determined by the board, to help students meet their eligible expenses when they enroll in a community or technical college program that prepares them for high employer demand fields.

(c) The source of funds for the rural jobs program shall be a combination of private donations, grants, and contributions and state matching funds.

(2) The program administrator has the duties and responsibilities provided under this section, including but not limited to:

(a) Publicizing the rural jobs program and conducting outreach to eligible counties;

(b) In consultation with the state board for community and technical colleges, any interested community or technical college located in an eligible county, and the county's workforce development council, identify high employer demand fields within the eligible counties. When identifying high employer demand fields, the board must consider:

(i) County-specific employer demand reports issued by the employment security department or the list of statewide high-demand programs for secondary career and technical education established under RCW 28A.700.020; and

(ii) The ability and capacity of the community and technical college to meet the needs of qualifying students and industry in the eligible county;

(c) Develop and implement an application, selection, and notification process for awarding rural jobs program scholarship funds. In making determinations on scholarship recipients, the board shall use county-specific employer high-demand data;

(d) Determine the annual scholarship fund amounts to be awarded to selected students;

(e) Distribute funds to selected students;

(f) Notify institutions of higher education of the rural jobs program recipients who will attend their institutions of higher education and inform them of the scholarship fund amounts and terms of the awards; and

(g) Establish and manage an account as provided under section 5 of this act to receive donations, grants, contributions from

private sources, and state matching funds, and from which to disburse scholarship funds to selected students.

(3) To be eligible for scholarship funds under the rural jobs program, a student must:

(a) Be a resident of an eligible county or have attended and graduated from a school in an eligible school district;

(b) Be a resident student as defined in RCW 28B.15.012;

(c) Be enrolled in a community or technical college established under chapter 28B.50 RCW located in an eligible county;

(d) Be in a certificate, degree, or other industry-recognized credential or training program that has been identified by the board as a program that prepares students for a high employer demand field;

(e) Have a family income that does not exceed seventy percent of the state median family income adjusted for family size; and

(f) Demonstrate financial need according to the free application for federal student aid or the Washington application for state financial aid.

(4) To remain eligible for scholarship funds under the rural jobs program, the student must maintain a cumulative grade point average of 2.0.

(5) A scholarship award under the rural jobs program may not result in a reduction of any gift aid. Nothing in this section creates any right or entitlement.

NEW SECTION. Sec. 5. A new section is added to chapter 28B.145 RCW to read as follows:

(1) For the purposes of the rural jobs program, the program administrator shall:

(a) Jointly with the board, solicit and accept donations, grants, and contributions from private sources via direct payment, pledge agreement, or escrow account, for deposit into the student support pathways account created in this section, and set annual fund-raising goals;

(b) Establish and manage the student support pathways account to receive grants, contributions from private sources, and state matching funds, and from which to disburse scholarship funds to selected students; and

(c) Provide proof of receipt of grants and contributions from private sources to the council, identifying the amounts received by the name of the private source and date received, and whether the amounts received were deposited into the student support pathways account.

(2) The student support pathways account, whose principal may be invaded, must be created by the board from which scholarship funds will be disbursed beginning no later than the fall term of the 2020 academic year, if by that date, state matching funds have been received. Thereafter, scholarship funds shall be disbursed on an annual basis.

NEW SECTION. Sec. 6. A new section is added to chapter 28B.145 RCW to read as follows:

(1) The rural jobs program match transfer account is created in the custody of the state treasurer as a nonappropriated account to be used solely and exclusively for the rural jobs program created in section 4 of this act. The purpose of the rural jobs program match transfer account is to provide state matching funds for the rural jobs program.

(2) Revenues to the rural jobs program match transfer account shall consist of appropriations by the legislature into the rural jobs program match transfer account.

(3) No expenditures from the rural jobs program match transfer account may be made except upon receipt of proof, by the executive director of the council from the program administrator, of private contributions to the rural jobs program. Expenditures, in the form of matching funds, may not exceed the total amount

of private contributions.

(4) Only the executive director of the council or the executive director's designee may authorize expenditures from the rural jobs program match transfer account. Such authorization must be made as soon as practicable following receipt of proof as required under this section.

(5)(a) The council shall enter into an appropriate agreement with the program administrator to demonstrate exchange of consideration for the matching funds.

(b) Once moneys in the rural jobs program match transfer account are subject to an agreement under this subsection and are deposited in the student support pathways account, the state acts in a fiduciary rather than ownership capacity with regard to those assets. Assets in the student support pathways account are not considered state money, common cash, or revenue to the state.

(6) The state match must not exceed one million dollars in a single fiscal biennium and must be based on donations and pledges received by the rural jobs program as of the date each official state caseload forecast is submitted by the caseload forecast council to the legislative fiscal committees, as provided under RCW 43.88C.020. Nothing in this section expands or modifies the responsibilities of the caseload forecast council.

NEW SECTION. Sec. 7. A new section is added to chapter 28B.145 RCW to read as follows:

The total amount of state matching funds for the rural jobs program shall not exceed one million dollars in a single fiscal biennium.

Sec. 8. RCW 28B.145.070 and 2014 c 208 s 7 are each amended to read as follows:

(1) Annually each December 1st, the board, together with the program administrator, shall report to the council, the governor, and the appropriate committees of the legislature regarding the rural jobs program and opportunity scholarship and opportunity expansion programs, including but not limited to:

(a) Which education programs the board determined were eligible for purposes of the opportunity scholarship and which high employer demand fields within eligible counties were identified for purposes of the rural jobs program;

(b) The number of applicants for the opportunity scholarship and rural jobs program, disaggregated, to the extent possible, by race, ethnicity, gender, county of origin, age, and median family income;

(c) The number of participants in the opportunity scholarship program and rural jobs program, disaggregated, to the extent possible, by race, ethnicity, gender, county of origin, age, and median family income;

(d) The number and amount of the scholarships actually awarded, ~~((and))~~ whether the scholarships were paid from the student support pathways account, the scholarship account, or the endowment account, and the number and amount of scholarships actually awarded under the rural jobs program;

(e) The institutions and eligible education programs in which opportunity scholarship participants enrolled, together with data regarding participants' completion and graduation, and the institutions and programs in which recipients of the rural jobs program scholarship enrolled, together with recipients' data on completion and graduation;

(f) The total amount of private contributions and state match moneys received for the rural jobs program and the opportunity scholarship program, how the funds under the opportunity scholarship program were distributed between the student support pathways account, the scholarship account, and the endowment account~~((s))~~, the interest or other earnings on all the accounts created under this chapter, and the amount of any administrative

fee paid to the program administrator; and

(g) Identification of the programs the board selected to receive opportunity expansion awards and the amount of such awards.

(2) In the next succeeding legislative session following receipt of a report required under subsection (1) of this section, the appropriate committees of the legislature shall review the report and consider whether any legislative action is necessary with respect to ~~((either))~~ the rural jobs program, the opportunity scholarship program, or the opportunity expansion program, including but not limited to consideration of whether any legislative action is necessary with respect to the nature and level of focus on high employer demand fields and the number and amount of scholarships.

Sec. 9. RCW 28B.145.010 and 2014 c 208 s 1 are each amended to read as follows:

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

(1) "Board" means the opportunity scholarship board.

(2) "Council" means the student achievement council.

(3) "Eligible county" has the same meaning as "rural county" as defined in RCW 82.14.370 and also includes any county that shares a common border with Canada and has a population of over one hundred twenty-five thousand.

(4) "Eligible education programs" means high employer demand and other programs of study as determined by the board.

~~((4))~~ (5) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses as determined by the program administrator in consultation with the council and the state board for community and technical colleges.

~~((5))~~ (6) "Eligible school district" means a school district of the second class as identified in RCW 28A.300.065(2).

(7) "Eligible student" means a resident student who received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and who:

(a)(i) Has been accepted at a four-year institution of higher education into an eligible education program leading to a baccalaureate degree; or

(ii) Will attend a two-year institution of higher education and intends to transfer to an eligible education program at a four-year institution of higher education;

(b) Declares an intention to obtain a baccalaureate degree; and

(c) Has a family income at or below one hundred twenty-five percent of the state median family income at the time the student applies for an opportunity scholarship.

~~((6))~~ (8) "Gift aid" means financial aid received from the federal Pell grant, the state need grant program in chapter 28B.92 RCW, the college bound scholarship program in chapter 28B.118 RCW, the opportunity grant program in chapter 28B.50 RCW, the opportunity scholarship program in this chapter, or any other state grant, scholarship, or worker retraining program that provides funds for educational purposes with no obligation of repayment. "Gift aid" does not include student loans, work-study programs, the basic food employment and training program administered by the department of social and health services, or other employment assistance programs that provide job readiness opportunities and support beyond the costs of tuition, books, and fees.

(9) "High employer demand program of study" has the same meaning as provided in RCW 28B.50.030.

~~((7))~~ (10) "Participant" means an eligible student who has received a scholarship under the opportunity scholarship program.

~~((8))~~ (11) "Program administrator" means a college scholarship organization that is a private nonprofit corporation

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registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code, with expertise in managing scholarships and college advising.

((9)) (12) "Resident student" has the same meaning as provided in RCW 28B.15.012.

(13) "Rural jobs program" means the rural county high employer demand jobs program created in this chapter."

On page 1, line 2 of the title, after "program;" strike the remainder of the title and insert "amending RCW 28B.145.020, 28B.145.090, 28B.145.070, and 28B.145.010; adding new sections to chapter 28B.145 RCW; and creating a new section."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to Engrossed Second Substitute House Bill No. 2177.

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

MOTION

On motion of Senator Ranker, the rules were suspended, Engrossed Second Substitute House Bill No. 2177 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Ranker spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 2177 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 2177 as amended by the Senate 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Voting nay: Senator Hasegawa

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2177, as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1561, by House Committee on Appropriations (originally sponsored by Representatives Frame, Pollet, Doglio, Kloba, Bergquist, Kilduff, Stanford, Dolan, Peterson, Stonier, Senn, Slatter, Fey, Lovick, Macri, Tarleton, Tharinger, Sawyer, Goodman and Farrell)

Concerning open educational resources.

The measure was read the second time.

MOTION

Senator Ranker moved that the following committee striking amendment by the Committee on Ways & Means be not adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 28B.10 RCW to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Campus coordinator" means a designated facilitator to promote, assist, and support the creation of open educational resources by establishing and coordinating training seminars, creating workshops, helping faculty and staff identify available resources and funding, and cataloging and evaluating open educational resources used or created by an institution of higher education's faculty.

(b) "Open educational resources" means freely accessible, openly licensed educational textbooks, documents, materials, and media that reside in the public domain for free use and repurposing for the intention of teaching, learning, assessing, and researching.

(2)(a) Subject to availability of amounts appropriated for this specific purpose, the student achievement council shall administer the open educational resources grant pilot program for the four-year institutions of higher education. A grant received under the pilot program must be used for either (a)(i) or (ii) of this subsection, or both:

(i) Create a designated campus coordinator who will be the campus lead and centralized contact regarding open educational resources; or

(ii) Support faculty to adopt and modify, or create new, open educational resources for the purpose of reducing students' cost of attendance. Grant dollars may not be used to duplicate open educational resources that are already free and publicly available.

(b) The student achievement council shall develop an application form for the grant, a process for reviewing and selecting grant applicants, a process for awarding grant funding, and a process for the grant awardee to report back to the student achievement council on the use of the grant. The student achievement council shall prioritize applications that estimate the highest cost reduction to students, whether it be on an individual basis or across a field of study or the institution.

(c) The student achievement council shall determine how many grants may be awarded based on the funding received for the pilot program.

(d) In addition to the grant program, the student achievement council shall conduct outreach to other states and higher education agencies to identify whether there is interest in establishing a multistate open educational resources network to facilitate and establish a platform for peer review, coordinating, and sharing of open educational resources.

(e) The student achievement council shall report to the appropriate committees of the legislature in accordance with the reporting requirements in RCW 43.01.036 by December 1, 2019, on the open educational resources grant pilot program and on the outreach conducted regarding a multistate open educational resources network. The report must include information on the number of grant applications received, the number of grants awarded, and an evaluation of how the grants were used to expand the use of open educational resources. In addition, the report must include how the student achievement council conducted outreach to other states on the concept of a multistate open educational

resources network and the feedback from those states.

(3) By December 1, 2019, the Washington state institute for public policy shall conduct a study on the cost of textbooks and course materials and the use of open educational resources at four-year institutions of higher education across the state and submit a report to the appropriate committees of the legislature in accordance with RCW 43.01.036. The institute shall conduct outreach to relevant stakeholders, including representatives of the publishing community, prior to drafting their final report. To the extent data are available, the study should address:

(a) The types of and average cost per student for required textbooks and course materials, including digital access codes and bundled items, in the state, at each four-year institution of higher education, and in specific degree programs;

(b) The use of open educational resources at four-year institutions of higher education and in specific degree programs or courses, or both; and

(c) Any other information regarding textbooks, course materials, or best practices in the development and dissemination of open educational resources that the Washington state institute for public policy deems relevant.

NEW SECTION. Sec. 2. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2018, in the omnibus appropriations act, this act is null and void."

On page 1, line 1 of the title, after "resources;" strike the remainder of the title and insert "adding a new section to chapter 28B.10 RCW; and creating a new section."

The President Pro Tempore declared the question before the Senate to be to not adopt the committee striking amendment by the Committee on Ways & Means to Engrossed Second Substitute House Bill No. 1561.

The motion by Senator Ranker carried and the committee striking amendment was not adopted by voice vote.

MOTION

Senator Ranker moved that the following committee striking amendment by the Committee on Higher Education & Workforce Development be not adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 28B.10 RCW to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Campus coordinator" means a designated facilitator to promote, assist, and support the creation of open educational resources by establishing and coordinating training seminars, creating workshops, helping faculty and staff identify available resources and funding, and cataloging and evaluating open educational resources used or created by an institution of higher education's faculty.

(b) "Open educational resources" means freely accessible, openly licensed educational textbooks, documents, materials, and media that reside in the public domain for free use and repurposing for the intention of teaching, learning, assessing, and researching.

(2)(a) Subject to availability of amounts appropriated for this specific purpose, the student achievement council shall administer the open educational resources grant pilot program for the four-year institutions of higher education. A grant received

under the pilot program must be used for either (a)(i) or (ii) of this subsection, or both:

(i) Create a designated campus coordinator who will be the campus lead and centralized contact regarding open educational resources; or

(ii) Support faculty to adopt and modify, or create new, open educational resources for the purpose of reducing students' cost of attendance. Grant dollars may not be used to duplicate open educational resources that are already free and publicly available.

(b) The student achievement council shall develop an application form for the grant, a process for reviewing and selecting grant applicants, a process for awarding grant funding, and a process for the grant awardee to report back to the student achievement council on the use of the grant. The student achievement council shall prioritize applications that estimate the highest cost reduction to students, whether it be on an individual basis or across a field of study or the institution.

(c) The student achievement council shall determine how many grants may be awarded based on the funding received for the pilot program.

(d) In addition to the grant program, the student achievement council shall conduct outreach to other states and higher education agencies to identify whether there is interest in establishing a multistate open educational resources network to facilitate and establish a platform for peer review, coordinating, and sharing of open educational resources.

(e) The student achievement council shall report to the appropriate committees of the legislature in accordance with the reporting requirements in RCW 43.01.036 by December 1, 2019, on the open educational resources grant pilot program and on the outreach conducted regarding a multistate open educational resources network. The report must include information on the number of grant applications received, the number of grants awarded, and an evaluation of how the grants were used to expand the use of open educational resources. In addition, the report must include how the student achievement council conducted outreach to other states on the concept of a multistate open educational resources network and the feedback from those states.

(3) By December 1, 2019, the Washington state institute for public policy shall conduct a study on the cost of textbooks and course materials and the use of open educational resources at four-year institutions of higher education across the state and submit a report to the appropriate committees of the legislature in accordance with RCW 43.01.036. To the extent data are available, the study should address:

(a) The types of and average cost per student for required textbooks and course materials, including digital access codes and bundled items, in the state, at each four-year institution of higher education, and in specific degree programs;

(b) The use of open educational resources at four-year institutions of higher education and in specific degree programs or courses, or both; and

(c) Any other information regarding textbooks, course materials, or best practices in the development and dissemination of open educational resources that the Washington state institute for public policy deems relevant.

NEW SECTION. Sec. 2. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2018, in the omnibus appropriations act, this act is null and void."

On page 1, line 1 of the title, after "resources;" strike the remainder of the title and insert "adding a new section to chapter 28B.10 RCW; and creating a new section."

The President Pro Tempore declared the question before the

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Senate to be to not adopt the committee striking amendment by the Committee on Higher Education & Workforce Development to Engrossed Second Substitute House Bill No. 1561.

The motion by Senator Ranker carried and the committee striking amendment was not adopted by voice vote.

MOTION

Senator Wellman moved that the following striking floor amendment no. 833 by Senators Liias and Wellman be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 28B.10 RCW to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Campus coordinator" means a designated facilitator to promote, assist, and support the creation of open educational resources by establishing and coordinating training seminars, creating workshops, helping faculty and staff identify available resources and funding, and cataloging and evaluating open educational resources used or created by an institution of higher education's faculty.

(b) "Open educational resources" means freely accessible, openly licensed educational textbooks, documents, materials, and media that reside in the public domain for free use and repurposing for the intention of teaching, learning, assessing, and researching.

(2)(a) Subject to availability of amounts appropriated for this specific purpose, the student achievement council shall administer the open educational resources grant pilot program for the four-year institutions of higher education. A grant received under the pilot program must be used for either (a)(i) or (ii) of this subsection, or both:

(i) Create a designated campus coordinator who will be the campus lead and centralized contact regarding open educational resources; or

(ii) Support faculty to adopt and modify, or create new, open educational resources for the purpose of reducing students' cost of attendance. Grant dollars may not be used to duplicate open educational resources that are already free and publicly available.

(b) The student achievement council shall develop an application form for the grant, a process for reviewing and selecting grant applicants, a process for awarding grant funding, and a process for the grant awardee to report back to the student achievement council on the use of the grant. The student achievement council shall prioritize applications that estimate the highest cost reduction to students, whether it be on an individual basis or across a field of study or the institution.

(c) The student achievement council shall determine how many grants may be awarded based on the funding received for the pilot program.

(d) In addition to the grant program, the student achievement council shall conduct outreach to other states and higher education agencies to identify whether there is interest in establishing a multistate open educational resources network to facilitate and establish a platform for peer review, coordinating, and sharing of open educational resources.

(e) The student achievement council shall report to the appropriate committees of the legislature in accordance with the reporting requirements in RCW 43.01.036 by December 1, 2019, on the open educational resources grant pilot program and on the outreach conducted regarding a multistate open educational resources network. The report must include information on the

number of grant applications received, the number of grants awarded, and an evaluation of how the grants were used to expand the use of open educational resources. In addition, the report must include how the student achievement council conducted outreach to other states on the concept of a multistate open educational resources network and the feedback from those states.

(3) By December 1, 2019, the Washington state institute for public policy shall conduct a study on the cost of textbooks and course materials and the use of open educational resources at four-year institutions of higher education across the state and submit a report to the appropriate committees of the legislature in accordance with RCW 43.01.036. The institute shall conduct outreach to relevant stakeholders, including representatives of the publishing community, prior to drafting their final report. To the extent data are available, the study should address:

(a) The types of and average cost per student for required textbooks and course materials, including digital access codes and bundled items, in the state, at each four-year institution of higher education, and in specific degree programs;

(b) The use of open educational resources at four-year institutions of higher education and in specific degree programs or courses, or both; and

(c) Any other information regarding textbooks, course materials, or best practices in the development and dissemination of open educational resources that the Washington state institute for public policy deems relevant.

(4) This section expires June 30, 2022.

Sec. 2. RCW 28A.300.803 and 2012 c 178 s 2 are each amended to read as follows:

(1)(a) Subject to availability of amounts appropriated for this specific purpose, the superintendent of public instruction shall take the lead in identifying and developing a library of openly licensed courseware aligned with the common core state standards and placed under an attribution license, registered by a nonprofit or for-profit organization with domain expertise in open courseware, that allows others to use, distribute, and create derivative works based upon the digital material, while still allowing the authors or creators to retain the copyright and to receive credit for their efforts.

(b) During the course of identification and development of a library of openly licensed courseware, the superintendent:

(i) May contract with third parties for all or part of the development;

(ii) May adopt or adapt existing high quality openly licensed K-12 courseware aligned with the common core state standards;

(iii) May consider multiple sources of openly licensed courseware;

(iv) Must use best efforts to seek additional outside funding by actively partnering with private organizations;

(v) Must work collaboratively with other states that have adopted the common core state standards and collectively share results; and

(vi) Must include input from classroom practitioners, including teacher-librarians as defined by RCW 28A.320.240, in the results reported under subsection (2)(d) of this section.

(2) The superintendent of public instruction must also:

(a) Advertise to school districts the availability of openly licensed courseware, with an emphasis on the fact that the courseware is available at no cost to the districts;

(b) Identify an open courseware repository to which openly licensed courseware identified and developed under this section may be submitted, in which openly licensed courseware may be housed, and from which openly licensed courseware may be easily accessed, all at no cost to school districts;

(c) Provide professional development programs that offer

support, guidance, and instruction regarding the creation, use, and continuous improvement of open courseware; and

(d) Report to the governor and the education committees of the legislature on a biennial basis, beginning December 1, 2013, and ending December 1, 2017, regarding identification and development of a library of openly licensed courseware aligned with the common core state standards and placed under an attribution license, use by school districts of openly licensed courseware, and professional development programs provided.

(3) School districts may, but are not required to, use any of the openly licensed courseware.

(4) As used in this section, "courseware" includes the course syllabus, scope and sequence, instructional materials, modules, textbooks, including the teacher's edition, student guides, supplemental materials, formative and summative assessment supports, research articles, research data, laboratory activities, simulations, videos, open-ended inquiry activities, and any other educationally useful materials.

(5) The open educational resources account is created in the custody of the state treasurer. All receipts from funds collected under this section must be deposited into the account. Expenditures from the account may be used only for the development of openly licensed courseware as described in this section. Only the superintendent of public instruction or the superintendent'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.

~~((6) This section expires June 30, 2018.))~~

NEW SECTION. Sec. 3. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2018, in the omnibus appropriations act, this act is null and void."

On page 1, line 1 of the title, after "resources;" strike the remainder of the title and insert "amending RCW 28A.300.803; adding a new section to chapter 28B.10 RCW; creating a new section; and providing an expiration date."

Senators Wellman, Zeiger, Short and Brown spoke in favor of adoption of the striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of striking floor amendment no. 833 by Senators Liias and Wellman on page , line to .

The motion by Senator Wellman carried and striking floor amendment no. 833 was adopted by voice vote.

MOTION

On motion of Senator Ranker, the rules were suspended, Engrossed Second Substitute House Bill No. 1561 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Ranker spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1561 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1561 as amended by the Senate 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1561, as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2143, by House Committee on Appropriations (originally sponsored by Representatives Haler, Hansen, Holy, Stanford and Muri)

Expanding opportunities for higher education students.

The measure was read the second time.

MOTION

Senator Hawkins moved that the following committee striking amendment by the Committee on Ways & Means be not adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Eligible student" means a resident student who is enrolled in an accredited doctor of medicine or doctor of osteopathic medicine program in the state, is making satisfactory progress, and has declared an intention to work as a physician in a rural underserved area in Washington following residency.

(2) "Medical student loan" means a loan that is approved by the office and awarded to a participant under the program.

(3) "Office" means the office of student financial assistance.

(4) "Participant" means an eligible student who has received a medical student loan under the program.

(5) "Program" means the medical student loan program.

(6) "Rural underserved area" means a rural county as defined in RCW 82.14.370 that is also designated by the health resources and services administration as a medically underserved area or having a medically underserved population.

NEW SECTION. Sec. 2. The medical student loan program is established to increase the physician workforce in rural underserved areas in Washington state. The program must be funded exclusively with private funding for the purpose of providing medical student loans. State funding may be used for the administration of the program. The office shall administer the program and has the following powers and duties:

(1) To design and implement a low interest medical student loan program with the following elements:

(a) A low interest rate, comparable to or more favorable than the federal direct loan program, with interest charges that begin to accrue once the participant finishes his or her medical residency program;

(b) An annual loan limit not to exceed forty thousand dollars and no more than the participant's estimated cost of attendance as

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determined by his or her medical program;

(c) Loan repayments that do not commence until:

(i) Six months after the participant completes his or her medical residency program; or

(ii) Six months after a participant leaves his or her doctor of medicine program, doctor of osteopathic medicine program, or medical residency program before completing; and

(d) An interest rate of at least twelve percent plus capitalized interest that was deferred during the participant's doctor of medicine or doctor of osteopathic medicine program, and residency program, if the participant does not work as a physician in a rural underserved area in Washington for three years following completion of his or her medical residency program;

(2) To establish an application, selection, and notification process for awarding medical student loans to eligible students;

(3) To define the terms of repayment, including applicable interest rates, fees, and deferments;

(4) To collect and manage repayments on the medical student loans;

(5) To solicit and accept grants and donations from nonstate public and private sources for the program;

(6) To exercise discretion to revise repayment obligations in certain cases, such as economic hardship or disability;

(7) To publicize the program; and

(8) To adopt necessary rules.

NEW SECTION. Sec. 3. (1) The medical student loan account is created in the custody of the state treasurer. Only the executive director of the office or the executive director's designee may authorize expenditures from the account. No appropriation is required for expenditures from the account for medical student loans. An appropriation is required for expenditures from the account for costs associated with program administration by the office.

(2) The office shall deposit into the account all moneys received for the program. Revenues to the account consist of moneys received for the program by the office, including grants and donations, and receipts from participant repayments, including principal and interest.

(3) Expenditures from the account may be used solely for medical student loans to participants in the program established by this chapter and costs associated with program administration by the office.

NEW SECTION. Sec. 4. (1) The office shall submit an annual report regarding the program to the governor and the appropriate committees of the legislature in accordance with the reporting requirements in RCW 43.01.036.

(2) The annual report shall describe the design and implementation of the program, and must include the following:

(a) The number of applicants for medical student loans;

(b) The number of participants in the program;

(c) The number of participants in the program who complete their medical program;

(d) The number of participants in the program who are placed in employment;

(e) The nature of that employment, including the type of job; whether the job is full-time, part-time, or temporary; and the income range;

(f) Whether the participant is working in a rural underserved area, and what percent of the participant's patients are served by medicaid, the children's health insurance program, apple health, or other programs with similar eligibility requirements;

(g) Demographic profiles of both applicants and participants;

(h) The amount of the private funding collected for the program; and

(i) An estimate of when the program will be self-sustaining.

(3) The annual report must be submitted by December 1st of each year after July 1, 2020.

Sec. 5. RCW 28B.145.005 and 2011 1st sp.s. c 13 s 1 are each amended to read as follows:

The legislature finds that, despite increases in degree production, there remain acute shortages in high employer demand programs of study, particularly in the science, technology, engineering, and mathematics (STEM) and health care fields of study. According to the workforce training and education coordinating board, seventeen percent of Washington businesses had difficulty finding job applicants in 2010. Eleven thousand employers did not fill a vacancy because they lacked qualified job applicants. Fifty-nine percent of projected job openings in Washington state from now until 2017 will require some form of postsecondary education and training.

It is the intent of the legislature to provide jobs and opportunity by making Washington the place where the world's most productive companies find the world's most talented people. The legislature intends to accomplish this through the creation of the opportunity scholarship and the opportunity expansion programs to help mitigate the impact of tuition increases, increase the number of baccalaureate degrees in high employer demand and other programs and advanced degrees in health professions needed in service obligation areas, and invest in programs and students to meet market demands for a knowledge-based economy while filling middle-income jobs with a sufficient supply of skilled workers.

Sec. 6. RCW 28B.145.010 and 2014 c 208 s 1 are each amended to read as follows:

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

(1) "Board" means the opportunity scholarship board.

(2) "Council" means the student achievement council.

(3) "Eligible advanced degree program" means a health professional degree program beyond the baccalaureate level and includes graduate and professional degree programs.

(4) "Eligible education programs" means high employer demand and other programs of study as determined by the board.

~~((4))~~ (5) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses as determined by the program administrator in consultation with the council and the state board for community and technical colleges.

~~((5))~~ (6) "Eligible student" means a resident student who received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and who:

(a)(i) Has been accepted at a four-year institution of higher education into an eligible education program leading to a baccalaureate degree; ~~((#))~~

(ii) Will attend a two-year institution of higher education and intends to transfer to an eligible education program at a four-year institution of higher education; or

(iii) Has been accepted at an institution of higher education into an eligible advanced degree program and has agreed to the service obligation established by the board;

(b) Declares an intention to obtain a baccalaureate degree or an advanced degree; and

(c) Has a family income at or below one hundred twenty-five percent of the state median family income at the time the student applies for an opportunity scholarship.

~~((6))~~ (7) "High employer demand program of study" has the same meaning as provided in RCW 28B.50.030.

~~((7))~~ (8) "Participant" means an eligible student who has received a scholarship under the opportunity scholarship program.

~~((8))~~ (9) "Program administrator" means a college scholarship organization that is a private nonprofit corporation registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code, with expertise in managing scholarships and college advising.

~~((9))~~ (10) "Resident student" has the same meaning as provided in RCW 28B.15.012.

(11) "Service obligation" means an obligation by the participant to be employed in a service obligation area in the state for a specific period to be established by the board.

(12) "Service obligation area" means a location that meets one of the following conditions:

(a) Has been designated by the council as an eligible site under the health professional conditional scholarship program established under chapter 28B.115 RCW;

(b) Serves at least forty percent uninsured or medicaid enrolled patients;

(c) Is located in a rural county as defined in RCW 82.14.370 and serves a combination of uninsured, medicaid enrolled patients, and medicare enrolled patients, equal to at least forty percent of the practice location's total patients; or

(d) Serves a public agency, nonprofit organization, or local health jurisdiction as defined in RCW 43.70.575 by providing public health services necessary to preserve, protect, and promote the health of the state's population, as determined by the board after consultation with the department of health.

Sec. 7. RCW 28B.145.020 and 2014 c 208 s 2 are each amended to read as follows:

(1) The opportunity scholarship board is created. The board consists of eleven members:

(a) Six members appointed by the governor. For three of the six appointments, the governor shall consider names from a list provided by the president of the senate and the speaker of the house of representatives; and

(b) Five foundation or business and industry representatives appointed by the governor from among the state's most productive industries such as aerospace, manufacturing, health care, information technology, engineering, agriculture, and others, as well as philanthropy. The foundation or business and industry representatives shall be selected from among nominations provided by the private sector donors to the opportunity scholarship and opportunity expansion programs. However, the governor may request, and the private sector donors shall provide, an additional list or lists from which the governor shall select these representatives.

(2) Board members shall hold their offices for a term of four years from the first day of September and until their successors are appointed. No more than the terms of two members may expire simultaneously on the last day of August in any one year.

(3) The members of the board shall elect one of the business and industry representatives to serve as chair.

(4) Seven members of the board constitute a quorum for the transaction of business. In case of a vacancy, or when an appointment is made after the date of expiration of the term, the governor or the president of the senate or the speaker of the house of representatives, depending upon which made the initial appointment to that position, shall fill the vacancy for the remainder of the term of the board member whose office has become vacant or expired.

(5) The board shall be staffed by the program administrator.

(6) The purpose of the board is to provide oversight and

guidance for the opportunity expansion and the opportunity scholarship programs in light of established legislative priorities and to fulfill the duties and responsibilities under this chapter, including but not limited to determining eligible education programs and eligible advanced degree programs for purposes of the opportunity scholarship program. In determining eligible advanced degree programs, the board shall consider advanced degree programs that lead to credentials in health professions that include, but are not limited to, primary care, dental care, behavioral health, and public health. Duties, exercised jointly with the program administrator, include soliciting funds and setting annual fund-raising goals.

(7) The board may report to the governor and the appropriate committees of the legislature with recommendations as to:

(a) Whether some or all of the scholarships should be changed to conditional scholarships that must be repaid in the event the participant does not complete the eligible education program; ~~(and)~~

(b) A source or sources of funds for the opportunity expansion program in addition to the voluntary contributions of the high-technology research and development tax credit under RCW 82.32.800; and

(c) Whether the program should include a loan repayment or low-interest or no-interest loan component for the advanced degree portion of the program.

(8) The board shall report to the governor and the appropriate committees of the legislature by December 1st of each biennium, beginning December 1, 2019, on the following:

(a) A list of the eligible advanced degree programs and service obligation areas;

(b) The number of participants in eligible advanced degree programs, the number of participants completing their service obligations in a service obligation area, and the number of participants who have completed their service obligation; and

(c) The number of participants who did not complete their service obligation who now owe a repayment obligation and the reasons why the participants did not complete their service obligations.

Sec. 8. RCW 28B.145.030 and 2014 c 208 s 3 are each amended to read as follows:

(1) The program administrator, under contract with the council, shall staff the board and shall have the duties and responsibilities provided in this chapter, including but not limited to publicizing the program, selecting participants for the opportunity scholarship award, distributing opportunity scholarship awards, and achieving the maximum possible rate of return on investment of the accounts in subsection (2) of this section, while ensuring transparency in the investment decisions and processes. Duties, exercised jointly with the board, include soliciting funds and setting annual fund-raising goals. The program administrator shall be paid an administrative fee as determined by the board.

(2) With respect to the opportunity scholarship program, the program administrator shall:

(a) Establish and manage ~~((two))~~ three separate accounts into which to receive grants and contributions from private sources as well as state matching funds, and from which to disburse scholarship funds to participants;

(b) Solicit and accept grants and contributions from private sources, via direct payment, pledge agreement, or escrow account, of private sources for deposit into ~~((one or both of the two))~~ any of the three specified accounts created in this subsection (2)(b) upon the direction of the donor and in accordance with this subsection (2)(b):

(i) The "scholarship account," whose principal may be invaded, and from which scholarships must be disbursed for baccalaureate

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programs beginning no later than December 1, 2011, if, by that date, state matching funds in the amount of five million dollars or more have been received. Thereafter, scholarships shall be disbursed on an annual basis beginning no later than May 1, 2012, and every October 1st thereafter;

(ii) The "student support pathways account," whose principal may be invaded, and from which scholarships may be disbursed for eligible advanced degree programs in the fiscal year following appropriations of state matching funds. Thereafter, scholarships shall be disbursed on an annual basis;

(iii) The "endowment account," from which scholarship moneys may be disbursed for baccalaureate programs from earnings only in years when:

(A) The state match has been made into both the scholarship and the endowment account; and

(B) The state appropriations for the state need grant under RCW 28B.92.010 meet or exceed state appropriations for the state need grant made in the 2011-2013 biennium, adjusted for inflation, and eligibility for state need grant recipients is at least seventy percent of state median family income; ~~(and~~

~~(C) The state has demonstrated progress toward the goal of total per student funding levels, from state appropriations plus tuition and fees, of at least the sixtieth percentile of total per student funding at similar public institutions of higher education in the global challenge states, as defined, measured, and reported in RCW 28B.15.068. In any year in which the office of financial management reports that the state has not made progress toward this goal, no new scholarships may be awarded. In any year in which the office of financial management reports that the percentile of total per student funding is less than the sixtieth percentile and at least five percent less than the prior year, pledges of future grants and contributions may, at the request of the donor, be released and grants and contributions already received refunded to the extent that opportunity scholarship awards already made can be fulfilled from the funds remaining in the endowment account. In fulfilling the requirements of this subsection, the office of financial management shall use resources that facilitate measurement and comparisons of the most recently completed academic year. These resources may include, but are not limited to, the data provided in a uniform dashboard format under RCW 28B.77.090 as the statewide public four year dashboard and academic year reports prepared by the state board for community and technical colleges;~~

~~(iii))~~ (iv) An amount equal to at least fifty percent of all grants and contributions must be deposited into the scholarship account until such time as twenty million dollars have been deposited into the account, after which time the private donors may designate whether their contributions must be deposited to the scholarship, the student support pathways, or the endowment accounts. The board and the program administrator must work to maximize private sector contributions to ~~(both))~~ the scholarship account, the student support pathways account, and the endowment account, to maintain a robust scholarship program while simultaneously building the endowment, and to determine the division between the ~~((two))~~ scholarship, the student support pathways, and the endowment accounts in the case of undesignated grants and contributions, taking into account the need for a long-term funding mechanism and the short-term needs of families and students in Washington. The first five million dollars in state match, as provided in RCW 28B.145.040, shall be deposited into the scholarship account and thereafter the state match shall be deposited into the ~~((two))~~ three accounts in equal proportion to the private funds deposited in each account, except that no more than one million dollars in state match shall be deposited into the student support pathways account in a single

fiscal biennium; and

~~((iv))~~ (v) Once moneys in the opportunity scholarship match transfer account are subject to an agreement under RCW 28B.145.050(5) and are deposited in the scholarship account, student support pathways account, or endowment account under this section, the state acts in a fiduciary rather than ownership capacity with regard to those assets. Assets in the scholarship account, student support pathways account, and endowment account are not considered state money, common cash, or revenue to the state;

(c) Provide proof of receipt of grants and contributions from private sources to the council, identifying the amounts received by name of private source and date, and whether the amounts received were deposited into the scholarship, the student support pathways, or the endowment accounts;

(d) In consultation with the council and the state board for community and technical colleges, make an assessment of the reasonable annual eligible expenses associated with eligible education programs and eligible advanced degree programs identified by the board;

(e) Determine the dollar difference between tuition fees charged by institutions of higher education in the 2008-09 academic year and the academic year for which an opportunity scholarship is being distributed;

(f) Develop and implement an application, selection, and notification process for awarding opportunity scholarships;

(g) Determine the annual amount of the opportunity scholarship for each selected participant. The annual amount shall be at least one thousand dollars or the amount determined under (e) of this subsection, but may be increased on an income-based, sliding scale basis up to the amount necessary to cover all reasonable annual eligible expenses as assessed pursuant to (d) of this subsection, or to encourage participation in baccalaureate degree programs or eligible advanced degree programs identified by the board;

(h) Distribute scholarship funds to selected participants. Once awarded, and to the extent funds are available for distribution, an opportunity scholarship shall be automatically renewed until the participant withdraws from or is no longer attending the program, completes the program, or has taken the credit or clock hour equivalent of one hundred twenty-five percent of the published length of time of the participant's program, whichever occurs first, and as long as the participant annually submits documentation of filing both a free application for federal student aid and for available federal education tax credits, including but not limited to the American opportunity tax credit; ~~(and)~~

(i) Notify institutions of scholarship recipients who will attend their institutions and inform them of the terms of the students' eligibility;

(j) Establish a required service obligation for participants enrolled in an eligible advanced degree program, and establish a process for verifying a participant's employment in a service obligation area; and

(k) Establish a repayment obligation and appeals process for participants who serve less than the required service obligation, unless the program administrator determines the circumstances are beyond the participant's control. If the participant is unable to pay the repayment obligation in full, the participant may enter into payment arrangements with the program administrator. The program administrator is responsible for the collection of repayment obligations on behalf of participants who fail to complete their service obligation.

(3) With respect to the opportunity expansion program, the program administrator shall:

(a) Assist the board in developing and implementing an

application, selection, and notification process for making opportunity expansion awards; and

(b) Solicit and accept grants and contributions from private sources for opportunity expansion awards.

Sec. 9. RCW 28B.145.040 and 2011 1st sp.s. c 13 s 5 are each amended to read as follows:

(1) The opportunity scholarship program is established.

(2) The purpose of this scholarship program is to provide scholarships that will help low and middle-income Washington residents earn baccalaureate degrees in high employer demand and other programs of study and advanced degrees in health professions needed in service obligation areas, and encourage them to remain in the state to work. The program must be designed for ~~((both))~~ students starting at two-year institutions of higher education and intending to transfer to four-year institutions of higher education ~~((and))~~, students starting at four-year institutions of higher education, and students enrolled in an eligible advanced degree program.

(3) The opportunity scholarship board shall determine which programs of study, including but not limited to high employer demand programs, are eligible for purposes of the opportunity scholarship. For eligible advanced degree programs, the board shall limit scholarships to eligible students enrolling in programs that lead to credentials in health professions needed in service obligation areas.

(4) The source of funds for the program shall be a combination of private grants and contributions and state matching funds. A state match may be earned under this section for private contributions made on or after June 6, 2011. A state match, up to a maximum of fifty million dollars annually, shall be provided beginning the later of January 1, 2014, or January 1st next following the end of the fiscal year in which collections of state retail sales and use tax, state business and occupation tax, and state public utility tax exceed, by ten percent the amounts collected from these tax resources in the fiscal year that ended June 30, 2008, as determined by the department of revenue.

Sec. 10. RCW 28B.145.090 and 2014 c 208 s 4 are each amended to read as follows:

(1) The board may elect to have the state investment board invest the funds in the scholarship account, the student support pathways account, and the endowment account described under RCW 28B.145.030(2)(b). If the board so elects, the state investment board has the full power to invest, reinvest, manage, contract, sell, or exchange investment money in the ~~((two))~~ three accounts. All investment and operating costs associated with the investment of money shall be paid under RCW 43.33A.160 and 43.84.160. With the exception of these expenses, the earnings from the investment of the money shall be retained by the accounts.

(2) All investments made by the state investment board shall be made with the exercise of that degree of judgment and care under RCW 43.33A.140 and the investment policy established by the state investment board.

(3) As deemed appropriate by the state investment board, money in the scholarship, student support pathways, and endowment accounts may be commingled for investment with other funds subject to investment by the state investment board.

(4) Members of the state investment board shall not be considered an insurer of the funds or assets and are not liable for any action or inaction.

(5) Members of the state investment board are not liable to the state, to the fund, or to any other person as a result of their activities as members, whether ministerial or discretionary, except for willful dishonesty or intentional violations of law. The

state investment board in its discretion may purchase liability insurance for members.

(6) The authority to establish all policies relating to the scholarship account, the student support pathways account, and the endowment account, other than the investment policies as provided in subsections (1) through (3) of this section, resides with the board and program administrator acting in accordance with the principles set forth in this chapter. With the exception of expenses of the state investment board in subsection (1) of this section, disbursements from the scholarship account, the student support pathways account, and the endowment account shall be made only on the authorization of the opportunity scholarship board or its designee, and moneys in the accounts may be spent only for the purposes specified in this chapter.

(7) The state investment board shall routinely consult and communicate with the board on the investment policy, earnings of the accounts, and related needs of the program.

NEW SECTION. Sec. 11. Sections 1 through 4 of this act constitute a new chapter in Title 28B RCW."

On page 1, line 2 of the title, after "students;" strike the remainder of the title and insert "amending RCW 28B.145.005, 28B.145.010, 28B.145.020, 28B.145.030, 28B.145.040, and 28B.145.090; and adding a new chapter to Title 28B RCW."

The President Pro Tempore declared the question before the Senate to be to not adopt the committee striking amendment by the Committee on Ways & Means to Engrossed Second Substitute House Bill No. 2143.

The motion by Senator Hawkins carried and the committee striking amendment was not adopted by voice vote.

MOTION

Senator Hawkins moved that the following striking floor amendment no. 822 by Senator Ranker be adopted:

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Eligible student" means a resident student who is enrolled in an accredited doctor of medicine or doctor of osteopathic medicine program in the state, is making satisfactory progress, and has declared an intention to work as a physician in a rural underserved area in Washington following residency.

(2) "Medical student loan" means a loan that is approved by the office and awarded to a participant under the program.

(3) "Office" means the office of student financial assistance.

(4) "Participant" means an eligible student who has received a medical student loan under the program.

(5) "Program" means the medical student loan program.

(6) "Rural underserved area" means a rural county as defined in RCW 82.14.370 that is also designated by the health resources and services administration as a medically underserved area or having a medically underserved population.

NEW SECTION. Sec. 2. The medical student loan program is established to increase the physician workforce in rural underserved areas in Washington state. The program must be funded exclusively with private funding for the purpose of providing medical student loans. State funding may be used for the administration of the program. The office shall administer the program and has the following powers and duties:

(1) To design and implement a low interest medical student

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loan program with the following elements:

(a) A low interest rate, comparable to or more favorable than the federal direct loan program, with interest charges that begin to accrue once the participant finishes his or her medical residency program;

(b) An annual loan limit not to exceed forty thousand dollars and no more than the participant's estimated cost of attendance as determined by his or her medical program;

(c) Loan repayments that do not commence until:

(i) Six months after the participant completes his or her medical residency program; or

(ii) Six months after a participant leaves his or her doctor of medicine program, doctor of osteopathic medicine program, or medical residency program before completing; and

(d) An interest rate of at least twelve percent plus capitalized interest that was deferred during the participant's doctor of medicine or doctor of osteopathic medicine program, and residency program, if the participant does not work as a physician in a rural underserved area in Washington for three years following completion of his or her medical residency program;

(2) To establish an application, selection, and notification process for awarding medical student loans to eligible students;

(3) To define the terms of repayment, including applicable interest rates, fees, and deferments;

(4) To collect and manage repayments on the medical student loans;

(5) To solicit and accept grants and donations from nonstate public and private sources for the program;

(6) To exercise discretion to revise repayment obligations in certain cases, such as economic hardship or disability;

(7) To publicize the program; and

(8) To adopt necessary rules.

NEW SECTION. Sec. 3. (1) The medical student loan account is created in the custody of the state treasurer. Only the executive director of the office or the executive director's designee may authorize expenditures from the account. No appropriation is required for expenditures from the account for medical student loans. An appropriation is required for expenditures from the account for costs associated with program administration by the office.

(2) The office shall deposit into the account all moneys received for the program. Revenues to the account consist of moneys received for the program by the office, including grants and donations, and receipts from participant repayments, including principal and interest.

(3) Expenditures from the account may be used solely for medical student loans to participants in the program established by this chapter and costs associated with program administration by the office.

NEW SECTION. Sec. 4. (1) The office shall submit an annual report regarding the program to the governor and the appropriate committees of the legislature in accordance with the reporting requirements in RCW 43.01.036.

(2) The annual report shall describe the design and implementation of the program, and must include the following:

(a) The number of applicants for medical student loans;

(b) The number of participants in the program;

(c) The number of participants in the program who complete their medical program;

(d) The number of participants in the program who are placed in employment;

(e) The nature of that employment, including the type of job; whether the job is full-time, part-time, or temporary; and the income range;

(f) Whether the participant is working in a rural underserved area, and what percent of the participant's patients are served by medicaid, the children's health insurance program, apple health, or other programs with similar eligibility requirements;

(g) Demographic profiles of both applicants and participants;

(h) The amount of the private funding collected for the program; and

(i) An estimate of when the program will be self-sustaining.

(3) The annual report must be submitted by December 1st of each year after July 1, 2020.

Sec. 5. RCW 28B.145.005 and 2011 1st sp.s. c 13 s 1 are each amended to read as follows:

The legislature finds that, despite increases in degree production, there remain acute shortages in high employer demand programs of study, particularly in the science, technology, engineering, and mathematics (STEM) and health care fields of study. According to the workforce training and education coordinating board, seventeen percent of Washington businesses had difficulty finding job applicants in 2010. Eleven thousand employers did not fill a vacancy because they lacked qualified job applicants. Fifty-nine percent of projected job openings in Washington state from now until 2017 will require some form of postsecondary education and training.

It is the intent of the legislature to provide jobs and opportunity by making Washington the place where the world's most productive companies find the world's most talented people. The legislature intends to accomplish this through the creation of the opportunity scholarship and the opportunity expansion programs to help mitigate the impact of tuition increases, increase the number of baccalaureate degrees in high employer demand and other programs and advanced degrees in health professions needed in service obligation areas, and invest in programs and students to meet market demands for a knowledge-based economy while filling middle-income jobs with a sufficient supply of skilled workers.

Sec. 6. RCW 28B.145.010 and 2014 c 208 s 1 are each amended to read as follows:

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

(1) "Board" means the opportunity scholarship board.

(2) "Council" means the student achievement council.

(3) "Eligible advanced degree program" means a health professional degree program beyond the baccalaureate level and includes graduate and professional degree programs.

(4) "Eligible education programs" means high employer demand and other programs of study as determined by the board.

~~((4))~~ (5) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses as determined by the program administrator in consultation with the council and the state board for community and technical colleges.

~~((5))~~ (6) "Eligible student" means a resident student who received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and who:

(a)(i) Has been accepted at a four-year institution of higher education into an eligible education program leading to a baccalaureate degree; ~~((e#))~~

(ii) Will attend a two-year institution of higher education and intends to transfer to an eligible education program at a four-year institution of higher education; or

(iii) Has been accepted at an institution of higher education into an eligible advanced degree program and has agreed to the service obligation established by the board;

(b) Declares an intention to obtain a baccalaureate degree or an advanced degree; and

(c) Has a family income at or below one hundred twenty-five percent of the state median family income at the time the student applies for an opportunity scholarship.

~~((6))~~ (7) "High employer demand program of study" has the same meaning as provided in RCW 28B.50.030.

~~((7))~~ (8) "Participant" means an eligible student who has received a scholarship under the opportunity scholarship program.

~~((8))~~ (9) "Program administrator" means a ~~(college scholarship organization that is a)~~ private nonprofit corporation registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code ~~(with expertise in managing scholarships and college advising)~~.

~~((9))~~ (10) "Resident student" has the same meaning as provided in RCW 28B.15.012.

(11) "Service obligation" means an obligation by the participant to be employed in a service obligation area in the state for a specific period to be established by the board.

(12) "Service obligation area" means a location that meets one of the following conditions:

(a) Has been designated by the council as an eligible site under the health professional conditional scholarship program established under chapter 28B.115 RCW;

(b) Serves at least forty percent uninsured or medicaid enrolled patients;

(c) Is located in a rural county as defined in RCW 82.14.370 and serves a combination of uninsured, medicaid enrolled patients, and medicare enrolled patients, equal to at least forty percent of the practice location's total patients; or

(d) Serves a public agency, nonprofit organization, or local health jurisdiction as defined in RCW 43.70.575 by providing public health services necessary to preserve, protect, and promote the health of the state's population, as determined by the board after consultation with the department of health.

Sec. 7. RCW 28B.145.020 and 2014 c 208 s 2 are each amended to read as follows:

(1) The opportunity scholarship board is created. The board consists of eleven members:

(a) Six members appointed by the governor. For three of the six appointments, the governor shall consider names from a list provided by the president of the senate and the speaker of the house of representatives; and

(b) Five foundation or business and industry representatives appointed by the governor from among the state's most productive industries such as aerospace, manufacturing, health care, information technology, engineering, agriculture, and others, as well as philanthropy. The foundation or business and industry representatives shall be selected from among nominations provided by the private sector donors to the opportunity scholarship and opportunity expansion programs. However, the governor may request, and the private sector donors shall provide, an additional list or lists from which the governor shall select these representatives.

(2) Board members shall hold their offices for a term of four years from the first day of September and until their successors are appointed. No more than the terms of two members may expire simultaneously on the last day of August in any one year.

(3) The members of the board shall elect one of the business and industry representatives to serve as chair.

(4) Seven members of the board constitute a quorum for the transaction of business. In case of a vacancy, or when an appointment is made after the date of expiration of the term, the

governor or the president of the senate or the speaker of the house of representatives, depending upon which made the initial appointment to that position, shall fill the vacancy for the remainder of the term of the board member whose office has become vacant or expired.

(5) The board shall be staffed by the program administrator.

(6) The purpose of the board is to provide oversight and guidance for the opportunity expansion and the opportunity scholarship programs in light of established legislative priorities and to fulfill the duties and responsibilities under this chapter, including but not limited to determining eligible education programs and eligible advanced degree programs for purposes of the opportunity scholarship program. In determining eligible advanced degree programs, the board shall consider advanced degree programs that lead to credentials in health professions that include, but are not limited to, primary care, dental care, behavioral health, and public health. Duties, exercised jointly with the program administrator, include soliciting funds and setting annual fund-raising goals.

(7) The board may report to the governor and the appropriate committees of the legislature with recommendations as to:

(a) Whether some or all of the scholarships should be changed to conditional scholarships that must be repaid in the event the participant does not complete the eligible education program; ~~(and)~~

(b) A source or sources of funds for the opportunity expansion program in addition to the voluntary contributions of the high-technology research and development tax credit under RCW 82.32.800; and

(c) Whether the program should include a loan repayment or low-interest or no-interest loan component for the advanced degree portion of the program.

(8) The board shall report to the governor and the appropriate committees of the legislature by December 1st of each biennium, beginning December 1, 2019, on the following:

(a) A list of the eligible advanced degree programs and service obligation areas;

(b) The number of participants in eligible advanced degree programs, the number of participants completing their service obligations in a service obligation area, and the number of participants who have completed their service obligation; and

(c) The number of participants who did not complete their service obligation who now owe a repayment obligation and the reasons why the participants did not complete their service obligations.

Sec. 8. RCW 28B.145.030 and 2014 c 208 s 3 are each amended to read as follows:

(1) The program administrator ~~(, under contract with the council, shall staff the board and)~~ shall ~~(have)~~ provide administrative support to execute the duties and responsibilities provided in this chapter, including but not limited to publicizing the program, selecting participants for the opportunity scholarship award, distributing opportunity scholarship awards, and achieving the maximum possible rate of return on investment of the accounts in subsection (2) of this section, while ensuring transparency in the investment decisions and processes. Duties, exercised jointly with the board, include soliciting funds and setting annual fund-raising goals. The program administrator shall be paid an administrative fee as determined by the board.

(2) With respect to the opportunity scholarship program, the program administrator shall:

(a) Establish and manage ~~(two)~~ separate accounts into which to receive grants and contributions from private sources as well as state matching funds, and from which to disburse scholarship funds to participants;

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(b) Solicit and accept grants and contributions from private sources, via direct payment, pledge agreement, or escrow account, of private sources for deposit into ~~((one or both of the two))~~ any of the specified accounts created in this subsection (2)(b) upon the direction of the donor and in accordance with this subsection (2)(b):

(i) The "scholarship account," whose principal may be invaded, and from which scholarships must be disbursed for baccalaureate programs beginning no later than December 1, 2011, if, by that date, state matching funds in the amount of five million dollars or more have been received. Thereafter, scholarships shall be disbursed on an annual basis beginning no later than May 1, 2012, and every October 1st thereafter;

(ii) The "advanced degrees pathways account," whose principal may be invaded, and from which scholarships may be disbursed for eligible advanced degree programs in the fiscal year following appropriations of state matching funds. Thereafter, scholarships shall be disbursed on an annual basis;

(iii) The "endowment account," from which scholarship moneys may be disbursed for baccalaureate programs from earnings only in years when:

(A) The state match has been made into both the scholarship and the endowment account; and

(B) The state appropriations for the state need grant under RCW 28B.92.010 meet or exceed state appropriations for the state need grant made in the 2011-2013 biennium, adjusted for inflation, and eligibility for state need grant recipients is at least seventy percent of state median family income; ~~((and~~

~~(C) The state has demonstrated progress toward the goal of total per student funding levels, from state appropriations plus tuition and fees, of at least the sixtieth percentile of total per student funding at similar public institutions of higher education in the global challenge states, as defined, measured, and reported in RCW 28B.15.068. In any year in which the office of financial management reports that the state has not made progress toward this goal, no new scholarships may be awarded. In any year in which the office of financial management reports that the percentile of total per student funding is less than the sixtieth percentile and at least five percent less than the prior year, pledges of future grants and contributions may, at the request of the donor, be released and grants and contributions already received refunded to the extent that opportunity scholarship awards already made can be fulfilled from the funds remaining in the endowment account. In fulfilling the requirements of this subsection, the office of financial management shall use resources that facilitate measurement and comparisons of the most recently completed academic year. These resources may include, but are not limited to, the data provided in a uniform dashboard format under RCW 28B.77.090 as the statewide public four year dashboard and academic year reports prepared by the state board for community and technical colleges;~~

~~((iii))~~ (iv) An amount equal to at least fifty percent of all grants and contributions must be deposited into the scholarship account until such time as twenty million dollars have been deposited into the account, after which time the private donors may designate whether their contributions must be deposited to the scholarship, the advanced degrees pathways, or the endowment accounts. The board and the program administrator must work to maximize private sector contributions to ~~((both))~~ the scholarship account, the advanced degrees pathways account, and the endowment account, to maintain a robust scholarship program while simultaneously building the endowment, and to determine the division between the ~~((two))~~ scholarship, the advanced degrees pathways, and the endowment accounts in the case of undesignated grants and contributions, taking into account the

need for a long-term funding mechanism and the short-term needs of families and students in Washington. The first five million dollars in state match, as provided in RCW 28B.145.040, shall be deposited into the scholarship account and thereafter the state match shall be deposited into the ~~((two))~~ accounts in equal proportion to the private funds deposited in each account, except that no more than one million dollars in state match shall be deposited into the advanced degrees pathways account in a single fiscal biennium; and

~~((iv))~~ (v) Once moneys in the opportunity scholarship match transfer account are subject to an agreement under RCW 28B.145.050(5) and are deposited in the scholarship account, advanced degrees pathways account, or endowment account under this section, the state acts in a fiduciary rather than ownership capacity with regard to those assets. Assets in the scholarship account, advanced degrees pathways account, and endowment account are not considered state money, common cash, or revenue to the state;

(c) Provide proof of receipt of grants and contributions from private sources to the council, identifying the amounts received by name of private source and date, and whether the amounts received were deposited into the scholarship, the advanced degrees pathways, or the endowment accounts;

(d) In consultation with the council and the state board for community and technical colleges, make an assessment of the reasonable annual eligible expenses associated with eligible education programs and eligible advanced degree programs identified by the board;

(e) Determine the dollar difference between tuition fees charged by institutions of higher education in the 2008-09 academic year and the academic year for which an opportunity scholarship is being distributed;

(f) Develop and implement an application, selection, and notification process for awarding opportunity scholarships;

(g) Determine the annual amount of the opportunity scholarship for each selected participant. The annual amount shall be at least one thousand dollars or the amount determined under (e) of this subsection, but may be increased on an income-based, sliding scale basis up to the amount necessary to cover all reasonable annual eligible expenses as assessed pursuant to (d) of this subsection, or to encourage participation in baccalaureate degree programs or eligible advanced degree programs identified by the board;

(h) Distribute scholarship funds to selected participants. Once awarded, and to the extent funds are available for distribution, an opportunity scholarship shall be automatically renewed as long as the participant annually submits documentation of filing both a free application for federal student aid and for available federal education tax credits including, but not limited to, the American opportunity tax credit, or if ineligible to apply for federal student aid, the participant annually submits documentation of filing a state financial aid application as approved by the office of student financial assistance; and until the participant withdraws from or is no longer attending the program, completes the program, or has taken the credit or clock hour equivalent of one hundred twenty-five percent of the published length of time of the participant's program, whichever occurs first~~((, and as long as the participant annually submits documentation of filing both a free application for federal student aid and for available federal education tax credits, including but not limited to the American opportunity tax credit));~~ ~~((and))~~

(i) Notify institutions of scholarship recipients who will attend their institutions and inform them of the terms of the students' eligibility;

(j) Establish a required service obligation for participants

enrolled in an eligible advanced degree program, and establish a process for verifying a participant's employment in a service obligation area; and

(k) Establish a repayment obligation and appeals process for participants who serve less than the required service obligation, unless the program administrator determines the circumstances are beyond the participant's control. If the participant is unable to pay the repayment obligation in full, the participant may enter into payment arrangements with the program administrator. The program administrator is responsible for the collection of repayment obligations on behalf of participants who fail to complete their service obligation.

(3) With respect to the opportunity expansion program, the program administrator shall:

(a) Assist the board in developing and implementing an application, selection, and notification process for making opportunity expansion awards; and

(b) Solicit and accept grants and contributions from private sources for opportunity expansion awards.

Sec. 9. RCW 28B.145.040 and 2011 1st sp.s. c 13 s 5 are each amended to read as follows:

(1) The opportunity scholarship program is established.

(2) The purpose of this scholarship program is to provide scholarships that will help low and middle-income Washington residents earn baccalaureate degrees in high employer demand and other programs of study and advanced degrees in health professions needed in service obligation areas, and encourage them to remain in the state to work. The program must be designed for ~~((both))~~ students starting at two-year institutions of higher education and intending to transfer to four-year institutions of higher education ~~((and))~~, students starting at four-year institutions of higher education, and students enrolled in an eligible advanced degree program.

(3) The opportunity scholarship board shall determine which programs of study, including but not limited to high employer demand programs, are eligible for purposes of the opportunity scholarship. For eligible advanced degree programs, the board shall limit scholarships to eligible students enrolling in programs that lead to credentials in health professions needed in service obligation areas.

(4) The source of funds for the program shall be a combination of private grants and contributions and state matching funds. A state match may be earned under this section for private contributions made on or after June 6, 2011. A state match, up to a maximum of fifty million dollars annually, shall be provided beginning the later of January 1, 2014, or January 1st next following the end of the fiscal year in which collections of state retail sales and use tax, state business and occupation tax, and state public utility tax exceed, by ten percent the amounts collected from these tax resources in the fiscal year that ended June 30, 2008, as determined by the department of revenue.

Sec. 10. RCW 28B.145.090 and 2014 c 208 s 4 are each amended to read as follows:

(1) The board may elect to have the state investment board invest the funds in the scholarship account, the advanced degrees pathways account, and the endowment account described under RCW 28B.145.030(2)(b). If the board so elects, the state investment board has the full power to invest, reinvest, manage, contract, sell, or exchange investment money in the ~~((two))~~ accounts. All investment and operating costs associated with the investment of money shall be paid under RCW 43.33A.160 and 43.84.160. With the exception of these expenses, the earnings from the investment of the money shall be retained by the accounts.

(2) All investments made by the state investment board shall be made with the exercise of that degree of judgment and care under RCW 43.33A.140 and the investment policy established by the state investment board.

(3) As deemed appropriate by the state investment board, money in the scholarship, advanced degrees pathways, and endowment accounts may be commingled for investment with other funds subject to investment by the state investment board.

(4) Members of the state investment board shall not be considered an insurer of the funds or assets and are not liable for any action or inaction.

(5) Members of the state investment board are not liable to the state, to the fund, or to any other person as a result of their activities as members, whether ministerial or discretionary, except for willful dishonesty or intentional violations of law. The state investment board in its discretion may purchase liability insurance for members.

(6) The authority to establish all policies relating to the scholarship account, the advanced degrees pathways account, and the endowment account, other than the investment policies as provided in subsections (1) through (3) of this section, resides with the board and program administrator acting in accordance with the principles set forth in this chapter. With the exception of expenses of the state investment board in subsection (1) of this section, disbursements from the scholarship account, the advanced degrees pathways account, and the endowment account shall be made only on the authorization of the opportunity scholarship board or its designee, and moneys in the accounts may be spent only for the purposes specified in this chapter.

(7) The state investment board shall routinely consult and communicate with the board on the investment policy, earnings of the accounts, and related needs of the program.

NEW SECTION. Sec. 11. Sections 1 through 4 of this act constitute a new chapter in Title 28B RCW."

On page 1, line 2 of the title, after "students;" strike the remainder of the title and insert "amending RCW 28B.145.005, 28B.145.010, 28B.145.020, 28B.145.030, 28B.145.040, and 28B.145.090; and adding a new chapter to Title 28B RCW."

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

The President Pro Tempore declared the question before the Senate to be the adoption of striking floor amendment no. 822 by Senator Ranker to Engrossed Second Substitute House Bill No. 2143.

The motion by Senator Hawkins carried and striking floor amendment no. 822 was adopted by voice vote.

MOTION

On motion of Senator Hawkins, the rules were suspended, Engrossed Second Substitute House Bill No. 2143 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Hawkins and Brown spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 2143 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 2143 as amended by the Senate

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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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Voting nay: Senator Hasegawa

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2143, as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 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)

Providing higher education support for gold star families.

The measure was read the second time.

MOTION

Senator Ranker moved that the following committee striking amendment by the Committee on Higher Education & Workforce Development be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 28B.15.621 and 2017 c 127 s 1 are each amended to read as follows:

(1) The legislature finds that active military and naval veterans, reserve military and naval veterans, and national guard members called to active duty have served their country and have risked their lives to defend the lives of all Americans and the freedoms that define and distinguish our nation. The legislature intends to honor active military and naval veterans, reserve military and naval veterans, and national guard members who have served on active military or naval duty for the public service they have provided to this country.

(2) Subject to the limitations in RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community and technical colleges, may waive all or a portion of tuition and fees for an eligible veteran or national guard member.

(3) The governing boards of the state universities, the regional universities, The Evergreen State College, and the community and technical colleges, may waive all or a portion of tuition and fees for a military or naval veteran who is a Washington domiciliary, but who did not serve on foreign soil or in international waters or in another location in support of those serving on foreign soil or in international waters and who does not qualify as an eligible veteran or national guard member under subsection (8) of this section. However, there shall be no state general fund support for waivers granted under this subsection.

(4) Subject to the conditions in subsection (5) of this section

and the limitations in RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community and technical colleges, shall waive all tuition and fees for the following persons:

(a) A child and the spouse or the domestic partner or surviving spouse or surviving domestic partner of an eligible veteran or national guard member who became totally disabled as a result of serving in active federal military or naval service, or who is determined by the federal government to be a prisoner of war or missing in action; and

(b) A child and the surviving spouse or surviving domestic partner of an eligible veteran or national guard member who lost his or her life as a result of serving in active federal military or naval service.

(5) The conditions in this subsection (5) apply to waivers under subsection (4) of this section.

(a) A child must be a Washington domiciliary between the age of seventeen and twenty-six to be eligible for the tuition waiver. A child's marital status does not affect eligibility.

(b)(i) A surviving spouse or surviving domestic partner must be a Washington domiciliary.

(ii) Except as provided in (b)(iii) of this subsection, a surviving spouse or surviving domestic partner has ten years from the date of the death, total disability, or federal determination of prisoner of war or missing in action status of the eligible veteran or national guard member to receive benefits under the waiver. Upon remarriage or registration in a subsequent domestic partnership, the surviving spouse or surviving domestic partner is ineligible for the waiver of all tuition and fees.

(iii) If a death results from total disability, the surviving spouse has ten years from the date of death in which to receive benefits under the waiver.

(c) Each recipient's continued participation is subject to the school's satisfactory progress policy.

(d) Tuition waivers for graduate students are not required for those who qualify under subsection (4) of this section but are encouraged.

(e) Recipients who receive a waiver under subsection (4) of this section may attend full-time or part-time. Total credits earned using the waiver may not exceed two hundred quarter credits, or the equivalent of semester credits.

(f) Subject to amounts appropriated, recipients who receive a waiver under subsection (4) of this section shall also receive a stipend for textbooks and course materials in the amount of two hundred fifty dollars per academic year, to be divided equally among academic terms and prorated for part-time students.

(6) Required waivers of all tuition and fees under subsection (4) of this section shall not affect permissive waivers of tuition and fees under subsection (3) of this section.

(7) Private vocational schools and private higher education institutions are encouraged to provide waivers consistent with the terms in subsections (2) through (5) of this section.

(8) The definitions in this subsection apply throughout this section.

(a) "Child" means a biological child, adopted child, or stepchild.

(b) "Eligible veteran or national guard member" means a Washington domiciliary who was an active or reserve member of the United States military or naval forces, or a national guard member called to active duty, who served in active federal service, under either Title 10 or Title 32 of the United States Code, in a war or conflict fought on foreign soil or in international waters or in support of those serving on foreign soil or in international waters, and if discharged from service, has received an honorable discharge.

(c) "Totally disabled" means a person who has been determined to be one hundred percent disabled by the federal department of veterans affairs.

(d) "Washington domiciliary" means a person whose true, fixed, and permanent house and place of habitation is the state of Washington. "Washington domiciliary" includes a person who is residing in rental housing or residing in base housing. In ascertaining whether a child or surviving spouse or surviving domestic partner is domiciled in the state of Washington, public institutions of higher education shall, to the fullest extent possible, rely upon the standards provided in RCW 28B.15.013.

(9) As used in subsection (4) of this section, "fees" includes all assessments for costs incurred as a condition to a student's full participation in coursework and related activities at an institution of higher education.

(10) The governing boards of the state universities, the regional universities, The Evergreen State College, and the community and technical colleges shall report to the higher education committees of the legislature by November 15, 2010, and every two years thereafter, regarding the status of implementation of the waivers under subsection (4) of this section. The reports shall include the following data and information:

- (a) Total number of waivers;
- (b) Total amount of tuition waived;
- (c) Total amount of fees waived;
- (d) Average amount of tuition and fees waived per recipient;
- (e) Recipient demographic data that is disaggregated by distinct ethnic categories within racial subgroups; and
- (f) Recipient income level, to the extent possible."

On page 1, line 2 of the title, after "families;" strike the remainder of the title and insert "and amending RCW 28B.15.621."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Higher Education & Workforce Development to Engrossed Second Substitute House Bill No. 2009.

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

MOTION

On motion of Senator Ranker, the rules were suspended, Engrossed Second Substitute House Bill No. 2009 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Ranker spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 2009 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 2009 as amended by the Senate 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick,

Wellman, Wilson and Zeiger

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2009, as amended by the Senate, 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

HOUSE BILL NO. 2733, by Representatives Orcutt, Chapman, Maycumber, Tharinger, Dent, Kretz, Blake, Fitzgibbon and Muri

Establishing a prescribed burn certification program at the department of natural resources.

The measure was read the second time.

MOTION

Senator Short moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A new section is added to chapter 76.04 RCW to read as follows:

(1) Subject to availability of amounts appropriated for this specific purpose, the department must create a prescribed burn manager certification program for those who practice prescribed burning in the state. The certification program must include training on all relevant aspects of prescribed fire in Washington including, but not limited to, the following: Legal requirements; safety; weather; fire behavior; smoke management; prescribed fire techniques; public relations; planning; and contingencies.

(2) The department may not require certification under the program created under subsection (1) of this section for burn permit approval under this chapter. Nothing in this section may be construed as creating a mandatory prescribed burn manager certification requirement to conduct prescribed burning in Washington.

(3) No civil or criminal liability may be imposed by any court, the state, or its officers and employees, on a prescribed burn manager certified under the program created under subsection (1) of this section, for any direct or proximate adverse impacts resulting from a prescribed fire conducted under the provisions of this chapter except upon proof of gross negligence or willful or wanton misconduct.

(4) The department may adopt rules to create the prescribed burn manager certification program and to set periodic renewal criteria. The rules should be developed in consultation with prescribed burn programs in other states. The department may also adopt rules to establish a decertification process for certified prescribed burn managers who commit a violation under this chapter or rules adopted under this chapter. The department may, in its own discretion, develop an equivalency test for experienced prescribed burn managers.

(5) Certified prescribed burn managers may be issued burn permits with modified requirements in recognition of their training and skills. In such cases, normal smoke management and fire risk parameters apply."

On page 1, line 2 of the title, after "resources;" strike the remainder of the title and insert "and adding a new section to chapter 76.04 RCW."

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to House Bill No. 2733.

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

MOTION

On motion of Senator Short, the rules were suspended, House Bill No. 2733 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Short spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2733 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2733 as amended by the Senate 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

HOUSE BILL NO. 2733, as amended by the Senate, 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.

On motion of Senator Liias, Senate Bill No. 6203 was designated to the Committee on Rules X file.

MOTION

On motion of Senator Liias, Rule 15 was suspended for the remainder of the day for the purpose of allowing continued floor action.

EDITOR'S NOTE: Senate Rule 15 establishes the floor schedule and calls for a lunch and dinner break of 90 minutes each per day during regular daily sessions.

MOTION

At 12:04 p.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President.

Senator McCoy announced a meeting of the Democratic Caucus.

Senator Becker announced a meeting of the Republican Caucus.

AFTERNOON SESSION

The Senate was called to order at 1:54 p.m. by President Pro Tempore Keiser.

SECOND READING

SUBSTITUTE HOUSE BILL NO. 2696, by House Committee on Transportation (originally sponsored by Representatives Valdez, Orcutt, Eslick and Jinkins)

Concerning medical certificate requirements for applicants and holders of commercial drivers' licenses and commercial learners' permits.

The measure was read the second time.

MOTION

On motion of Senator King, the rules were suspended, Substitute House Bill No. 2696 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator King spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 2696.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2696 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 2; Excused, 0.

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

Absent: Senators Hobbs and Mullet

SUBSTITUTE HOUSE BILL NO. 2696, 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.

STATEMENT FOR THE JOURNAL

I'd intended to vote no.

SENATOR Hasegawa, 11th Legislative District

SECOND READING

HOUSE BILL NO. 2474, by Representatives Condotta, Sawyer and Kloba

Modifying marijuana product labeling requirements.

The measure was read the second time.

MOTION

On motion of Senator Conway, the rules were suspended, House Bill No. 2474 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

MOTION

On motion of Senator Wellman, Senator Hobbs was excused.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2474.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2474 and the bill passed the Senate by the following vote: Yeas, 45; Nays, 3; Absent, 0; Excused, 1.

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

Voting nay: Senators Dhingra, Ericksen and Honeyford

Excused: Senator Hobbs

HOUSE BILL NO. 2474, 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

SUBSTITUTE HOUSE BILL NO. 1524, by House Committee on Appropriations (originally sponsored by Representatives Kloba, Klippert, Goodman, Holy, Macri, Peterson, Haler, Doglio, Appleton and Stanford)

Increasing success in therapeutic courts.

The measure was read the second time.

MOTION

Senator Dhingra moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

NEW SECTION. **Sec. 1.** Drug courts remove a defendant's or respondent's case from the criminal and civil court traditional trial track and allow those defendants or respondents the opportunity to obtain treatment services to address particular issues that may have contributed to the conduct that led to their arrest or other issues before the court. Such courts, by focusing on specific individuals' needs, provide treatment for the issues presented and ensure rapid and appropriate accountability for program violations, which decreases recidivism, improves the safety of the community, and improves the life of the program participant and the lives of the participant's family members by decreasing the severity and frequency of the specific behavior addressed by the therapeutic court. Therefore, the legislature finds compelling the research conducted by the Washington state institute for public policy and the research and data analysis division of the department of social and health services showing that providing recovery support services to clients in drug courts creates a benefit to the state of approximately seven dollars and sixty cents in reduced public expenditures and reduced costs of victimization for each dollar spent. Therefore, it is the intent of

the legislature to allow the use of a portion of the criminal justice treatment account to provide such services to foster increased success in drug courts.

Sec. 2. RCW 71.24.580 and 2017 3rd sp.s. c 1 s 981 are each amended to read as follows:

(1) The criminal justice treatment account is created in the state treasury. Moneys in the account may be expended solely for: (a) Substance use disorder treatment and treatment support services for offenders with a substance use disorder that, if not treated, would result in addiction, against whom charges are filed by a prosecuting attorney in Washington state; (b) the provision of substance use disorder treatment services and treatment support services for nonviolent offenders within a drug court program; and (c) the administrative and overhead costs associated with the operation of a drug court. Amounts provided in this subsection must be used for treatment and recovery support services for criminally involved offenders and authorization of these services shall not be subject to determinations of medical necessity. During the 2015-2017 fiscal biennium, the legislature may transfer from the criminal justice treatment account to the state general fund amounts as reflect the state savings associated with the implementation of the medicaid expansion of the federal affordable care act and the excess fund balance of the account. During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the criminal justice treatment account to the state general fund. It is the intent of the legislature to continue(~~(- in future biennia,))~~ in the 2019-2021 biennium the policy of transferring to the state general fund such amounts as reflect the excess fund balance of the account. Moneys in the account may be spent only after appropriation.

(2) For purposes of this section:

(a) "Treatment" means services that are critical to a participant's successful completion of his or her substance use disorder treatment program, ~~((but does not include the following services: Housing other than that provided as part of an inpatient substance use disorder treatment program, vocational training, and mental health counseling))~~ including but not limited to the recovery support and other programmatic elements outlined in RCW 2.30.030 authorizing therapeutic courts; and

(b) "Treatment support" ~~((means))~~ includes transportation to or from inpatient or outpatient treatment services when no viable alternative exists, and child care services that are necessary to ensure a participant's ability to attend outpatient treatment sessions.

(3) Revenues to the criminal justice treatment account consist of: (a) Funds transferred to the account pursuant to this section; and (b) any other revenues appropriated to or deposited in the account.

(4)(a) For the fiscal year beginning July 1, 2005, and each subsequent fiscal year, the state treasurer shall transfer eight million two hundred fifty thousand dollars from the general fund to the criminal justice treatment account, divided into four equal quarterly payments. For the fiscal year beginning July 1, 2006, and each subsequent fiscal year, the amount transferred shall be increased on an annual basis by the implicit price deflator as published by the federal bureau of labor statistics.

(b) In each odd-numbered year, the legislature shall appropriate the amount transferred to the criminal justice treatment account in (a) of this subsection to the department for the purposes of subsection (5) of this section.

(5) Moneys appropriated to the department from the criminal justice treatment account shall be distributed as specified in this subsection. The department may retain up to three percent of the amount appropriated under subsection (4)(b) of this section for its administrative costs.

(a) Seventy percent of amounts appropriated to the department from the account shall be distributed to counties pursuant to the distribution formula adopted under this section. The division of alcohol and substance abuse, in consultation with the department of corrections, the Washington state association of counties, the Washington state association of drug court professionals, the superior court judges' association, the Washington association of prosecuting attorneys, representatives of the criminal defense bar, representatives of substance use disorder treatment providers, and any other person deemed by the department to be necessary, shall establish a fair and reasonable methodology for distribution to counties of moneys in the criminal justice treatment account. County or regional plans submitted for the expenditure of formula funds must be approved by the panel established in (b) of this subsection.

(b) Thirty percent of the amounts appropriated to the department from the account shall be distributed as grants for purposes of treating offenders against whom charges are filed by a county prosecuting attorney. The department shall appoint a panel of representatives from the Washington association of prosecuting attorneys, the Washington association of sheriffs and police chiefs, the superior court judges' association, the Washington state association of counties, the Washington defender's association or the Washington association of criminal defense lawyers, the department of corrections, the Washington state association of drug court professionals, substance use disorder treatment providers, and the division. The panel shall review county or regional plans for funding under (a) of this subsection and grants approved under this subsection. The panel shall attempt to ensure that treatment as funded by the grants is available to offenders statewide.

(6) The county alcohol and drug coordinator, county prosecutor, county sheriff, county superior court, a substance abuse treatment provider appointed by the county legislative authority, a member of the criminal defense bar appointed by the county legislative authority, and, in counties with a drug court, a representative of the drug court shall jointly submit a plan, approved by the county legislative authority or authorities, to the panel established in subsection (5)(b) of this section, for disposition of all the funds provided from the criminal justice treatment account within that county. The funds shall be used solely to provide approved alcohol and substance abuse treatment pursuant to RCW 71.24.560(3) and treatment support services(4) and for the administrative and overhead costs associated with the operation of a drug court.

~~(a) No more than ten percent of the total moneys received under subsections (4) and (5) of this section by a county or group of counties participating in a regional agreement shall be spent on the administrative and overhead costs associated with the operation of a drug court.~~

~~(b))~~ No more than ten percent of the total moneys received under subsections (4) and (5) of this section by a county or group of counties participating in a regional agreement shall be spent for treatment support services.

(7) Counties are encouraged to consider regional agreements and submit regional plans for the efficient delivery of treatment under this section.

(8) Moneys allocated under this section shall be used to supplement, not supplant, other federal, state, and local funds used for substance abuse treatment.

(9) Counties must meet the criteria established in RCW 2.30.030(3).

~~((10) The authority under this section to use funds from the criminal justice treatment account for the administrative and overhead costs associated with the operation of a drug court~~

~~expires June 30, 2015.)"~~

On page 1, line 1 of the title, after "courts;" strike the remainder of the title and insert "amending RCW 71.24.580; and creating a new section."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to Substitute House Bill No. 1524.

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

MOTION

On motion of Senator Dhingra, the rules were suspended, Substitute House Bill No. 1524 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Dhingra and Padden spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 1524.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1524 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

SUBSTITUTE HOUSE BILL NO. 1524, 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

HOUSE BILL NO. 2257, by Representatives McBride, Stokesbary, Graves, Rodne, Macri, Jinkins and Doglio

Prohibiting maintenance of certification from being required for certain health professions.

The measure was read the second time.

MOTION

On motion of Senator Cleveland, the rules were suspended, House Bill No. 2257 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Cleveland spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2257.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2257 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 1; Excused, 1.

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

Absent: Senator Chase

Excused: Senator Hobbs

HOUSE BILL NO. 2257, 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

HOUSE BILL NO. 2858, by Representatives Johnson, Chandler, Appleton, McCabe and Haler

Allowing excess local infrastructure financing revenues to be carried forward.

The measure was read the second time.

MOTION

On motion of Senator , the rules were suspended, House Bill No. 2858 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator King spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2858.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2858 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

HOUSE BILL NO. 2858, 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

HOUSE BILL NO. 2313, by Representatives Cody, Schmick, Caldier, Appleton, Pollet and Dolan

Providing the chiropractic quality assurance commission with additional authority over budget development, spending, and staffing.

The measure was read the second time.

MOTION

On motion of Senator Cleveland, the rules were suspended, House Bill No. 2313 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Cleveland and Rivers spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2313.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2313 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

HOUSE BILL NO. 2313, 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

SUBSTITUTE HOUSE BILL NO. 2317, by House Committee on Transportation (originally sponsored by Representatives Appleton, Muri, Fey, Fitzgibbon, Tarleton, Griffey and Young)

Concerning contractor bonding requirements for public transportation benefit areas and passenger-only ferry service districts.

The measure was read the second time.

MOTION

On motion of Senator Saldaña, the rules were suspended, Substitute House Bill No. 2317 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Saldaña and Angel spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 2317.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2317 and the bill passed the Senate by the following vote: Yeas, 41; Nays, 7; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hunt,

FIFTY FOURTH DAY, MARCH 2, 2018

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Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Wellman and Zeiger

Voting nay: Senators Braun, Brown, Honeyford, Padden, Schoesler, Warnick and Wilson

Excused: Senator Hobbs

SUBSTITUTE HOUSE BILL NO. 2317, 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

HOUSE BILL NO. 2892, by Representatives Lovick, Hayes, Goodman, Klippert, Tarleton, Slatter, McDonald, Frame and Kloba

Establishing the mental health field response teams program.

The measure was read the second time.

MOTION

Senator Frockt moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 36.28A RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the Washington association of sheriffs and police chiefs shall develop and implement a mental health field response grant program. The purpose of the program is to assist local law enforcement agencies to establish and expand mental health field response capabilities, utilizing mental health professionals to professionally, humanely, and safely respond to crises involving persons with behavioral health issues with treatment, diversion, and reduced incarceration time as primary goals. A portion of the grant funds may also be used to develop data management capability to support the program.

(2) Grants must be awarded to local law enforcement agencies based on locally developed proposals to incorporate mental health professionals into the agencies' mental health field response planning and response. Two or more agencies may submit a joint grant proposal to develop their mental health field response proposals. Proposals must provide a plan for improving mental health field response and diversion from incarceration through modifying or expanding law enforcement practices in partnership with mental health professionals. A peer review panel appointed by the Washington association of sheriffs and police chiefs in consultation with integrated managed care organizations and behavioral health organizations must review the grant applications. Once the Washington association of sheriffs and police chiefs certifies that the application satisfies the proposal criteria, the grant funds will be distributed. To the extent possible, at least one grant recipient agency should be from the east side of the state and one from the west side of the state with the crest of the Cascades being the dividing line. The Washington association of sheriffs and police chiefs shall make every effort to fund at least eight grants per fiscal year with funding provided for this purpose from all allowable sources under this section. The Washington association of sheriffs and police chiefs may

prioritize grant applications that include local matching funds. Grant recipients must be selected and receiving funds no later than October 1, 2018.

(3) Grant recipients must include at least one mental health professional who will perform professional services under the plan. A mental health professional may assist patrolling officers in the field or in an on-call capacity, provide preventive, follow-up, training on mental health field response best practices, or other services at the direction of the local law enforcement agency. Nothing in this subsection (3) limits the mental health professional's participation to field patrol. Grant recipients are encouraged to coordinate with local public safety answering points to maximize the goals of the program.

(4) Within existing resources, the Washington association of sheriffs and police chiefs shall:

(a) Consult with the department of social and health services research and data analysis unit to establish data collection and reporting guidelines for grant recipients. The data will be used to study and evaluate whether the use of mental health field response programs improves outcomes of interactions with persons experiencing behavioral health crises, including reducing rates of violence and harm, reduced arrests, and jail or emergency room usage;

(b) Consult with the department of social and health services behavioral health administration and the managed care system to develop requirements for participating mental health professionals; and

(c) Coordinate with public safety answering points, behavioral health, and the department of social and health services to develop and incorporate telephone triage criteria or dispatch protocols to assist with mental health, law enforcement, and emergency medical responses involving mental health situations.

(5) The Washington association of sheriffs and police chiefs shall submit an annual report to the governor and appropriate committees of the legislature on the program. The report must include information on grant recipients, use of funds, participation of mental health professionals, and feedback from the grant recipients by December 1st of each year the program is funded.

(6) Grant recipients shall develop and provide or arrange for training necessary for mental health professionals to operate successfully and competently in partnership with law enforcement agencies. The training must provide the professionals with a working knowledge of law enforcement procedures and tools sufficient to provide for the safety of the professionals, partnered law enforcement officers, and members of the public.

(7) Nothing in this section prohibits the Washington association of sheriffs and police chiefs from soliciting or accepting private funds to support the program created in this section."

On page 1, line 2 of the title, after "program;" strike the remainder of the title and insert "and adding a new section to chapter 36.28A RCW."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to House Bill No. 2892.

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

MOTION

On motion of Senator Frockt, the rules were suspended, House Bill No. 2892 was advanced to third reading, the second reading

considered the third and the bill was placed on final passage.

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

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2892.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2892 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

HOUSE BILL NO. 2892, 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

SUBSTITUTE HOUSE BILL NO. 1656, by House Committee on Transportation (originally sponsored by Representatives Dent, Gregerson, Hargrove, Tarleton, Klippert and Clibborn)

Establishing a community aviation revitalization loan program. Revised for 1st Substitute: Concerning a community aviation revitalization loan program.

The measure was read the second time.

MOTION

On motion of Senator King, the rules were suspended, Substitute House Bill No. 1656 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator King spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 1656.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1656 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

SUBSTITUTE HOUSE BILL NO. 1656, 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

SUBSTITUTE HOUSE BILL NO. 1558, by House Committee on Appropriations (originally sponsored by Representatives Kilduff, MacEwen, Sawyer, Hayes, Harris, Griffey, Ormsby, Riccelli, Bergquist, Dolan, Doglio, Lovick, Ryu, Goodman, Peterson, Fitzgibbon, Muri, Stanford and Fey)

Authorizing membership in the Washington public safety employees' retirement system for employees who provide nursing care to, or ensure the custody and safety of, offender, probationary, and patient populations in institutions and centers.

The measure was read the second time.

MOTION

On motion of Senator Conway, the rules were suspended, Substitute House Bill No. 1558 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Conway spoke in favor of passage of the bill.

Senator Schoesler spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 1558.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1558 and the bill passed the Senate by the following vote: Yeas, 34; Nays, 14; Absent, 0; Excused, 1.

Voting yea: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Fortunato, Frockt, Hasegawa, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman and Zeiger

Voting nay: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Ericksen, Hawkins, Honeyford, Padden, Rivers, Schoesler, Wagoner and Wilson

Excused: Senator Hobbs

SUBSTITUTE HOUSE BILL NO. 1558, 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

SUBSTITUTE HOUSE BILL NO. 2424, by House Committee on Finance (originally sponsored by Representatives Lytton and Nealey)

Correcting the use tax exemption for self-produced fuel.

The measure was read the second time.

MOTION

Senator Braun moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

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Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) This section is the tax preference performance statement for the tax preference contained in section 108, chapter 28, Laws of 2017 3rd sp. sess. This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to induce certain designated behavior by taxpayers and improve industry competitiveness, as indicated in RCW 82.32.808(2) (a) and (b).

(3) If a review finds that there is an increase in self-produced fuel as the result of this tax preference, then the legislature intends to extend the expiration date of this tax preference.

(4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee may refer to any data collected by the state.

Sec. 2. 2017 3rd sp.s. c 28 s 605 (uncodified) is amended to read as follows:

(1) Except as otherwise provided in this section, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

(2) (~~Part 1~~) Sections 101 through 106 of this act (~~(is)~~) are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take(~~s~~) effect August 1, 2017.

(3) Section 213 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 23, 2017.

(4) Part III of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2017.

(5) Sections 107 through 109 and 502 of this act take(~~s~~) effect January 1, 2018.

NEW SECTION. Sec. 3. This act applies both retroactively to August 1, 2017, and prospectively.

NEW SECTION. Sec. 4. This act is exempt from the provisions of RCW 82.32.805(1)(a).

NEW SECTION. Sec. 5. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

On page 1, line 2 of the title, after "fuel;" strike the remainder of the title and insert "amending 2017 3rd sp.s. c 28 s 605 (uncodified); creating new sections; and declaring an emergency."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to Substitute House Bill No. 2424.

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

MOTION

On motion of Senator Braun, the rules were suspended,

Substitute House Bill No. 2424 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Braun spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 2424.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2424 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 1; Absent, 0; Excused, 1.

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

Voting nay: Senator Hasegawa

Excused: Senator Hobbs

SUBSTITUTE HOUSE BILL NO. 2424, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2701, by House Committee on Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Bergquist, Holy, Klippert, Stonier, Lytton, Maycumber, Muri, McDonald and Ortiz-Self)

Addressing the definition of veteran.

The measure was read the second time.

MOTION

On motion of Senator Hunt, the rules were suspended, Engrossed Substitute House Bill No. 2701 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Hunt spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 2701.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 2701 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2701, 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

SUBSTITUTE HOUSE BILL NO. 2367, by House Committee on Early Learning & Human Services (originally sponsored by Representatives Reeves, Slatter, Tharinger, Robinson, Kagi, Dolan, Kilduff, Chapman, Doglio, Riccelli and Stonier)

Establishing a child care collaborative task force.

The measure was read the second time.

MOTION

Senator Padden moved that the following floor amendment no. 896 by Senator Padden be adopted:

On page 2, line 15, after "(e)", insert "One representative of the Washington state family child care association;

(f)"

Renumber the remaining subsections.

Senator Padden spoke in favor of adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 896 by Senator Padden on page 2, line 15 to Substitute House Bill No. 2367.

The motion by Senator Padden carried and floor amendment no. 896 was adopted by voice vote.

MOTION

On motion of Senator Saldaña, the rules were suspended, Substitute House Bill No. 2367 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Saldaña, Baumgartner and Angel spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 2367.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2367 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

SUBSTITUTE HOUSE BILL NO. 2367, 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.

PERSONAL PRIVILEGE

Senator King: "I'll be brief, I know time is short. We talked about, in this bill, about parents that, both parents working and how important that is to our economy, and it is, and we do value that, but I think it's important to say that we also value those parents that stay at home and take care of their kids at home and all the things that go with that. Just wanted to make that point, thank you Madam President."

SECOND READING

SECOND SUBSTITUTE HOUSE BILL NO. 2015, by House Committee on Finance (originally sponsored by Representatives Pettigrew, Stokesbary, Nealey, Springer, Macri and Pollet)

Modifying the lodging excise tax to remove the exemption for premises with fewer than sixty lodging units and to tax certain vacation rentals, short-term home-sharing arrangements, and other compensated use or occupancy of dwellings.

The measure was read the second time.

MOTION

Senator Rolfes moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature finds that it is in the public interest that taxation of lodging not distort the market for different types of lodging and that all types of lodging participate in the funding of the public benefits supported with lodging tax revenue.

(2) The legislature further finds that, with respect to the lodging taxes levied under RCW 36.100.040 (4) and (5), the current significant disparity in the taxation of sales of lodging on premises having fewer than sixty lodging units compared to premises having sixty or more units is contrary to the public interest in both equitable taxation and adequately supporting the public benefits funded by lodging tax revenue.

(3) It is the intent of this act to equalize the taxation levied under RCW 36.100.040 (4) and (5) by applying it to all lodging, regardless of the number of lodging units in premises subject to such taxation.

Sec. 2. RCW 36.100.040 and 2015 3rd sp.s. c 24 s 702 are each amended to read as follows:

(1) A public facilities district may impose an excise tax on the sale of or charge made for the furnishing of lodging that is subject to tax under chapter 82.08 RCW, except that no such tax may be levied on any premises having fewer than forty lodging units. Except for any tax imposed under subsection (4) or (5) of this section, if a public facilities district has not imposed such an excise tax prior to December 31, 1995, the public facilities district may only impose the excise tax if a ballot proposition authorizing the imposition of the tax has been approved by a simple majority vote of voters of the public facilities district voting on the proposition.

(2) The rate of the tax may not exceed two percent and the proceeds of the tax may only be used for the acquisition, design, construction, remodeling, maintenance, equipping, reequipping, repairing, and operation of its public facilities. This excise tax may not be imposed until the district has approved the proposal

to acquire, design, and construct the public facilities.

(3) Except for a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, and operating a convention and trade center, a public facilities district may not impose the tax authorized in this section if, after the tax authorized in this section was imposed, the effective combined rate of state and local excise taxes, including sales and use taxes and excise taxes on lodging, imposed on the sale of or charge made for furnishing of lodging in any jurisdiction in the public facilities district exceeds eleven and one-half percent.

(4)(a) To replace the tax authorized by RCW 67.40.090, a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, ~~(and)~~ operating, renovating, and expanding a convention and trade center may impose an excise tax on the sale of or charge made for the furnishing of lodging (including but not limited to any short-term rental) that is subject to tax under chapter 82.08 RCW, except that no such tax may be levied on:

(i) Any premises: ~~((a))~~

(A) Having fewer than sixty lodging units if the premises is located in a town with a population less than three hundred; or ~~((b))~~

(B) Classified as a hostel;

(ii) Any lodging that is concurrently subject to a tax on engaging in the business of being a short-term rental operator imposed by a city in which a convention and trade center is located; or

(iii) Any lodging that is operated by a university health care system exclusively for family members of patients.

(b) The rate of the tax may not exceed seven percent within the portion of the district that corresponds to the boundaries of the largest city within the public facilities district and may not exceed 2.8 percent in the remainder of the district. The tax imposed under this subsection (4) may not be collected prior to the transfer date defined in RCW 36.100.230.

(5) To replace the tax authorized by RCW 67.40.130, a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, ~~(and)~~ operating, renovating, and expanding a convention and trade center may impose an additional excise tax on the sale of or charge made for the furnishing of lodging (including but not limited to any short-term rental) that is subject to tax under chapter 82.08 RCW, except that no such tax may be levied on any premises: (a) Having fewer than sixty lodging units if the premises is located in a town with a population less than three hundred; or (b) classified as a hostel. The rate of the additional excise tax may not exceed two percent and may be imposed only within the portion of the district that corresponds to the boundaries of the largest city within the public facilities district and may not be imposed in the remainder of the district. The tax imposed under this subsection (5) may not be collected prior to the transfer date specified in RCW 36.100.230. The tax imposed under this subsection (5) must be credited against the amount of the tax otherwise due to the state from those same taxpayers under chapter 82.08 RCW. The tax under this subsection (5) may be imposed only for the purpose of paying or securing the payment of the principal of and interest on obligations issued or incurred by the public facilities district and paying annual payment amounts to the state under subsection (6)(a) of this section. The authority to impose the additional excise tax under this subsection (5) expires on the date that is the earlier of ~~((a) ——— F:\Journal\2018~~ ~~Journal\2018\LegDay054(ii.doe))~~ (i) July 1, 2029, or ~~((b) ——— F:\Journal\2018~~ ~~Journal\2018\LegDay054(ii.doe))~~ (ii)

the date on which all obligations issued or incurred by the public facilities district to implement any redemption, prepayment, or legal defeasance of outstanding obligations under RCW 36.100.230(3)(a) are no longer outstanding.

(6)(a) Commencing with the first full fiscal year of the state after the transfer date defined in RCW 36.100.230 and for so long as a public facilities district imposes a tax under subsection (5) of this section, the public facilities district must transfer to the state of Washington on June 30th of each state fiscal year an annual payment amount.

(b) For the purposes of this subsection (6), "annual payment amount" means an amount equal to revenues received by the public facilities district in the fiscal year from the additional excise tax imposed under subsection (5) of this section plus an interest charge calculated on one-half the annual payment amount times an interest rate equal to the average annual rate of return for the prior calendar year in the Washington state local government investment pool created in chapter 43.250 RCW.

(c)(i) If the public facilities district in any fiscal year is required to apply additional lodging excise tax revenues to the payment of principal and interest on obligations it issues or incurs, and the public facilities district is unable to pay all or any portion of the annual payment amount to the state, the deficiency is deemed to be a loan from the state to the public facilities district for the purpose of assisting the district in paying such principal and interest and must be repaid by the public facilities district to the state after providing for the payment of the principal of and interest on obligations issued or incurred by the public facilities district, all on terms established by an agreement between the state treasurer and the public facilities district executed prior to the transfer date. Any agreement between the state treasurer and the public facilities district must specify the term for the repayment of the deficiency in the annual payment amount with an interest rate equal to the twenty bond general obligation bond buyer index plus one percentage point.

(ii) Outstanding obligations to repay any loans deemed to have been made to the public facilities district as provided in any such agreements between the state treasurer and the public facilities district survive the expiration of the additional excise tax under subsection (5) of this section.

(iii) For the purposes of this subsection (6)(c), "additional lodging excise tax revenues" mean the tax revenues received by the public facilities district under subsection (5) of this section.

(7) A public facilities district is authorized to pledge any of its revenues, including without limitation revenues from the taxes authorized in this section, to pay or secure the payment of obligations issued or incurred by the public facilities district, subject to the terms established by the board of directors of the public facilities district. So long as a pledge of the taxes authorized under this section is in effect, the legislature may not withdraw or modify the authority to levy and collect the taxes at the rates permitted under this section and may not increase the annual payment amount to be transferred to the state under subsection (6) of this section.

(8) The department of revenue must perform the collection of such taxes on behalf of the public facilities district at no cost to the district, and the state treasurer must distribute those taxes as available on a monthly basis to the district or, upon the direction of the district, to a fiscal agent, paying agent, or trustee for obligations issued or incurred by the district.

(9) Except as expressly provided in this chapter, all of the provisions contained in RCW 82.08.050 and 82.08.060 and chapter 82.32 RCW have full force and application with respect to taxes imposed under the provisions of this section.

(10) In determining the effective combined rate of tax for

purposes of the limit in subsection (3) of this section, the tax rate under RCW 82.14.530 is not included.

(11) The taxes imposed in this section do not apply to sales of temporary medical housing exempt under RCW 82.08.997.

~~(12) ((a) For the purposes of this section,)~~ The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a)(i) "Hostel" means a structure or facility where a majority of the rooms for sleeping accommodations are hostel dormitories containing a minimum of four standard beds designed for single-person occupancy within the facility. Hostel accommodations are supervised and must include at least one common area and at least one common kitchen for guest use.

~~((b))~~ (ii) For the purpose of this subsection (12)(a), "hostel dormitory" means a single room, containing four or more standard beds designed for single-person occupancy, used exclusively as nonprivate communal sleeping quarters, generally for unrelated persons, where such persons independently acquire the right to occupy individual beds, with the operator supervising and determining which bed each person will occupy.

(b) "Short-term rental" means a lodging use, that is not a hotel or motel, in which a dwelling unit, or portion thereof, that is offered or provided to a guest or guests by a short-term rental operator for a fee for fewer than thirty consecutive nights. The term "short-term rental" does not include:

(i) A dwelling unit, or portion thereof, that is used by the same person for thirty or more consecutive nights; and

(ii) A dwelling unit, or portion thereof, that is operated by an organization or government entity that is registered as a charitable organization with the secretary of state, state of Washington, and/or is classified by the federal internal revenue service as a public charity or a private foundation, and provides temporary housing to individuals who are being treated for trauma, injury, or disease and/or their family members.

(13) Taxes authorized under subsections (4) and (5) of this section are deemed to have been imposed on December 1, 2000, for the purposes of RCW 82.14.410.

(14)(a) Beginning on the date that the condition in (b) of this subsection is satisfied, a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, operating, renovating, and expanding a convention and trade center must make quarterly payments from tax revenue collected by a public facilities district as a result of the tax imposed in chapter . . . Laws of 2018 (this act) to a city in which the convention and trade center is located that has authorized on or before December 31, 2017, a tax on engaging in the business of being a short-term rental operator. Such payments must be made no more than thirty days after the last day of each fiscal quarter and must equal the portion of the revenues received by the public facilities district during such fiscal quarter from the lodging taxes authorized under subsection (4) of this section that are determined by the department of revenue to be derived from the short-term rental activity within such city.

(b) The public facilities district is not required to make any payments under this subsection (14) unless the city has repealed any ordinance authorizing a tax on engaging in the business of being a short-term rental operator.

(c) The public facilities district is not required to make any payments to a city under this subsection (14), if the city, after satisfying the condition in (b) of this subsection imposes any tax specifically on the act of engaging in the business of being a short-term rental operator.

(d) The proceeds of any payments made by a public facilities district to a city under this subsection (14) must be used by the city to support community-initiated equitable development and

affordable housing programs, as determined by the city in its sole discretion.

(15) Fifty percent of any tax revenue collected by a public facilities district as a result of the tax imposed in chapter . . . Laws of 2018 (this act) must be distributed by the public facilities district to the county in which the convention and trade center is located. However, if a city has satisfied the condition in subsection (14)(b) of this section, payments made under this subsection to the county in which the convention and trade center is located must be calculated after deducting any payments made to a city under subsection (14) of this section from the total tax revenue received by the public facilities district as a result of the enactment of chapter . . . Laws of 2018 (this act). The proceeds of such payments to a county under this subsection (15) must be used by the county to support affordable housing programs, as determined by the county, in its sole discretion.

NEW SECTION. Sec. 3. This act takes effect October 1, 2018."

On page 1, line 4 of the title, after "dwellings;" strike the remainder of the title and insert "amending RCW 36.100.040; creating a new section; and providing an effective date."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to Second Substitute House Bill No. 2015.

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

MOTION

On motion of Senator Rolfes, the rules were suspended, Second Substitute House Bill No. 2015 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Rolfes spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Second Substitute House Bill No. 2015.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 2015 and the bill passed the Senate by the following vote: Yeas, 33; Nays, 15; Absent, 0; Excused, 1.

Voting yea: Senators Becker, Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Frock, Hasegawa, Hawkins, Hunt, Keiser, Kuderer, Liias, McCoy, Miloscia, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Schoesler, Sheldon, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman and Zeiger

Voting nay: Senators Angel, Bailey, Baumgartner, Braun, Brown, Ericksen, Fortunato, Honeyford, King, Mullet, O'Ban, Padden, Rivers, Short and Wilson

Excused: Senator Hobbs

SECOND SUBSTITUTE HOUSE BILL NO. 2015, 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

HOUSE BILL NO. 2649, by Representatives Barkis, Wilcox,

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Dolan, Doglio, Nealey, Tarleton and McBride

Enhancing the fish, shellfish, and wildlife-related recreational opportunities for a person with a disability.

The measure was read the second time.

MOTION

On motion of Senator Van De Wege, the rules were suspended, House Bill No. 2649 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Van De Wege spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2649.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2649 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

HOUSE BILL NO. 2649, 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

HOUSE BILL NO. 2307, by Representatives Van Werven and Young

Requiring confidentiality in the release of sensitive fish and wildlife data.

The measure was read the second time.

MOTION

On motion of Senator Van De Wege, the rules were suspended, House Bill No. 2307 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Van De Wege and Warnick spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2307.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2307 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

HOUSE BILL NO. 2307, 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

HOUSE BILL NO. 2785, by Representatives Dent, Senn, McCaslin, Kagi, Goodman, Klippert, Lovick, Eslick, Griffey, Caldier, Reeves, Hargrove, Valdez, Frame and Steele

Providing the list of foster parent rights and responsibilities to prospective and current foster parents.

The measure was read the second time.

MOTION

On motion of Senator Dhingra, the rules were suspended, House Bill No. 2785 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Dhingra and O'Ban spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2785.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2785 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

HOUSE BILL NO. 2785, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED HOUSE BILL NO. 1742, by Representatives Stambaugh, Fey, Orcutt, Riccelli, McDonald and Jinkins

Modifying the motor vehicle transporter's license to accommodate automotive repair facilities.

The measure was read the second time.

MOTION

On motion of Senator Saldaña, the rules were suspended, Engrossed House Bill No. 1742 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed House Bill No. 1742.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed House Bill No. 1742 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

ENGROSSED HOUSE BILL NO. 1742, 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

SUBSTITUTE HOUSE BILL NO. 2322, by House Committee on Business & Financial Services (originally sponsored by Representatives Stanford, Kirby, Vick, Barkis, McDonald and Ryu)

Allowing property insurers to assist their insureds with risk mitigation goods or services.

The measure was read the second time.

MOTION

Senator Mullet moved that the following committee striking amendment by the Committee on Financial Institutions & Insurance be not adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that allowing property insurers to assist their insureds with either risk mitigation or prevention, or both, and goods and services could help prevent, or reduce the severity of claims and losses. The legislature further finds that property insurers engage in supporting insureds through disaster response activities when there is an imminent threat of damage to insured property, such as wildfire prevention defense efforts that provide fire retardants to homes in a wildfire area or send crews to combat wildfires to protect insureds' homes. The legislature further finds that assisting insureds with risk mitigation and prevention and providing disaster response activities are both useful in preventing economic loss, and should be exempt from the prohibition against inducements under RCW 48.30.140 and 48.30.150.

NEW SECTION. Sec. 2. A new section is added to chapter

48.18 RCW to read as follows:

(1) With the prior approval of the commissioner, a property insurer may include the following goods and services intended to reduce either the probability of loss, or the extent of loss, or both, from a covered event as part of a policy of property insurance, except commercial property insurance:

- (a) Goods, including a water monitor;
- (b) Foundation strapping to mitigate losses due to earthquake;
- (c) Ongoing services, including home safety monitoring or brush clearing to mitigate losses due to wildfire; and
- (d) Other goods and services as the commissioner may identify by rule.

(2) Any goods provided are owned by the insured, even if the insurance is subsequently canceled.

(3) The value of goods and services to be provided is limited to one thousand five hundred dollars in value in the aggregate in any twelve-month period.

(4) In order to receive prior approval of the commissioner, and except as provided in subsection (6) of this section, the property insurer must include the following in its rate filing:

- (a) A description of either the specific goods or services, or both, to be offered;
- (b) A description of the method of delivering either the specific goods or services, or both, being offered; and
- (c) The selection criteria for insureds receiving either the specific goods or services, or both, being offered.

(5) This section does not require the commissioner to approve any particular proposed benefit. The commissioner may disapprove any proposed noninsurance benefit that the commissioner determines may tend to promote or facilitate the violation of any other section of this title. However, if the commissioner approves the inclusion of the goods and services in a policy of property insurance, except commercial property insurance, it does not constitute a violation of RCW 48.30.140 or 48.30.150.

(6)(a) A property insurer may conduct a pilot program as either a risk mitigation or prevention, or both, strategy through which the insurer offers or provides either risk mitigation or prevention, or both, or goods and services identified in subsection (1) of this section in connection with an insurance policy covering property risks, except commercial property insurance, in accordance with rules adopted by the commissioner.

(b) A property insurer offering or providing either risk mitigation or prevention, or both, or goods and services through a pilot program under this subsection is exempt from including information about either the risk mitigation or prevention, or both, or goods and services in its rate filing as is otherwise required under subsection (4) of this section and section 3 of this act.

(c) A property insurer's pilot program may last no longer than two years.

(7) This section does not apply to a disaster or emergency response program of a property insurer.

NEW SECTION. Sec. 3. A new section is added to chapter 48.19 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, in addition to other information required by this chapter, a rate filing by a property insurer for a policy, except commercial property insurance, that includes either risk mitigation or prevention, or both, or goods and services under section 2 of this act, must demonstrate that its rates account for the expected costs of the goods and services and the reduction in expected claims costs resulting from the goods and services.

(2) This section does not apply to:

- (a) A property insurer offering or providing either risk mitigation or prevention, or both, or goods and services through

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a pilot program established in section 2(6) of this act; or

(b) A disaster or emergency response program of a property insurer.

NEW SECTION. Sec. 4. A new section is added to chapter 48.18 RCW to read as follows:

The commissioner may adopt rules as necessary to implement sections 2 and 3 of this act, including but not limited to:

(1) Rules requiring a notice to insureds or potential insureds regarding their ability to opt out of receiving any risk mitigation or prevention, or both, or goods and services;

(2) Rules increasing the value of the goods and services permitted under section 2(1) of this act;

(3) Rules establishing requirements for pilot programs authorized under section 2(6) of this act; and

(4) Rules identifying which insurer disaster response activities are exempt from sections 2 and 3 of this act and RCW 48.30.140 and 48.30.150."

On page 1, line 1 of the title, after "insurance;" strike the remainder of the title and insert "adding new sections to chapter 48.18 RCW; adding a new section to chapter 48.19 RCW; and creating a new section."

The President Pro Tempore declared the question before the Senate to be to not adopt the committee striking amendment by the Committee on Financial Institutions & Insurance to Substitute House Bill No. 2322.

The motion by Senator Mullet carried and the committee striking amendment was not adopted by voice vote.

MOTION

Senator Mullet moved that the following striking floor amendment no. 811 by Senator Mullet be adopted:

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. The legislature finds that allowing property insurers to assist their insureds with risk mitigation and/or prevention goods and/or services could help prevent, or reduce the severity of claims and losses. The legislature further finds that property insurers engage in supporting insureds through disaster or emergency response activities when there is an imminent threat of damage to insured property, such as wildfire prevention defense efforts that provide fire retardants to homes in a wildfire area or send crews to combat wildfires to protect insureds' homes. The legislature further finds that assisting insureds with risk mitigation and prevention and providing disaster or emergency response activities are both useful in preventing economic loss, and should be exempt from the prohibition against inducements under RCW 48.30.140 and 48.30.150.

NEW SECTION. Sec. 2. A new section is added to chapter 48.18 RCW to read as follows:

(1) With the prior approval of the commissioner, a property insurer may include the following either goods or services, or both, intended to reduce either the probability of loss, or the extent of loss, or both, from a covered event as part of a policy of property insurance, except commercial property insurance:

(a) Goods, including a water monitor;

(b) Foundation strapping to mitigate losses due to earthquake;

(c) Ongoing services, including home safety monitoring or brush clearing to mitigate losses due to wildfire; and

(d) Other either goods or services, or both, as the commissioner may identify by rule.

(2) Any goods provided are owned by the insured, even if the insurance is subsequently canceled.

(3) The value of goods and services to be provided is limited to one thousand five hundred dollars in value in the aggregate in any twelve-month period.

(4) In order to receive prior approval of the commissioner, and except as provided in subsection (6) of this section, the property insurer must include the following in its rate filing:

(a) A description of either the specific goods or services, or both, to be offered;

(b) A description of the method of delivering either the specific goods or services, or both, being offered; and

(c) The selection criteria for insureds receiving either the specific goods or services, or both, being offered.

(5) This section does not require the commissioner to approve any particular proposed benefit. The commissioner may disapprove any proposed noninsurance benefit that the commissioner determines may tend to promote or facilitate the violation of any other section of this title. However, if the commissioner approves the inclusion of either the goods or services, or both, in a policy of property insurance, except commercial property insurance, it does not constitute a violation of RCW 48.30.140 or 48.30.150.

(6)(a) A property insurer may conduct a pilot program as either a risk mitigation or prevention, or both, strategy through which the insurer offers or provides risk mitigation and/or prevention goods and/or services identified in subsection (1) of this section in connection with an insurance policy covering property risks, except commercial property insurance, in accordance with rules adopted by the commissioner.

(b) A property insurer offering or providing risk mitigation and/or prevention goods and/or services through a pilot program under this subsection is exempt from including information about the risk mitigation and/or prevention goods and/or services in its rate filing as is otherwise required under subsection (4) of this section and section 3 of this act.

(c) A property insurer's pilot program may last no longer than two years.

(7) This section does not apply to disaster or emergency response activities of a property insurer.

NEW SECTION. Sec. 3. A new section is added to chapter 48.19 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, in addition to other information required by this chapter, a rate filing by a property insurer for a policy, except commercial property insurance, that includes risk mitigation and/or prevention goods and/or services under section 2 of this act, must demonstrate that its rates account for the expected costs of the goods and services and the reduction in expected claims costs resulting from either the goods or services, or both.

(2) This section does not apply to:

(a) A property insurer offering or providing risk mitigation and/or prevention goods and/or services through a pilot program established in section 2(6) of this act; or

(b) Disaster or emergency response activities of a property insurer.

NEW SECTION. Sec. 4. A new section is added to chapter 48.18 RCW to read as follows:

The commissioner may adopt rules as necessary to implement sections 2 and 3 of this act, including but not limited to:

(1) Rules requiring a notice to insureds or potential insureds regarding their ability to opt out of receiving any risk mitigation and/or prevention goods and/or services;

(2) Rules increasing the value of either the goods or services,

or both, permitted under section 2(1) of this act;

(3) Rules establishing requirements for pilot programs authorized under section 2(6) of this act; and

(4) Rules identifying which insurer disaster or emergency response activities are exempt from sections 2 and 3 of this act and RCW 48.30.140 and 48.30.150."

On page 1, line 1 of the title, after "insurance;" strike the remainder of the title and insert "adding new sections to chapter 48.18 RCW; adding a new section to chapter 48.19 RCW; and creating a new section."

The President Pro Tempore declared the question before the Senate to be the adoption of striking floor amendment no. 811 by Senator Mullet to Substitute House Bill No. 2322.

The motion by Senator Mullet carried and striking floor amendment no. 811 was adopted by voice vote.

MOTION

On motion of Senator Mullet, the rules were suspended, Substitute House Bill No. 2322 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 2322 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2322 as amended by the Senate 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

SUBSTITUTE HOUSE BILL NO. 2322, as amended by the Senate, 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

SUBSTITUTE HOUSE BILL NO. 2515, by House Committee on Appropriations (originally sponsored by Representatives Tharinger, Schmick, Cody, Johnson, Jinkins, Harris, Robinson, Wylie, Pollet and Ormsby)

Updating the medicaid payment methodology for contracted assisted living, adult residential care, and enhanced adult residential care.

The measure was read the second time.

MOTION

On motion of Senator Cleveland, the rules were suspended,

Substitute House Bill No. 2515 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Cleveland and Rivers spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 2515.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2515 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

SUBSTITUTE HOUSE BILL NO. 2515, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2356, by House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Johnson, McBride, Jinkins, Ryu and Ormsby)

Concerning stem cell therapies not approved by the United States food and drug administration.

The measure was read the second time.

MOTION

On motion of Senator Cleveland, the rules were suspended, Engrossed Substitute House Bill No. 2356 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Cleveland spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 2356.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 2356 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

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Excused: Senator Hobbs

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2356, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED THIRD SUBSTITUTE HOUSE BILL NO. 1482, by House Committee on Early Learning & Human Services (originally sponsored by Representatives Sawyer, Kagi, Stambaugh, Caldier, Robinson, Springer, Hargrove, Tarleton, Ormsby, Doglio and Stanford)

Establishing the legislative-executive WorkFirst poverty reduction oversight task force.

The measure was read the second time.

MOTION

On motion of Senator Darneille, the rules were suspended, Engrossed Third Substitute House Bill No. 1482 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Darneille, Zeiger, Walsh and Miloscia spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Third Substitute House Bill No. 1482.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Third Substitute House Bill No. 1482 and the bill passed the Senate by the following vote: Yeas, 41; Nays, 7; Absent, 0; Excused, 1.

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

Voting nay: Senators Brown, Ericksen, Honeyford, Padden, Schoesler, Wagoner and Wilson

Excused: Senator Hobbs

ENGROSSED THIRD SUBSTITUTE HOUSE BILL NO. 1482, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED HOUSE BILL NO. 2777, by Representative Jinkins

Improving and updating administrative provisions related to the board of tax appeals.

The measure was read the second time.

MOTION

Senator Pedersen moved that the following committee striking amendment by the Committee on Law & Justice be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 82.03.020 and 1967 ex.s. c 26 s 31 are each amended to read as follows:

(1) The board of tax appeals, hereinafter (~~in chapter 26, Laws of 1967 ex. sess.~~) referred to as the board, (~~shall~~) must consist of three members qualified by experience and training in the field of state and local taxation, appointed by the governor with the advice and consent of the senate, and no more than two of whom at the time of appointment or during their terms (~~shall~~) may be members of the same political party.

(2) Beginning with appointments made after the effective date of this section, at least two members of the board must be attorneys licensed to practice law in the state of Washington with substantial knowledge of Washington tax law. At least one attorney member must have substantial experience in making a record suitable for judicial review. Any nonattorney member must have substantial experience in the fields of residential and commercial property appraisal.

(3) Each member of the board must attend at least twenty hours of judicial training deemed by the board to be appropriate for instructing members in Washington law, evidentiary procedures, and judicial practice and ethics.

Sec. 2. RCW 82.03.030 and 1967 ex.s. c 26 s 32 are each amended to read as follows:

Members of the board (~~shall~~) must be appointed for a term of six years and until their successors are appointed and have qualified. (~~In case of a vacancy, it shall~~) Vacancies must be filled by appointment by the governor, in accordance with section 1 of this act, for the unexpired portion of the term in which (~~said~~) the vacancy occurs (~~PROVIDED, That the terms of the first three members of the board shall be staggered so that one member shall be appointed to serve until March 1, 1969, one member until March 1, 1971, and one member until March 1, 1973~~).

Sec. 3. RCW 82.03.040 and 1967 ex.s. c 26 s 33 are each amended to read as follows:

Any member of the board may be removed for inefficiency, malfeasance or misfeasance in office, upon specific written charges filed by the governor, who (~~shall~~) must transmit such written charges to the member accused and to the chief justice of the supreme court. The chief justice (~~shall~~) must thereupon designate a tribunal composed of three judges of the superior court to hear and adjudicate the charges. Such tribunal (~~shall~~) must fix the time of the hearing, which (~~shall~~) must be public, and the procedure for the hearing, and the decision of such tribunal (~~shall be~~) are final and not subject to review by the supreme court. Removal of any member of the board by the tribunal (~~shall disqualify such~~) disqualifies that member (for) from reappointment.

Sec. 4. RCW 82.03.050 and 2013 c 23 s 311 are each amended to read as follows:

(1) The board (~~shall~~) must operate on (~~either a part time or~~) a full-time basis (~~as determined by the governor. If it is determined that the board shall operate on a full time basis, each member of the board shall receive an annual salary to be determined by the governor. If it is determined that the board shall operate on a part time basis, each member of the board shall receive compensation on the basis of seventy five dollars for each day spent in performance of his or her duties, but such~~

~~compensation shall not exceed ten thousand dollars in a fiscal year).~~ Each member of the board must devote his or her full time and efforts to the efficient discharge of the duties of the board.

(2) Board members must receive an annual salary in the same range as that established for equivalent members of class four boards under RCW 43.03.250.

(3) Each board member ~~((shall))~~ must receive reimbursement for travel expenses incurred in the discharge of his or her duties in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended.

Sec. 5. RCW 82.03.060 and 2013 c 23 s 312 are each amended to read as follows:

~~((Each member of the board of tax appeals:~~

~~(1) Shall not))~~ (1) No member of the board may be a candidate for ~~((nor))~~ or hold any other public office or trust, and ~~((shall))~~ may not engage in any occupation or business interfering with or inconsistent with his or her duty as a member of the board, ~~((nor shall he or she))~~ or serve on or under any committee of any political party; and

(2) ~~((Shall not))~~ No member of the board may, for a period of one year after the termination of his or her membership on the board, act in a representative capacity before the board on any matter.

Sec. 6. RCW 82.03.070 and 1988 c 222 s 2 are each amended to read as follows:

(1) The board ~~((may))~~ must appoint, discharge and fix the compensation of an executive director, tax referees, and a clerk ~~((and)).~~ The board may appoint such other clerical, professional and technical assistants as may be necessary. Tax referees ~~((shall))~~ are not ~~((be))~~ subject to chapter 41.06 RCW.

(2) The board must maintain at least five tax referees, of which two must be active or judicial members of the Washington state bar association and three must be state-certified general real estate appraisers, as defined in RCW 18.140.010(2).

Sec. 7. RCW 82.03.080 and 2013 c 23 s 313 are each amended to read as follows:

~~((The board shall as soon as practicable after the initial appointment of the members thereof.))~~ (1) The board must meet and elect from among its members a chair ~~((, and shall))~~ at least biennially ~~((thereafter meet and elect such a chair)).~~

(2) A majority of the board constitutes a quorum when transacting official business of the agency. The board may act when one board position is vacant.

Sec. 8. RCW 82.03.090 and 1967 ex.s. c 26 s 38 are each amended to read as follows:

(1) The principal office of the board ~~((shall))~~ must be at the state capital, but it may sit or hold hearings at any other place in the state. ~~((A majority of the board shall constitute a quorum for making orders or decisions, promulgating rules and regulations necessary for the conduct of its powers and duties, or transacting other official business, and may act though one position on the board be vacant.))~~ The board must provide for regular hearings in the most populous county west of the crest of the Cascade mountains and east of the crest of the Cascade mountains for the conduct of informal proceedings.

(2) One or more members may hold hearings and take testimony to be reported for action by the board when authorized by rule or order of the board. ~~((The board shall perform all the powers and duties specified in this chapter or as otherwise provided by law.))~~

NEW SECTION. Sec. 9. On or before November 1, 2018, and in compliance with RCW 43.01.036, the board must provide

the governor and the appropriate committees of the legislature with a detailed report on the following:

(1) The current number of pending appeals, categorized by the year in which each such appeal was filed;

(2) The number of appeals closed, since the effective date of this section, categorized by the year in which each such appeal was filed;

(3) The number of appeals filed since the effective date of this section; and

(4) A detailed plan, to be executed by the board, to address pending appeals.

Sec. 10. RCW 82.03.100 and 1967 ex.s. c 26 s 39 are each amended to read as follows:

The board ~~((shall))~~ must make findings of fact and prepare a written decision in each case decided by it, and such findings and decision ~~((shall be))~~ are effective upon being signed by two or more members of the board and upon being filed at the board's principal office, and ~~((shall be))~~ are open to public inspection at all reasonable times.

Sec. 11. RCW 82.03.110 and 1967 ex.s. c 26 s 40 are each amended to read as follows:

The board ~~((shall either publish at its expense or make arrangements with a publishing firm for the publication of those of its findings and decisions which are of general public interest))~~ must publish those of its orders and decisions issued after the effective date of this section which are of precedential value, in such form as to assure ~~((reasonable distribution thereof))~~ such decisions are available for online research, including through a publicly available web site. The board may, in addition, identify, publish, and make available online orders and decisions issued prior to the effective date of this section that are of precedential value.

Sec. 12. RCW 82.03.120 and 1988 c 222 s 3 are each amended to read as follows:

The board ~~((shall))~~ must maintain at its principal office a copy ~~((of its final findings and decisions. The findings and decisions shall be available for public inspection at the principal office of the board at all reasonable times)),~~ electronic or otherwise, of all final orders and decisions until transferred to the state archives in accordance with state agency retention policies and chapter 40.14 RCW. The orders and decisions maintained at the principal office of the board must be available for public inspection at all reasonable times; however, this provision may be satisfied by making the orders and decisions available via a publicly available web site.

Sec. 13. RCW 82.03.140 and 2000 c 103 s 1 are each amended to read as follows:

~~((In all appeals over which the board has jurisdiction under RCW 82.03.130, a party taking an appeal may elect either a formal or an informal hearing, such election to be made according to rules of practice and procedure to be promulgated by the board.))~~ (1) A party filing an appeal with the board must elect either a formal or an informal proceeding, according to rules of practice and procedure adopted by the board. If no such election is made, the appeal must be treated as an election for an informal proceeding; PROVIDED, That nothing ~~((shall))~~ prevents the assessor or taxpayer, as a party to an appeal pursuant to RCW 84.08.130, within twenty days from the date of the receipt of the notice of appeal, from filing with the clerk of the board notice of intention that the hearing be a formal one: PROVIDED, HOWEVER, That nothing herein ~~((shall))~~ may be construed to modify the provisions of RCW 82.03.190: AND PROVIDED FURTHER, That upon an appeal under RCW 82.03.130(1)(e), the

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director of revenue may, within ten days from the date of its receipt of the notice of appeal, file with the clerk of the board notice of its intention that the hearing be held pursuant to chapter 34.05 RCW.

(2) A responding party may file a cross appeal. In the event that appeals are taken ~~((from the same decision, order, or determination, as the case may be, by different parties and only one of such parties elects a formal hearing, a formal hearing shall be granted))~~ by different parties from the same decision, order, or determination, and only one party elects a formal proceeding, the appeal must be conducted as a formal proceeding.

Sec. 14. RCW 82.03.150 and 2000 c 103 s 2 are each amended to read as follows:

In all appeals involving an informal hearing before the board or any of its members or tax referees, the board ~~((or its)), any member of the board, and the board's~~ tax referees ~~((shall))~~ have all powers relating to administration of oaths, issuance of subpoenas, and taking of depositions as are granted to agencies by chapter 34.05 RCW. The board, ~~((or its))~~ any member of the board, and the board's tax referees ~~((shall))~~ also have all powers granted the department of revenue pursuant to RCW 82.32.110. In the case of appeals within the scope of RCW 82.03.130(1)(b) the board or any member thereof may obtain such assistance, including the making of field investigations, from the staff of the director of revenue as the board or any member thereof may deem necessary or appropriate.

Sec. 15. RCW 82.03.160 and 2000 c 103 s 3 are each amended to read as follows:

In all appeals involving a formal hearing before the board or any of its members or tax referees, the board ~~((or its)), any member of the board, and the board's~~ tax referees ~~((shall))~~ have all powers relating to administration of oaths, issuance of subpoenas, and taking of depositions as are granted to agencies in chapter 34.05 RCW; and the board, and each member thereof, or its tax referees, ~~((shall be))~~ are subject to all duties imposed upon, and ~~((shall))~~ have all powers granted to, an agency by those provisions of chapter 34.05 RCW relating to adjudicative proceedings. The board, ~~((or its))~~ any member of the board, and the board's tax referees ~~((shall))~~ also have all powers granted the department of revenue pursuant to RCW 82.32.110. In the case of appeals within the scope of RCW 82.03.130(1)(b), the board, or any member thereof, may obtain such assistance, including the making of field investigations, from the staff of the director of revenue as the board, or any member thereof, may deem necessary or appropriate: PROVIDED, HOWEVER, That any communication, oral or written, from the staff of the director to the board or its tax referees ~~((shall))~~ may be presented only in open hearing.

Sec. 16. RCW 82.03.170 and 1988 c 222 s 7 are each amended to read as follows:

All proceedings, including both formal and informal hearings, before the board or any of its members or tax referees ~~((shall))~~ must be conducted in accordance with such rules of practice and procedure as the board may prescribe. The board ~~((shall))~~ must publish such rules and arrange for ~~((the reasonable distribution thereof))~~ public access to the rules, including through a publicly available web site.

NEW SECTION. Sec. 17. A new section is added to chapter 82.03 RCW to read as follows:

(1) The board may require parties to attend a mandatory settlement conference at any time before or after the appeal has been heard.

(2)(a) The board must provide an informal voluntary and confidential mediation process. The purpose of the mediation is to help the parties reach an agreement that settles the dispute. The board must adopt rules for the conduct of mediation, including appropriate fees, consistent with the purpose of the mediation.

(b) Any person appointed as a neutral mediator must have substantial experience in Washington tax law or in residential and commercial property appraisals. The mediator's role is to assist the parties to work together to reach a mutually agreeable dispute resolution. The mediator will not issue a decision in the matter. An agreement reached by the parties during the mediation must be memorialized in writing and signed by the parties before the board may enter an order closing the appeal.

(c) All mediation discussions, statements of parties, and materials provided as part of the mediation are confidential, must be destroyed or returned to the parties after mediation is complete, and may not be used for any other purpose or in any other proceeding.

NEW SECTION. Sec. 18. A new section is added to chapter 82.03 RCW to read as follows:

(1) Except as otherwise specifically provided by statute, the board must award a qualified party that prevails in a formal hearing fees and other expenses, including reasonable attorneys' fees, unless the board finds that the department of revenue's or the board of equalization's action was substantially justified or that circumstances make an award unjust. A qualified party shall be considered to have prevailed if the qualified party obtained relief on a significant issue that achieves some benefit that the qualified party sought.

(2) The amount awarded a qualified party under subsection (1) of this section shall not exceed twenty-five thousand dollars. The board, in its discretion, may reduce the amount to be awarded pursuant to subsection (1) of this section, or deny any award, to the extent that a qualified party during the course of the proceedings engaged in conduct that unduly or unreasonably protracted the final resolution of the matter in controversy.

(3) Fees and other expenses awarded under this section must be paid by the board over which the party prevails from operating funds appropriated to the agency within sixty days. The board shall report all payments to the office of financial management within five days of paying the fees and other expenses. Fees and other expenses awarded by the board shall be subject to the provisions of chapter 39.76 RCW and shall be deemed payable on the date the board announces the award.

(4) The following definitions apply to this section unless the context clearly indicates otherwise.

(a) "Fees and other expenses" includes the reasonable expenses of expert witnesses, the reasonable cost of a study, analysis, engineering report, test, or project that is found by the court to be necessary for the preparation of the party's case, and reasonable attorneys' fees. Reasonable attorneys' fees shall be based on the prevailing market rates for the kind and quality of services furnished, except that (i) no expert witness shall be compensated at a rate in excess of the highest rates of compensation for expert witnesses paid by the state of Washington, and (ii) attorneys' fees shall not be awarded in excess of one hundred fifty dollars per hour unless the court determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee.

(b) "Qualified party" means (i) an individual whose net worth did not exceed one million dollars at the time the initial appeal petition was filed or (ii) a sole owner of an unincorporated business, or a partnership, corporation, association, or organization whose net worth did not exceed five million dollars

at the time the initial appeal petition was filed, except that an organization described in section 501(c)(3) of the federal internal revenue code of 1954 as exempt from taxation under section 501(a) of the code and a cooperative association as defined in section 15(a) of the agricultural marketing act (12 U.S.C. 1141J(a)), may be a party regardless of the net worth of such organization or cooperative association."

On page 1, line 2 of the title, after "appeals;" strike the remainder of the title and insert "amending RCW 82.03.020, 82.03.030, 82.03.040, 82.03.050, 82.03.060, 82.03.070, 82.03.080, 82.03.090, 82.03.100, 82.03.110, 82.03.120, 82.03.140, 82.03.150, 82.03.160, and 82.03.170; adding new sections to chapter 82.03 RCW; and creating a new section."

MOTION

Senator Takko moved that the following floor amendment no. 882 by Senator Takko be adopted:

On page 8, beginning on line 3 of the amendment, after "(1)" strike all material through "unjust." on line 8 and insert "(a) Except as otherwise specifically provided by statute, the board:

(i) Must award a qualified party that prevails in a formal hearing from a department of revenue action fees and other expenses, including reasonable attorneys' fees, unless the board finds that the department of revenue's action was substantially justified or that circumstances make an award unjust;

(ii) May award a qualified party that prevails in a formal hearing from a board of equalization action fees and other expenses, including reasonable attorneys' fees, unless the board finds that the board of equalization's action was substantially justified or that circumstances make an award unjust.

(b)"

Senators Takko, Padden and Pedersen spoke in favor of adoption of the amendment to the committee striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 882 by Senator Takko on page 8, line 3 to Engrossed House Bill No. 2777.

The motion by Senator Takko carried and floor amendment no. 882 was adopted by voice vote.

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Law & Justice as amended to Engrossed House Bill No. 2777.

The motion by Senator Pedersen carried and the committee striking amendment as amended was adopted by voice vote.

MOTION

On motion of Senator Pedersen, the rules were suspended, Engrossed House Bill No. 2777 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pedersen and Padden spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed House Bill No. 2777 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed

House Bill No. 2777 as amended by the Senate 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

ENGROSSED HOUSE BILL NO. 2777, 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

HOUSE BILL NO. 2709, by Representatives Holy and Bergquist

Concerning the authority of the law enforcement officers' and firefighters' plan 2 retirement board to set the salary of the executive director.

The measure was read the second time.

MOTION

Senator Lias moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 43.03.040 and 2015 3rd sp.s. c 1 s 319 are each amended to read as follows:

Subject to RCW 41.04.820, the directors of the several departments and members of the several boards and commissions, whose salaries are fixed by the governor and the chief executive officers of the agencies named in RCW 43.03.028(1) as now or hereafter amended shall each severally receive such salaries, payable in monthly installments, as shall be fixed by the governor or the appropriate salary fixing authority, and, unless set according to RCW 41.26.717(1), in an amount not to exceed the recommendations of the office of financial management. From February 18, 2009, through June 30, 2013, a salary or wage increase shall not be granted to any position under this section, except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

(1) The salary increase can be paid within existing resources;

(2) The salary increase will not adversely impact the provision of client services; and

(3) For any state agency of the executive branch, not including institutions of higher education, the salary increase is approved by the director of the office of financial management.

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position under this section shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.

Any agency granting a salary increase from July 1, 2011,

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through June 30, 2013, to a position under this section shall submit a report to the fiscal committees of the legislature by July 31, 2012, and July 31, 2013, detailing the positions for which salary increases were granted during the preceding fiscal year, the size of the increases, and the reasons for giving the increases.

Sec. 2. RCW 41.26.717 and 2003 c 92 s 1 are each amended to read as follows:

The law enforcement officers' and firefighters' plan 2 retirement board established in section 4, chapter 2, Laws of 2003 has the following duties and powers in addition to any other duties or powers authorized or required by law. The board:

(1) Shall hire an executive director, and shall fix the salary of the executive director subject to periodic review by the board and in consultation with the director of the office of financial management and shall provide notice to the chairs of the house of representatives and senate fiscal committees of changes;

(2) Shall employ other staff as necessary to implement the purposes of chapter 2, Laws of 2003. Staff must be state employees under Title 41 RCW;

~~((2))~~ (3) Shall adopt an annual budget as provided in section 5, chapter 2, Laws of 2003. Expenses of the board are paid from the expense fund created in RCW 41.26.732;

~~((3))~~ (4) May make, execute, and deliver contracts, conveyances, and other instruments necessary to exercise and discharge its powers and duties;

~~((4))~~ (5) May contract for all or part of the services necessary for the management and operation of the board with other state or nonstate entities authorized to do business in the state; and

~~((5))~~ (6) May contract with actuaries, auditors, and other consultants as necessary to carry out its responsibilities."

On page 1, line 3 of the title, after "director;" strike the remainder of the title and insert "and amending RCW 43.03.040 and 41.26.717."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to House Bill No. 2709.

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

MOTION

On motion of Senator Liias, the rules were suspended, House Bill No. 2709 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Rolfes spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 2709 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2709 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 47; Nays, 1; Absent, 0; Excused, 1.

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

Voting nay: Senator Hasegawa

Excused: Senator Hobbs

HOUSE BILL NO. 2709, as amended by the Senate, 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

SUBSTITUTE HOUSE BILL NO. 2561, by House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Dent, Blake, Dye, Doglio, Johnson, Peterson and Eslick)

Concerning temporary duties for the wildland fire advisory committee.

The measure was read the second time.

MOTION

Senator Liias moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** (1) Subject to amounts appropriated for this specific purpose, the commissioner of public lands must direct the wildland fire advisory committee established in RCW 76.04.179 to review, analyze, and make recommendations on the following issues related to wild fire prevention, response, and suppression activities within our state:

(a) The committee, with the assistance of department of natural resources' personnel, must approximately quantify the areas in the state that are not contained within an established fire district nor subject to a planned fire response and make recommendations as to how these areas could be protected as well as a source of funding for any recommended activities. In doing so, the committee must, in time for inclusion in the December 31, 2018, status report: Review the relevant recommendations contained in the joint legislative audit and review committee's 2017 final report on fees assessed for forest fire protection; analyze and develop recommendations on potential administrative and legislative actions including, for example, the process proposed in chapter . . . (Substitute Senate Bill No. 6575), Laws of 2018; and consult with any relevant stakeholders, as deemed necessary by the committee, that are not represented on the committee.

(b) The committee must examine the value of community programs that educate homeowners and engage in preventive projects within wild fire risk communities, such as firewise, and make recommendations on whether these programs should be advanced, and if so, how, including potential sources of ongoing funding for the programs.

(c) The committee must also develop plans to help protect non-English speaking residents during wildfire emergencies. The committee may enlist the assistance from the state ethnic and diversity commissions or any other organizations who have expertise in public outreach to non-English speaking people.

(2) The department of natural resources must provide to the appropriate committees of the legislature a status report of the committee's efforts by December 31, 2018, and issue a report with the committee's recommendations by November 15, 2019.

(3) This section expires December 31, 2019."

On page 1, line 2 of the title, after "committee;" strike the

remainder of the title and insert "creating a new section; and providing an expiration date."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to Substitute House Bill No. 2561.

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

MOTION

On motion of Senator Liias, the rules were suspended, Substitute House Bill No. 2561 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Liias and Warnick spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 2561 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2561 as amended by the Senate 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

SUBSTITUTE HOUSE BILL NO. 2561, as amended by the Senate, 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

HOUSE BILL NO. 1058, by Representative MacEwen

Changing provisions relating to court-ordered restitution in certain criminal cases.

The measure was read the second time.

MOTION

On motion of Senator Warnick, the rules were suspended, House Bill No. 1058 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Warnick and Pedersen spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 1058.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1058 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 1; Absent, 0; Excused, 1.

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

Voting nay: Senator Hasegawa

Excused: Senator Hobbs

HOUSE BILL NO. 1058, 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

SECOND SUBSTITUTE HOUSE BILL NO. 2671, by House Committee on Appropriations (originally sponsored by Representatives Wilcox, Jenkins, Dye, Orwall, Schmick, Cody, DeBolt, Walsh, Maycumber, Griffey, Barkis, Haler, Buys, Muri, Condotta, Robinson, Doglio, Macri, Stanford and Irwin)

Improving the behavioral health of people in the agricultural industry.

The measure was read the second time.

MOTION

On motion of Senator Cleveland, the rules were suspended, Second Substitute House Bill No. 2671 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Cleveland spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Second Substitute House Bill No. 2671.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 2671 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

SECOND SUBSTITUTE HOUSE BILL NO. 2671, 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

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ENGROSSED HOUSE BILL NO. 2519, by Representatives Lovick, Hayes, Goodman, Klippert, Appleton, Sells and Robinson

Concerning concealed pistol license eligibility requirements.

The measure was read the second time.

MOTION

Senator Pedersen moved that the following committee striking amendment by the Committee on Law & Justice be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 9.41.345 and 2015 c 130 s 2 are each amended to read as follows:

(1) Before a law enforcement agency returns a privately owned firearm, the law enforcement agency must:

(a) Confirm that the individual to whom the firearm will be returned is the individual from whom the firearm was obtained or an authorized representative of that person;

(b) Confirm that the individual to whom the firearm will be returned is eligible to possess a firearm pursuant to RCW 9.41.040;

(c) Ensure that the firearm is not otherwise required to be held in custody or otherwise prohibited from being released; and

(d) Ensure that twenty-four hours have elapsed from the time the firearm was obtained by law enforcement.

(2)(a) Once the requirements in subsections (1) and (3) of this section have been met, a law enforcement agency must release a firearm to the individual from whom it was obtained or an authorized representative of that person upon request without unnecessary delay.

(b)(i) If a firearm cannot be returned because it is required to be held in custody or is otherwise prohibited from being released, a law enforcement agency must provide written notice to the individual from whom it was obtained within five business days of the individual requesting return of his or her firearm and specify the reason the firearm must be held in custody.

(ii) Notification may be made via email, text message, mail service, or personal service. For methods other than personal service, service shall be considered complete once the notification is sent.

(3) If a family or household member has requested to be notified pursuant to RCW 9.41.340, a law enforcement agency must:

(a) Provide notice to the family or household member within one business day of verifying that the requirements in subsection (1) of this section have been met; and

(b) Hold the firearm in custody for seventy-two hours from the time notification has been provided.

(4)(a) A law enforcement agency may not return a concealed pistol license that has been surrendered to or impounded by the law enforcement agency for any reason to the licensee until the law enforcement agency determines the licensee is eligible to possess a firearm under state and federal law and meets the other eligibility requirements for a concealed pistol license under RCW 9.41.070.

(b) A law enforcement agency must release a concealed pistol license to the licensee without unnecessary delay, and in no case longer than five business days, after the law enforcement agency determines the requirements of (a) of this subsection have been met.

(5) In confirming whether an individual is eligible to possess a

firearm under this section, the law enforcement agency must review available records to determine whether the individual is an unlawful user of or addicted to any controlled substance and therefore prohibited from possessing a firearm pursuant to Title 18 U.S.C. Sec. 922(g)(3).

(6) The provisions of chapter 130, Laws of 2015 and subsection (4) of this section shall not apply to circumstances where a law enforcement officer has momentarily obtained a firearm or concealed pistol license from an individual and would otherwise immediately return the firearm or concealed pistol license to the individual during the same interaction.

Sec. 2. RCW 9.41.070 and 2017 c 282 s 1 and 2017 C 174 s 1 are each reenacted and amended to read as follows:

(1) The chief of police of a municipality or the sheriff of a county shall within thirty days after the filing of an application of any person, issue a license to such person to carry a pistol concealed on his or her person within this state for five years from date of issue, for the purposes of protection or while engaged in business, sport, or while traveling. However, if the applicant does not have a valid permanent Washington driver's license or Washington state identification card or has not been a resident of the state for the previous consecutive ninety days, the issuing authority shall have up to sixty days after the filing of the application to issue a license. The issuing authority shall not refuse to accept completed applications for concealed pistol licenses during regular business hours.

The applicant's constitutional right to bear arms shall not be denied, unless:

(a) He or she is ineligible to possess a firearm under the provisions of RCW 9.41.040 or 9.41.045, or is prohibited from possessing a firearm under federal law;

(b) The applicant's concealed pistol license is in a revoked status;

(c) He or she is under twenty-one years of age;

(d) He or she is subject to a court order or injunction regarding firearms pursuant to chapters 7.90, 7.92, or 7.94 RCW, or RCW 9A.46.080, 10.14.080, 10.99.040, 10.99.045, 26.09.050, 26.09.060, 26.10.040, 26.10.115, 26.26.130, 26.50.060, 26.50.070, or 26.26.590;

(e) He or she is free on bond or personal recognizance pending trial, appeal, or sentencing for a felony offense;

(f) He or she has an outstanding warrant for his or her arrest from any court of competent jurisdiction for a felony or misdemeanor; or

(g) He or she has been ordered to forfeit a firearm under RCW 9.41.098(1)(e) within one year before filing an application to carry a pistol concealed on his or her person.

No person convicted of a felony may have his or her right to possess firearms restored or his or her privilege to carry a concealed pistol restored, unless the person has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c), or RCW 9.41.040 (3) or (4) applies.

(2)(a) The issuing authority shall conduct a check through the national instant criminal background check system, the Washington state patrol electronic database, the department of social and health services electronic database, and with other agencies or resources as appropriate, to determine whether the applicant is ineligible under RCW 9.41.040 or 9.41.045 to possess a firearm, or is prohibited from possessing a firearm under federal law, and therefore ineligible for a concealed pistol license.

(b) The issuing authority shall deny a permit to anyone who is found to be prohibited from possessing a firearm under federal or state law.

(c) This subsection applies whether the applicant is applying for a new concealed pistol license or to renew a concealed pistol

license.

(3) Any person whose firearms rights have been restricted and who has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c) or who is exempt under 18 U.S.C. Sec. 921(a)(20)(A) shall have his or her right to acquire, receive, transfer, ship, transport, carry, and possess firearms in accordance with Washington state law restored except as otherwise prohibited by this chapter.

(4) The license application shall bear the full name, residential address, telephone number at the option of the applicant, email address at the option of the applicant, date and place of birth, race, gender, description, a complete set of fingerprints, and signature of the licensee, and the licensee's driver's license number or state identification card number if used for identification in applying for the license. A signed application for a concealed pistol license shall constitute a waiver of confidentiality and written request that the department of social and health services, mental health institutions, and other health care facilities release information relevant to the applicant's eligibility for a concealed pistol license to an inquiring court or law enforcement agency.

The application for an original license shall include a complete set of fingerprints to be forwarded to the Washington state patrol.

The license and application shall contain a warning substantially as follows:

CAUTION: Although state and local laws do not differ, federal law and state law on the possession of firearms differ. If you are prohibited by federal law from possessing a firearm, you may be prosecuted in federal court. A state license is not a defense to a federal prosecution.

The license shall contain a description of the major differences between state and federal law and an explanation of the fact that local laws and ordinances on firearms are preempted by state law and must be consistent with state law.

The application shall contain questions about the applicant's eligibility under RCW 9.41.040 and federal law to possess a pistol, the applicant's place of birth, and whether the applicant is a United States citizen. If the applicant is not a United States citizen, the applicant must provide the applicant's country of citizenship, United States issued alien number or admission number, and the basis on which the applicant claims to be exempt from federal prohibitions on firearm possession by aliens. The applicant shall not be required to produce a birth certificate or other evidence of citizenship. A person who is not a citizen of the United States shall, if applicable, meet the additional requirements of RCW 9.41.173 and produce proof of compliance with RCW 9.41.173 upon application. The license may be in triplicate or in a form to be prescribed by the department of licensing.

The original thereof shall be delivered to the licensee, the duplicate shall within seven days be sent to the director of licensing and the triplicate shall be preserved for six years, by the authority issuing the license.

The department of licensing shall make available to law enforcement and corrections agencies, in an on-line format, all information received under this subsection.

(5) The nonrefundable fee, paid upon application, for the original five-year license shall be thirty-six dollars plus additional charges imposed by the federal bureau of investigation that are passed on to the applicant. No other state or local branch or unit of government may impose any additional charges on the applicant for the issuance of the license.

The fee shall be distributed as follows:

(a) Fifteen dollars shall be paid to the state general fund;
(b) Four dollars shall be paid to the agency taking the fingerprints of the person licensed;

(c) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter;

(d) Two dollars and sixteen cents to the firearms range account in the general fund; and

(e) Eighty-four cents to the concealed pistol license renewal notification account created in RCW 43.79.540.

(6) The nonrefundable fee for the renewal of such license shall be thirty-two dollars. No other branch or unit of government may impose any additional charges on the applicant for the renewal of the license.

The renewal fee shall be distributed as follows:

(a) Fifteen dollars shall be paid to the state general fund;

(b) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter;

(c) Two dollars and sixteen cents to the firearms range account in the general fund; and

(d) Eighty-four cents to the concealed pistol license renewal notification account created in RCW 43.79.540.

(7) The nonrefundable fee for replacement of lost or damaged licenses is ten dollars to be paid to the issuing authority.

(8) Payment shall be by cash, check, or money order at the option of the applicant. Additional methods of payment may be allowed at the option of the issuing authority.

(9)(a) A licensee may renew a license if the licensee applies for renewal within ninety days before or after the expiration date of the license. A license so renewed shall take effect on the expiration date of the prior license. A licensee renewing after the expiration date of the license must pay a late renewal penalty of ten dollars in addition to the renewal fee specified in subsection (6) of this section. The fee shall be distributed as follows:

(i) Three dollars shall be deposited in the state wildlife account and used exclusively first for the printing and distribution of a pamphlet on the legal limits of the use of firearms, firearms safety, and the preemptive nature of state law, and subsequently the support of volunteer instructors in the basic firearms safety training program conducted by the department of fish and wildlife. The pamphlet shall be given to each applicant for a license; and

(ii) Seven dollars shall be paid to the issuing authority for the purpose of enforcing this chapter.

(b) Beginning with concealed pistol licenses that expire on or after August 1, 2018, the department of licensing shall mail a renewal notice approximately ninety days before the license expiration date to the licensee at the address listed on the concealed pistol license application, or to the licensee's new address if the licensee has notified the department of licensing of a change of address. Alternatively, if the licensee provides an email address at the time of license application, the department of licensing may send the renewal notice to the licensee's email address. The notice must contain the date the concealed pistol license will expire, the amount of renewal fee, the penalty for late renewal, and instructions on how to renew the license.

(10) Notwithstanding the requirements of subsections (1) through (9) of this section, the chief of police of the municipality or the sheriff of the county of the applicant's residence may issue a temporary emergency license for good cause pending review under subsection (1) of this section. However, a temporary emergency license issued under this subsection shall not exempt the holder of the license from any records check requirement. Temporary emergency licenses shall be easily distinguishable from regular licenses.

(11) A political subdivision of the state shall not modify the requirements of this section or chapter, nor may a political

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subdivision ask the applicant to voluntarily submit any information not required by this section.

(12) A person who knowingly makes a false statement regarding citizenship or identity on an application for a concealed pistol license is guilty of false swearing under RCW 9A.72.040. In addition to any other penalty provided for by law, the concealed pistol license of a person who knowingly makes a false statement shall be revoked, and the person shall be permanently ineligible for a concealed pistol license.

(13) A person may apply for a concealed pistol license:

(a) To the municipality or to the county in which the applicant resides if the applicant resides in a municipality;

(b) To the county in which the applicant resides if the applicant resides in an unincorporated area; or

(c) Anywhere in the state if the applicant is a nonresident.

(14) Any person who, as a member of the armed forces, including the national guard and armed forces reserves, is unable to renew his or her license under subsections (6) and (9) of this section because of the person's assignment, reassignment, or deployment for out-of-state military service may renew his or her license within ninety days after the person returns to this state from out-of-state military service, if the person provides the following to the issuing authority no later than ninety days after the person's date of discharge or assignment, reassignment, or deployment back to this state: (a) A copy of the person's original order designating the specific period of assignment, reassignment, or deployment for out-of-state military service, and (b) if appropriate, a copy of the person's discharge or amended or subsequent assignment, reassignment, or deployment order back to this state. A license so renewed under this subsection (14) shall take effect on the expiration date of the prior license. A licensee renewing after the expiration date of the license under this subsection (14) shall pay only the renewal fee specified in subsection (6) of this section and shall not be required to pay a late renewal penalty in addition to the renewal fee."

On page 1, line 2 of the title, after "requirements;" strike the remainder of the title and insert "amending RCW 9.41.345; and reenacting and amending RCW 9.41.070."

MOTION

Senator Wilson moved that the following floor amendment no. 742 by Senator Wilson be adopted:

On page 3, line 11 of the amendment, after "age" insert " , except that a person who is under twenty-one years of age and at least eighteen years of age, and who is an active duty member of the armed forces of the United States, a member of the national guard or the reserves of the armed forces of the United States, or an honorably discharged veteran, is not ineligible for a concealed pistol license under this subsection (1)(c)"

On page 8, after line 4 of the amendment, insert the following:

"**Sec. 3.** RCW 9.41.240 and 1994 sp.s. c 7 s 423 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, and unless an exception under RCW 9.41.042, 9.41.050, or 9.41.060 applies, a person at least eighteen years of age, but less than twenty-one years of age, may possess a pistol only:

~~((1))~~ (a) In the person's place of abode;

~~((2))~~ (b) At the person's fixed place of business; or

~~((3))~~ (c) On real property under his or her control.

(2) This section does not apply to a person at least eighteen years of age, but less than twenty-one years of age, who is an active duty member of the armed forces of the United States, a member of the national guard or the reserves of the armed forces

of the United States, or an honorably discharged veteran.

On page 8, line 6 of the title amendment, after "9.41.345" insert "and 9.41.240"

Senators Wilson, Padden and Angel spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Pedersen spoke against adoption of the amendment to the committee striking amendment.

MOTION

Senator Wilson 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. 742 by Senator Wilson on page 3, line 11 to the committee striking amendment.

ROLL CALL

The Secretary called the roll on the adoption of floor amendment no. 742 by Senator Wilson and the amendment was not adopted by the following vote: Yeas, 24; Nays, 24; Absent, 0; Excused, 1.

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

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

Excused: Senator Hobbs.

MOTION

Senator Wilson moved that the following floor amendment no. 743 by Senator Wilson be adopted:

On page 5, after line 10 of the amendment, insert the following: "A photograph of the applicant may be required as part of the application and printed on the face of the license."

Senators Wilson and Pedersen spoke in favor of adoption of the amendment to the committee striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 743 by Senator Wilson on page 5, after line 10 to the committee striking amendment.

The motion by Senator Wilson carried and floor amendment no. 743 was adopted by voice vote.

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Law & Justice as amended to Engrossed House Bill No. 2519.

The motion by Senator Pedersen carried and the committee striking amendment as amended was adopted by voice vote.

MOTION

On motion of Senator Pedersen, the rules were suspended, Engrossed House Bill No. 2519 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Pedersen spoke in favor of passage of the bill.
 Senator Angel spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed House Bill No. 2519 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed House Bill No. 2519 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 44; Nays, 4; Absent, 0; Excused, 1.

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

Voting nay: Senators Angel, Padden, Short and Wagoner

Excused: Senator Hobbs

ENGROSSED HOUSE BILL NO. 2519, as amended by the Senate, 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

HOUSE BILL NO. 1336, by Representatives Kirby, Sells and Appleton

Restricting the social security offset to disability compensation.

The measure was read the second time.

MOTION

On motion of Senator Conway, the rules were suspended, House Bill No. 1336 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Conway spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 1336.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1336 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, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Hobbs

HOUSE BILL NO. 1336, having received the constitutional majority, was declared passed. There being no objection, the title

of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED HOUSE BILL NO. 2957, by Representatives Lytton, Peterson, Robinson, Wilcox, Taylor, Stambaugh, Sawyer, Chapman, Pollet and Stanford

Reducing escape of nonnative finfish from marine finfish aquaculture facilities.

The measure was read the second time.

MOTION

Senator Becker moved that the following floor amendment no. 856 by Senator Becker be adopted:

On page 1, beginning on line 8, strike all of section 1

Re-number the remaining sections consecutively and correct any internal references accordingly.

On page 1, beginning on line 5 of the title, after "creating" strike "new sections;" and insert "a new section;"

Senators Becker and Honeyford spoke in favor of adoption of the amendment.

Senator Ranker spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 856 by Senator Becker on page 1, line 8 to Engrossed House Bill No. 2957.

The motion by Senator Becker did not carry and floor amendment no. 856 was not adopted by voice vote.

MOTION

Senator Ericksen moved that the following floor amendment no. 847 by Senator Ericksen be adopted:

On page 2, line 3, after "allow" strike "nonnative"

On page 2, line 8, after "includes" strike "nonnative"

On page 2, line 12, after "for" strike "nonnative"

On page 2, line 24, after "with" strike "nonnative"

Senator Ericksen spoke in favor of adoption of the amendment.

Senator Van De Wege spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 847 by Senator Ericksen on page 2, line 3 to Engrossed House Bill No. 2957.

The motion by Senator Ericksen did not carry and floor amendment no. 847 was not adopted by voice vote.

MOTION

Senator Becker moved that the following floor amendment no. 857 by Senator Becker be adopted:

On page 3, line 3, after "from" insert "nonnative net pen operators,"

Senator Becker spoke in favor of adoption of the amendment.

Senator Ranker spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 857 by Senator Becker on page 3, line 3 to Engrossed House Bill No. 2957.

The motion by Senator Becker did not carry and floor

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amendment no. 857 was not adopted by voice vote.

Honeyford on page 7, line 27 to Engrossed House Bill No. 2957.

The motion by Senator Honeyford did not carry and floor amendment no. 860 was not adopted by voice vote.

MOTION

Senator Becker moved that the following floor amendment no. 858 by Senator Becker be adopted:

On page 3, line 24, after "by" strike "November 1, 2019" and insert "December 1, 2018"

Senator Becker spoke in favor of adoption of the amendment.

Senator Van De Wege spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 858 by Senator Becker on page 3, line 24 to Engrossed House Bill No. 2957.

The motion by Senator Becker did not carry and floor amendment no. 858 was not adopted by voice vote.

MOTION

Senator Honeyford moved that the following floor amendment no. 859 by Senator Honeyford be adopted:

On page 5, line 10, after "(7)", insert "By December 31, 2018, all fish stock produced in the state must be produced from egg stocks that are certified as disease free.

(8)"

Senators Honeyford, Becker and Fortunato spoke in favor of adoption of the amendment.

Senator Ranker spoke against adoption of the amendment.

POINT OF INQUIRY

Senator Fortunato: "Madam President, I'd like to know if Senator Ranker would yield to a question?"

President Pro Tempore Keiser: "Senator Ranker has said no, Senator Fortunato."

Senator Fortunato: "Okay, I was simply gonna ask him what section of the Clean Water Act, but thank you Madam President."

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 859 by Senator Honeyford on page 5, line 10 to Engrossed House Bill No. 2957.

The motion by Senator Honeyford did not carry and floor amendment no. 859 was not adopted by voice vote.

MOTION

Senator Honeyford moved that the following floor amendment no. 860 by Senator Honeyford be adopted:

On page 7, line 27, after "(8)", insert "By December 31, 2018, all fish produced in hatcheries and transferred to saltwater in Washington state must first be vaccinated for *Vibrio anguillarum*, *Vibrio ordalli*, *Aeromonas salmonicida*, and infectious necrosis virus.

(9)"

Senator Honeyford spoke in favor of adoption of the amendment.

Senator Van De Wege spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 860 by Senator

MOTION

Senator Short moved that the following floor amendment no. 852 by Senator Short be adopted:

On page 8, line 5, after "act" insert ". and the department must require all net pen operations using metal cage structures to be replaced every fifteen years with state and local permitting agencies assisting to facilitate replacement"

Senators Short and Honeyford spoke in favor of adoption of the amendment.

Senator Ranker spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 852 by Senator Short on page 8, line 5 to Engrossed House Bill No. 2957.

The motion by Senator Short did not carry and floor amendment no. 852 was not adopted by voice vote.

MOTION

Senator Short moved that the following floor amendment no. 854 by Senator Short be adopted:

On page 8, line 5, after "act.", insert "The department must require that all net pen operators conduct dive inspections of net pens and removal of dead fish from net pens at least three times a week."

Senator Short spoke in favor of adoption of the amendment.

Senator Van De Wege spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 854 by Senator Short on page 8, line 5 to Engrossed House Bill No. 2957.

The motion by Senator Short did not carry and floor amendment no. 854 was not adopted by voice vote.

MOTION

Senator Short moved that the following floor amendment no. 855 by Senator Short be adopted:

On page 8, line 5, after "act.", insert "The department must require that, by December 31, 2018, all net pens be inspected by a third-party engineer."

Senators Short and Honeyford spoke in favor of adoption of the amendment.

Senator Ranker spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 855 by Senator Short on page 8, line 5 to Engrossed House Bill No. 2957.

The motion by Senator Short did not carry and floor amendment no. 855 was not adopted by voice vote.

SPECIAL ORDER OF BUSINESS

Pursuant to Rule 18, the hour fixed for consideration of a special order of business having arrived, the President Pro Tempore called the Senate to order and announced that Substitute House Bill No. 2822 to be before the Senate and was immediately considered.

SECOND READING

SUBSTITUTE HOUSE BILL NO. 2822, by House Committee on Judiciary (originally sponsored by Representatives Steele, McBride, Muri, Johnson, Caldier, Valdez, Eslick and Gregerson)

Concerning service animals.

The measure was read the second time.

MOTION

On motion of Senator Pedersen, the rules were suspended, Substitute House Bill No. 2822 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pedersen, Padden, Hawkins, Sheldon and King spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 2822.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2822 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 2; Absent, 0; Excused, 1.

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

Voting nay: Senators Kuderer and Palumbo
Excused: Senator Hobbs

SUBSTITUTE HOUSE BILL NO. 2822, 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 Schoesler moved to adjourn.
Senator Lias objected.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Schoesler to adjourn.

The motion by Senator Schoesler did not carry by rising vote.

The Senate returned to consideration of Engrossed House Bill No. 2957.

MOTION

Senator Short moved that the following floor amendment no. 861 by Senator Short be adopted:

On page 8, line 5, after "act.", insert "The department must require that, by December 31, 2018, all net pens use nets free of anti-fouling compounds."

Senator Short spoke in favor of adoption of the amendment.
Senator Van De Wege spoke against adoption of the

amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 861 by Senator Short on page 8, line 5 to Engrossed House Bill No. 2957.

The motion by Senator Short did not carry and floor amendment no. 861 was not adopted by voice vote.

MOTION

Senator Short moved that the following floor amendment no. 851 by Senator Short be adopted:

On page 8, line 15, after "shellfish" insert ", including requiring that all nets for all net pen operations be removed and transported upland between each generation for purposes of cleaning and repair"

Senator Short spoke in favor of adoption of the amendment.

Senator Ranker spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 851 by Senator Short on page 8, line 15 to Engrossed House Bill No. 2957.

The motion by Senator Short did not carry and floor amendment no. 851 was not adopted by voice vote.

MOTION

Senator Becker moved that the following floor amendment no. 862 by Senator Becker be adopted:

On page 8, line 15, after "shellfish.", insert "The rules of the department must require that, by December 31, 2018, all hatcheries be upgraded to use pathogen-free well water pumped from deep wells to eliminate disease risk. All hatcheries must subject the water in the hatchery to ultraviolet sterilization."

Senator Becker spoke in favor of adoption of the amendment.

Senator Van De Wege spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 862 by Senator Becker on page 8, line 15 to Engrossed House Bill No. 2957.

The motion by Senator Becker did not carry and floor amendment no. 862 was not adopted by voice vote.

MOTION

Senator Short moved that the following floor amendment no. 853 by Senator Short be adopted:

On page 8, line 21, after "shellfish.", insert "The department must require that, by December 31, 2018, all net pen operators prepare and submit to the department updated inspection logs and procedures to ensure regular inspections of the net pens."

Senator Short spoke in favor of adoption of the amendment.

Senator Ranker spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. by Senator Short on page 8, line 21 to Engrossed House Bill No. 2957.

The motion by Senator Short did not carry and 853 floor amendment no. 853 was not adopted by voice vote.

WITHDRAWAL OF AMENDMENT

On motion of Senator Short and without objection, floor amendment no. 863 by Senator Short on page 10, line 8 to

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

"NEW SECTION. Sec. 13. A new section is added to chapter 77.125 RCW to read as follows:

(1) All marine net pen finfish aquaculture operators are subject to a limit of three violations of a department lease or permit in any ten-year period.

(2) The department must immediately revoke permits and cancel leases for operators found to have committed three or more violations of the terms of their lease within any ten-year period.

(3) Relevant state departments must immediately notify all current leaseholders and permittees of the provisions in this subsection and incorporate these.

(4) Any accidental escape of any number of farmed finfish from a marine net pen operator's facility is considered a violation for the purposes of this section.

(5) The departments of agriculture, ecology, fish and wildlife, and natural resources may not contract with or permit with any marine net pen finfish aquaculture operator that has received three or more violations."

MOTION

Senator Braun moved that the following floor amendment no. 864 by Senator Braun be adopted:

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

"NEW SECTION. Sec. 13. (1) All marine net pen operators must perform and complete a standardized dynamic mooring analysis based on current meter data and analysis, for all current marine finfish net pen facilities by December 1, 2018.

(2) The mooring analysis must use acknowledged best practices and must be done consistent with third-party certifications or accepted standards used by other jurisdictions where net pen aquaculture is practiced. Upon completion, marine net pen operators must immediately transmit and deliver the results of the analysis to the legislature, the department of ecology, the department of natural resources, and the department of fish and wildlife."

Senator Braun spoke in favor of adoption of the amendment.

Senator Van De Wege spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 864 by Senator Braun on page 10, after line 8 to Engrossed House Bill No. 2957.

The motion by Senator Braun did not carry and floor amendment no. 864 was not adopted by voice vote.

WITHDRAWAL OF AMENDMENT

On motion of Senator Braun and without objection, floor amendment no. 865 by Senator Braun on page 10, line 8 to Engrossed House Bill No. 2957 was withdrawn.

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

"NEW SECTION. Sec. 13. A new section is added to chapter 77.125 RCW to read as follows:

All net pen facilities in the state must upgrade to state of the art food distribution mechanisms or systems in order to minimize waste and pollution as much as is practicable using state of the art distribution mechanisms."

On motion of Senator Braun and without objection, floor amendment no. 866 by Senator Braun on page 10, line 8 to Engrossed House Bill No. 2957 was withdrawn.

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

"NEW SECTION. Sec. 13. A new section is added to chapter 77.125 RCW to read as follows:

All net pen facilities in state marine waters must utilize the most current antibiofouling technology available. Net pen facility operators are prohibited from using antibiofouling agents on marine net pen facility nets."

MOTION

Senator Braun moved that the following floor amendment no. 867 by Senator Braun be adopted:

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

"NEW SECTION. Sec. 13. A new section is added to chapter 77.125 RCW to read as follows:

All finfish net pen operations must immediately adopt orca protection measures for each net pen facility in state marine waters. Protection measures must be submitted to and approved by the department and is subject to the provisions of fish and wildlife enforcement code in chapter 77.15 RCW."

Senators Braun and Becker spoke in favor of adoption of the amendment.

Senator Ranker spoke against adoption of the amendment.

MOTION

Senator Braun demanded a roll call.

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

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 867 by Senator Braun on page 10, after line 8 to Engrossed House Bill No. 2957.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Braun and the amendment was not adopted by the following vote: Yeas, 19; Nays, 28; Absent, 1; Excused, 1.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Fain, Fortunato, Hawkins, Honeyford, King, Padden, Rivers, Schoesler, Short, Wagoner, Walsh, Warnick and Wilson

Voting nay: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Sheldon, Takko, Van De Wege, Wellman and Zeiger

Absent: Senator Ericksen

Excused: Senator Hobbs.

WITHDRAWAL OF AMENDMENT

On motion of Senator Honeyford and without objection, floor amendment no. 868 by Senator Honeyford on page 10, line 8 to Engrossed House Bill No. 2957 was withdrawn.

MOTION

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

"NEW SECTION. Sec. 13. A new section is added to chapter 77.125 RCW to read as follows:

Net pen aquaculture operations that hold an aquatic lease with the department of natural resources must pay employees a prevailing wage. Operators must certify this requirement with the department of natural resources and the board of natural resources by December 1, 2018."

WITHDRAWAL OF AMENDMENT

On motion of Senator Honeyford and without objection, floor amendment no. 87 by Senator Honeyford to Engrossed House Bill No. 2957 was withdrawn.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1)(a) The departments of ecology, natural resources, and fish and wildlife must continue the existing effort to update guidance and informational resources to industry and governments for planning and permitting commercial marine net pen aquaculture of Atlantic salmon or other nonnative finfish.

(b) The effort must utilize new scientific information that has emerged since the current state guidance that dates from the late 1980s through 1990, and address topics including local shoreline permitting, water quality, impacts on native fish, shellfish, and wildlife, and interagency coordination in permitting, inspections, and enforcement. The guidance must be designed to minimize escapement and negative impacts to water quality and native fish, shellfish, and wildlife.

(2) The effort must include an analysis of the impacts of ending commercial marine net pen aquaculture of Atlantic salmon or other nonnative finfish in Washington concurrent with the expiration of applicable state-owned aquatic land leases in effect on the effective date of this section. The departments of ecology, natural resources, and fish and wildlife may collaborate with other relevant state agencies with subject matter expertise in order to effectuate the analysis. The analysis must consider the following:

(a) Natural resource impacts, both positive and negative;

(b) Projected job gains, losses, and broader economic impacts; and

(c) Impacts to other state programs and local governments, both positive and negative.

(3) The guidance, resources, and analysis must be completed by June 30, 2019.

(4) This section expires December 31, 2020."

On page 1, beginning on line 2 of the title, after "facilities;" strike the remainder of the title and insert "creating a new section; and providing an expiration date."

WITHDRAWAL OF AMENDMENT

On motion of Senator Honeyford and without objection, floor amendment no. 876 by Senator Honeyford on page 10, line 8 to Engrossed House Bill No. 2957 was withdrawn.

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

"NEW SECTION. Sec. 13. For marine finfish aquaculture, the facility operator must immediately deploy the most current meter monitoring and recording technology at all facilities in the state."

Senator Braun moved that the following floor amendment no. 869 by Senator Braun be adopted:

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

"NEW SECTION. Sec. 13. A new section is added to chapter 77.125 RCW to read as follows:

All net pen operator employers who have an aquatic lease agreement with the department of natural resources must participate in a state apprenticeship program in accordance with chapter 49.04 RCW. Net pen operators must certify participation to the department of natural resources and the board of natural resources."

Senator Braun spoke in favor of adoption of the amendment.

Senator Van De Wege spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 869 by Senator Braun on page 10, after line 8 to Engrossed House Bill No. 2957.

The motion by Senator Braun did not carry and floor amendment no. 869 was not adopted by voice vote.

WITHDRAWAL OF AMENDMENT

On motion of Senator Braun and without objection, floor amendment no. 870 by Senator Braun on page 10, line 8 to Engrossed House Bill No. 2957 was withdrawn.

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

"NEW SECTION. Sec. 13. A new section is added to chapter 77.125 RCW to read as follows:

All net pen aquaculture operators with Atlantic salmon net pen operations on the effective date of this section shall receive a credit against taxes levied on such businesses in the amount of expenses incurred to transition to other aquaculture species permitted by the law."

WITHDRAWAL OF AMENDMENT

On motion of Senator Braun and without objection, floor amendment no. 871 by Senator Braun on page 10, line 8 to Engrossed House Bill No. 2957 was withdrawn.

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

"NEW SECTION. Sec. 13. A new section is added to chapter 77.125 RCW to read as follows:

The department must immediately assist net pen operators with operations currently stocked with Atlantic salmon to transition to species that are permitted under this act. Assistance includes, but is not limited to, providing native salmon brood stock that is suitable to replace existing stocks of Atlantic salmon. The department may charge fair market value for any brood stock supplied."

WITHDRAWAL OF AMENDMENT

On motion of Senator Braun and without objection, floor amendment no. 872 by Senator Braun on page 10, line 8 to Engrossed House Bill No. 2957 was withdrawn.

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

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"NEW SECTION. Sec. 13. A new section is added to chapter 79.10 RCW to read as follows:

(1) Within existing appropriations, the department must identify state-owned aquatic lands suitable for lease to nonnative net pen aquaculture operators and report its findings to the department, relevant legislative standing committees, and all marine net pen aquaculture operators in the state by December 1, 2018.

(2) Within three months of submitting the evaluation, the department must offer for lease any state-owned lands suitable for production of native salmon aquaculture at levels at least equivalent to the 2016 production of Atlantic salmon in Washington state.

(3) Net pen aquaculture operators with Atlantic salmon net pen operations in state marine waters on the effective date of this section must be given preference when offering identified lands for lease."

On page 1, line 5 of the title, after "90.48 RCW;" insert "adding a new section to chapter 79.10 RCW;"

MOTION

Senator Braun moved that the following floor amendment no. 873 by Senator Braun be adopted:

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

"NEW SECTION. Sec. 13. A new section is added to chapter 79.105 RCW under the subchapter heading "general use, sale, and lease provisions" to read as follows:

(1) On and after the effective date of this section, the department may not enter into a new lease or other use authorization where the use includes marine finfish aquaculture of Atlantic salmon.

(2) On and after the effective date of this section, the department may not renew or extend a lease or other use authorization in existence on the effective date of this section where the use includes marine finfish aquaculture of Atlantic salmon.

(3) The department shall work with holders of leases or other use authorizations in effect as of December 1, 2017, to resurvey lease boundaries to allow for the safe mooring of these facilities. If the resurveying results in larger lease areas, the lease charges must be adjusted accordingly.

(4) The department shall work in good faith with holders of leases or other use authorizations in effect as of December 1, 2017. The department may not cancel the leases or other use authorizations where the lease holder has presented plans to upgrade the facilities and is in the process of doing so. The department shall allow the time necessary to comply with all other permitting obligations, including applicable restrictions on in-water work, to upgrade the facilities. This subsection applies retroactively to leases or other use authorizations in effect as of December 1, 2017.

(5) The department shall, prior to the expiration of any lease or use authorization for Atlantic salmon aquaculture, work with finfish aquaculture farmers to identify suitable sites for marine finfish aquaculture that provides production at levels at least equivalent to those reported to the department of fish and wildlife for calendar year 2016. The department shall work in good faith with finfish aquaculture farmers to identify and lease suitable sites for the production of non-Atlantic salmon finfish, and, subject to all other permitting and use authorization requirements, shall, prior to January 1, 2021, offer to lease sites that will provide production levels at least equivalent to those reported to the department of fish and wildlife for calendar year 2016. Preference

must be given to Atlantic salmon net pen operators with Atlantic salmon net pen operations on the effective date of this section.

(6) The department, in administering leases for Atlantic salmon marine finfish aquaculture, may not place constraints on or take enforcement actions with respect to the Atlantic salmon aquaculture industry that are more rigorous than those placed on the other fish rearing entities."

On page 1, at the beginning of line 4 of the title, strike "a new section" and insert "new sections"

Senator Braun spoke in favor of adoption of the amendment.

Senator Ranker spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 873 by Senator Braun on page 10, after line 8 to Engrossed House Bill No. 2957.

The motion by Senator Braun did not carry and floor amendment no. 873 was not adopted by voice vote.

MOTION

Senator Ericksen moved that the following floor amendment no. 848 by Senator Ericksen be adopted:

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

"NEW SECTION. Sec. 13. A new section is added to chapter 79.105 RCW to read as follows:

Any holder of a lease or other use authorization in effect as of the effective date of this section for the cultivation of nonnative finfish is entitled to deduct from its payments under this chapter investments made to transition to the production of native finfish.

NEW SECTION. Sec. 14. A new section is added to chapter 82.04 RCW to read as follows:

In computing tax, there may be deducted from the measure of tax by those engaged in farming Atlantic salmon or other nonnative finfish as of the effective date of this section the investments made to transition to the production of native finfish."

On page 1, at the beginning of line 4 of the title, strike "a new section" and insert "new sections" and on line 5, after "90.48 RCW;" insert "adding a new section to chapter 82.04 RCW;"

Senators Ericksen, Warnick, Baumgartner, Angel and Becker spoke in favor of adoption of the amendment.

Senator Van De Wege spoke against adoption of the amendment.

MOTION

Senator Ericksen demanded a roll call.

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

The President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Ericksen on page 10, line 8, to Engrossed House Bill No. 2957.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Ericksen and the amendment was not adopted by the following vote: Yeas, 20; Nays, 28; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, Padden, Rivers, Schoesler, Short, Wagoner, Walsh, Warnick and Wilson

Voting nay: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Sheldon, Takko, Van De Wege, Wellman and Zeiger

Excused: Senator Hobbs.

MOTION

Senator Becker moved that the following floor amendment no. 899 by Senator Becker be adopted:

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

NEW SECTION. A new section is added to Chapter 77.125 RCW to read as follows:

All marine fin fish net operations, regardless of status or designation as a private or public entity, shall be permitted to raise and harvest coho salmon in net pen facilities in state marine waters.

Senator Becker spoke in favor of adoption of the amendment.

Senator Ranker spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 899 by Senator Becker on page 10, after line 8 to Engrossed House Bill No. 2957.

The motion by Senator Becker did not carry and floor amendment no. 899 was not adopted by voice vote.

MOTION

Senator Warnick moved that the following striking floor amendment no. 874 by Senator Warnick be adopted:

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. A new section is added to chapter 79.105 RCW under the subchapter heading "general use, sale, and lease provisions" to read as follows:

(1) The department may enter into a new aquatic land lease for the purpose of Atlantic salmon or nonnative finfish aquaculture only if such a lease is for the culture of exclusively single-sex Atlantic salmon or other single-sex nonnative marine finfish.

(2) The department may renew or extend a lease in existence on the effective date of this section for the culture of Atlantic salmon or other nonnative finfish only if such an extension or renewal is for the culture of exclusively single-sex Atlantic salmon or other single-sex nonnative marine finfish.

NEW SECTION. Sec. 2. A new section is added to chapter 77.125 RCW to read as follows:

(1) The department may permit Atlantic salmon or other nonnative marine finfish aquaculture after the expiration date of the relevant state-owned aquatic lands lease in effect on the effective date of this section only if the permits are for activities or operations related to marine aquaculture of single-sex Atlantic salmon or other single-sex nonnative finfish.

(2) The department may permit the transport of Atlantic salmon or other nonnative finfish after the expiration date of the relevant state-owned aquatic lands lease in effect on the effective date of this section only for the transport of single-sex Atlantic salmon or other nonnative finfish.

(3)(a) For marine finfish aquaculture authorized or permitted

consistent with this section, the facility operator must hire, at their own expense, a marine engineering firm approved by the department to conduct inspections. Inspections must occur approximately every two years, when net pens are fallow, and must include topside and mooring assessments related to escapement potential, structural integrity, permit compliance, and operations.

(b) A net pen facility must be found to be in good working order to receive fish.

(c) If the facility is found to be in imminent danger of collapse or release of fish, the director may require the operator to remove fish or deny a fish transfer permit.

(4)(a) For marine finfish aquaculture authorized or permitted consistent with this section, a fish health specialist certified or approved by the department must conduct fish health inspections at each net pen facility at least twice per year.

(b) The fish health inspections must include collection of fish tissue for the laboratory testing of regulated pathogens.

(c) The full cost of these inspections must be paid by the net pen facility operator.

NEW SECTION. Sec. 3. A new section is added to chapter 90.48 RCW to read as follows:

The department may not permit any activities or operations for the marine aquaculture of Atlantic salmon or other nonnative finfish after the expiration date of the relevant state-owned aquatic lands lease in effect on the effective date of this section, unless the permits are for activities or operations for the marine aquaculture of single-sex Atlantic salmon or other single-sex nonnative finfish.

Sec. 4. RCW 77.12.047 and 2017 c 159 s 2 are each amended to read as follows:

(1) The commission may adopt, amend, or repeal rules as follows:

(a) Specifying the times when the taking of wildlife, fish, or shellfish is lawful or unlawful.

(b) Specifying the areas and waters in which the taking and possession of wildlife, fish, or shellfish is lawful or unlawful.

(c) Specifying and defining the gear, appliances, or other equipment and methods that may be used to take wildlife, fish, or shellfish, and specifying the times, places, and manner in which the equipment may be used or possessed.

(d) Regulating the importation, transportation, possession, disposal, landing, and sale of wildlife, fish, shellfish, or seaweed within the state, whether acquired within or without the state. This authority must be exercised consistent with section 2 of this act. However, the rules of the department must prohibit any person, including department staff, from translocating a live elk from an area with elk affected by hoof disease to any other location except:

(i) Consistent with a process developed by the department with input from the affected federally recognized tribes for translocation for monitoring or hoof disease management purposes; or

(ii) Within an elk herd management plan area affected by hoof disease.

(e) Regulating the prevention and suppression of diseases and pests affecting wildlife, fish, or shellfish.

(f) Regulating the size, sex, species, and quantities of wildlife, fish, or shellfish that may be taken, possessed, sold, or disposed of.

(g) Specifying the statistical and biological reports required from fishers, dealers, boathouses, or processors of wildlife, fish, or shellfish.

(h) Classifying species of marine and freshwater life as food

fish or shellfish.

(i) Classifying the species of wildlife, fish, and shellfish that may be used for purposes other than human consumption.

(j) Regulating the taking, sale, possession, and distribution of wildlife, fish, shellfish, or deleterious exotic wildlife.

(k) Establishing game reserves and closed areas where hunting for wild animals or wild birds may be prohibited.

(l) Regulating the harvesting of fish, shellfish, and wildlife in the federal exclusive economic zone by vessels or individuals registered or licensed under the laws of this state.

(m) Authorizing issuance of permits to release, plant, or place fish or shellfish in state waters.

(n) Governing the possession of fish, shellfish, or wildlife so that the size, species, or sex can be determined visually in the field or while being transported.

(o) Other rules necessary to carry out this title and the purposes and duties of the department.

(2)(a) Subsections (1)(a), (b), (c), (d), and (f) of this section do not apply to private tideland owners and lessees and the immediate family members of the owners or lessees of state tidelands, when they take or possess oysters, clams, cockles, borers, or mussels, excluding razor clams, produced on their own private tidelands or their leased state tidelands for personal use.

(b) "Immediate family member" for the purposes of this section means a spouse, brother, sister, grandparent, parent, child, or grandchild.

(3) Except for subsection (1)(g) of this section, this section does not apply to private sector cultured aquatic products as defined in RCW 15.85.020. Subsection (1)(g) of this section does apply to such products.

Sec. 5. RCW 77.125.030 and 2001 c 86 s 3 are each amended to read as follows:

(1) The director, in cooperation with the marine finfish aquaculture farmers, shall develop proposed rules for the implementation, administration, and enforcement of marine finfish aquaculture programs. In developing such proposed rules, the director must use a negotiated rule-making process pursuant to RCW 34.05.310. The proposed rules shall be submitted to the appropriate legislative committees by January 1, 2002, to allow for legislative review of the proposed rules. The proposed rules shall include the following elements:

~~((4))~~ (a) Provisions for the prevention of escapes of cultured marine finfish aquaculture products from enclosures, net pens, or other rearing vessels;

~~((2))~~ (b) Provisions for the development and implementation of management plans to facilitate the most rapid recapture of live marine finfish aquaculture products that have escaped from enclosures, net pens, or other rearing vessels, and to prevent the spread or permanent escape of these products;

~~((3))~~ (c) Provisions for the development of management practices based on the latest available science, to include:

~~((a))~~ (i) Procedures for inspections of marine aquatic farming locations on a regular basis to determine conformity with law and the rules of the department relating to the operation of marine aquatic farming locations; and

~~((b))~~ (ii) Operating procedures at marine aquatic farming locations to prevent the escape of marine finfish, to include the use of net antifoulants;

~~((4))~~ (d) Provisions for the eradication of those cultured marine finfish aquaculture products that have escaped from enclosures, net pens, or other rearing vessels found spawning in state waters;

~~((5))~~ (e) Provisions for the determination of appropriate species, stocks, and races of marine finfish aquaculture products allowed to be cultured at specific locations and sites;

~~((6))~~ (f) Provisions for the development of an Atlantic salmon watch program similar to the one in operation in British Columbia, Canada. The program must provide for the monitoring of escapes of Atlantic salmon from marine aquatic farming locations, monitor the occurrence of naturally produced Atlantic salmon, determine the impact of Atlantic salmon on naturally produced and cultured finfish stocks, provide a focal point for consolidation of scientific information, and provide a forum for interaction and education of the public; and

~~((7))~~ (g) Provisions for the development of an education program to assist marine aquatic farmers so that they operate in an environmentally sound manner.

(2) The department must implement this section consistent with section 2 of this act.

Sec. 6. RCW 90.48.220 and 1993 c 296 s 1 are each amended to read as follows:

(1) For the purposes of this section "marine finfish rearing facilities" means those private and public facilities located within the salt water of the state where finfish are fed, nurtured, held, maintained, or reared to reach the size of release or for market sale.

(2) Not later than October 31, 1994, the department shall adopt criteria under chapter 34.05 RCW for allowable sediment impacts from organic enrichment due to marine finfish rearing facilities.

(3) Not later than June 30, 1995, the department shall adopt standards under chapter 34.05 RCW for waste discharges from marine finfish rearing facilities. In establishing these standards, the department shall review and incorporate, to the extent possible, studies conducted by state and federal agencies on waste discharges from marine finfish rearing facilities, and any reports and other materials prepared by technical committees on waste discharges from marine finfish rearing facilities. The department shall approve or deny discharge permit applications for marine finfish rearing facilities within one hundred eighty days from the date of application, unless a longer time is required to satisfy public participation requirements in the permit process in accordance with applicable rules, or compliance with the requirements of the state environmental policy act under chapter 43.21C RCW. The department shall notify applicants as soon as it determines that a proposed discharge meets or fails to comply with the standards adopted pursuant to this section, or if a time period longer than one hundred eighty days is necessary to satisfy public participation requirements of the state environmental policy act.

(4) The department may adopt rules to exempt marine finfish rearing facilities not requiring national pollutant discharge elimination system permits under the federal water pollution control act from the discharge permit requirement.

(5) The department must implement this section consistent with section 3 of this act."

On page 1, line 2 of the title, after "facilities;" strike the remainder of the title and insert "amending RCW 77.12.047, 77.125.030, and 90.48.220; adding a new section to chapter 79.105 RCW; adding a new section to chapter 77.125 RCW; and adding a new section to chapter 90.48 RCW."

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

Senators Ranker and Bailey spoke against adoption of the striking amendment.

MOTION

Senator Warnick demanded a roll call.

The President declared that one-sixth of the members

supported the demand and the demand was sustained.

The President Pro Tempore declared the question before the Senate to be the adoption of the striking floor amendment no. 874 by Senator Warnick to Engrossed House Bill No. 2957.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Warnick and the amendment was not adopted by the following vote: Yeas, 21; Nays, 27; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, Padden, Rivers, Schoesler, Short, Takko, Wagoner, Walsh, Warnick and Wilson

Voting nay: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Sheldon, Van De Wege, Wellman and Zeiger

Excused: Senator Hobbs.

MOTION

Senator Warnick moved that the following striking floor amendment no. 901 by Senator Warnick be adopted:

Strike everything after the enacting clause and insert the following:

(1) A legislative task force on marine finfish net pen aquaculture is established. The purpose of the task force is to gather evidence and make recommendations regarding marine fin fish net pen aquaculture in state marine waters.

(2) The task force must consist of the following members:

(a) Two members from each of the two largest caucuses of the senate, appointed by the leaders of each major caucus of the senate;

(b) Two members from each of the two largest caucuses of the house of representatives, appointed by the leaders of each major caucus of the house of representatives;

(c) A representative from the department of ecology, appointed by the director of the department of ecology;

(d) A representative from the department of fish and wildlife, appointed by the director of the department of fish and wildlife;

(e) A representative from the natural resources board, appointed by a majority vote of the board;

(f) A representative from the department of agriculture, appointed by the director of the department of agriculture

(g) One representative from a nonnative finfish net pen aquaculture operator;

(h) One representative from a native finfish net pen aquaculture organization or operator;

(i) Representatives of two federally recognized Indian tribes; at least one of which must have aquaculture operations.

(j) Three representatives from the scientific community with an emphasis on salmon run recovery, salmon biology and health, and marine ecosystem health.

(k) One representative from the Washington Association of Fish Growers.

(3) The first meeting of the task force must occur by June 30, 2018.

(4) Staff support for the task force must be provided by the office of program research and senate committee services. The department of ecology and the department of fish and wildlife

shall cooperate with the task force and provide information as the chair reasonably requests.

(5) Within existing appropriations, the expenses of the operations of the task force, including the expenses associated with the task force's meetings, must be paid jointly and in equal amounts by the senate and the house of representatives. Task force expenditures are subject to approval by the house executive rules committee and the senate facility and operations committee. Legislative members of the task force are reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members are not entitled to be reimbursed for travel expenses if they are elected officials or are participating on behalf of an employer, governmental entity, or other organization. Any reimbursement for other nonlegislative members is subject to chapter 43.03 RCW.

(7) The task force shall have two co-chairs. One co-chair shall be a member of the majority caucus from the S

(8) By November 15, 2019, the joint legislative task force must make recommendations to the legislature.

(9) The joint legislative task force expires December 31, 2019.

(10) This section expires January 1, 2020.

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

Senator Chase spoke on adoption of the striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of striking floor amendment no. 901 by Senator Warnick to Engrossed House Bill No. 2957.

The motion by Senator Warnick did not carry and striking floor amendment no. 901 was not adopted by rising vote.

MOTION

On motion of Senator Ranker, the rules were suspended, Engrossed House Bill No. 2957 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

POINT OF ORDER

Senator Braun: "Madam President I believe Engrossed House Bill 2957 violates Senate Rule 25 which provides that the subject, sorry I just ran around, subject of the bill must be expressed in the bill's title. Same requirement is established in Article 2, Section 19 of the state's constitution."

President Pro Tempore Keiser: "Can you give me a little more explanation?"

Senator Braun: "I certainly can Madam President. I believe that the underlying bill that is before us violates Rule 25 because it completely phases out and prohibits permitting and leasing for nonnative fish aquaculture yet the title singularly indicates that the bill aims to reduce the escape of nonnative finfish from marine finfish aquaculture facilities. That enough? You want me to keep going?"

President Pro Tempore Keiser: "Senator Liias."

Senator Liias: "Thank you Madame President. I appreciate the perspective that my colleague brings. I believe that in our attempt, or the sponsor's attempt, in this bill to reduce the escape of nonnative finfish that they are eliminating this certain type of aquaculture so that will, in fact, have the impact of reducing the escape of nonnative finfish from the marine finfish aquaculture facility so clearly the bill as we've discussed and the various

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amendments still allows for native finfish to be cultivated in these facilities but this is an attempt to reduce the escape of nonnative finfish by eliminating their cultivation in these types of facilities.”

there, I know that you don’t like every second of it, and yet you do it professionally and, and, with, with, with courtesy, I genuinely appreciate that. I also wanted to remind you, Madam President, I believe that under our rules any of us can spell you so we’re standing by, if you need a brief relief we’re happy to help.”

RULING BY THE PRESIDENT PRO TEMPORE

PERSONAL PRIVILEGE

President Pro Tempore Keiser: “The President believes that the title of Engrossed House Bill 2957 is adequate and the point is not well taken.”

Senator Fain: “I was just going to remark, Madam President, that I also appreciate your job up there but it is my father’s 86th birthday tonight and we are having dinner, it starts five minutes ago. It was actually, surprisingly, his 85th birthday when we started the finfish bill so I look forward to moving along, thank you.”

Senator Ranker spoke in favor of passage of the bill. Senators Warnick, Baumgartner, Short, Ericksen, Wagoner and Walsh spoke against passage of the bill.

MOTION

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed House Bill No. 2957.

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

ROLL CALL

MESSAGE FROM THE HOUSE

The Secretary called the roll on the final passage of Engrossed House Bill No. 2957 and the bill passed the Senate by the following vote: Yeas, 31; Nays, 16; Absent, 1; Excused, 1.

February 27, 2018

Voting yea: Senators Angel, Billig, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hunt, Keiser, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O’Ban, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Sheldon, Takko, Van De Wege, Wellman and Zeiger

MR. PRESIDENT:
The House passed ENGROSSED SUBSTITUTE SENATE BILL NO. 6106 with the following amendment(s): 6106-S.E AMH ENGR H5049.E

Voting nay: Senators Bailey, Baumgartner, Becker, Braun, Brown, Ericksen, Honeyford, King, Padden, Rivers, Schoesler, Short, Wagoner, Walsh, Warnick and Wilson

Strike everything after the enacting clause and insert the following:

Absent: Senator Carlyle
Excused: Senator Hobbs

**"2017-2019 FISCAL BIENNIUM
GENERAL GOVERNMENT AGENCIES—OPERATING**

ENGROSSED HOUSE BILL NO. 2957, 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.

Sec. 101. 2017 c 313 s 101 (uncodified) is amended to read as follows:

PERSONAL PRIVILEGE

FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION
Motor Vehicle Account—State Appropriation ... ((~~\$496,000~~))
\$513,000

Senator Becker: “Thank you Madam President and thank you Senator Liias for allowing me to do just a quick point of personal privilege. Madam President I just wanna say how much I thank you for doing what you’ve been doing up here. I know it’s not easy and I know we talked about how it’s hard to stand there all the time but I wanted just to say that it’s been so appreciated from my perspective how friendly you’ve been, that we’re not getting lectures on how we should be acting and not, and you’re calling voice votes by volume and doing a really fair job and how much that’s appreciated. You’ve made us all feel respected and, and worthwhile out here Madam President and I just, I just think that everybody in here should know how some of us feel. I really like that we’ve been able to, you know, count on following the Senate Rules and that, that there’s an understanding and I just wanna say you should be really proud of, of you and I know that I have a lot of respect for everything that you’ve done in the last few days and Madam President I hope to see you up there more often. Thank you so very much.”

Sec. 102. 2017 c 313 s 103 (uncodified) is amended to read as follows:

PERSONAL PRIVILEGE

Senator Braun: “So I’ll be very brief cause I was gonna say essentially what Senator Becker just said. Even though I wasn’t entirely pleased with your last ruling I do appreciate the fine work that you’ve done today at the podium. I know it’s a lot of work up

FOR THE OFFICE OF FINANCIAL MANAGEMENT
Motor Vehicle Account—State Appropriation ((~~\$1,580,000~~))
\$3,891,000
Puget Sound Ferry Operations Account—State Appropriation
..... \$116,000
TOTAL APPROPRIATION \$1,696,000
\$4,007,000

The appropriations in this section are subject to the following conditions and limitations: ((~~\$300,000~~)) \$2,570,000 of the motor vehicle account—state appropriation is provided solely for the office of financial management to work with the department of transportation on integrating the transportation reporting and accounting information system or its successor system with the One Washington project. The office of financial management and the department of transportation must provide a joint status report to the transportation committees of the legislature on at least a calendar quarter basis. The report must include, but is not limited to: The status of the department’s ability to integrate the transportation reporting and accounting information system or its successor system with the One Washington project; the status of the One Washington project; and a description of significant changes to planned timelines or deliverables.

Sec. 103. 2017 c 313 s 105 (uncodified) is amended to read

as follows:

FOR THE DEPARTMENT OF AGRICULTURE

Motor Vehicle Account—State Appropriation .(~~(\$1,254,000)~~)
\$1,306,000

The appropriation in this section is subject to the following conditions and limitations: Within the amount provided in this section, the department shall conduct a pilot program to consist of the following activities:

(1) The department shall produce a fuel tax sticker for display on each motor fuel pump from which fuel is sold at retail that displays and provides notice of the federal and state fuel tax rates. The sticker must display the rate of each tax, in cents per gallon, for each type of fuel.

(2) The department shall provide notice of federal and state fuel tax rates, in the form of a fuel tax sticker, with any other notice displayed or required by department rule to be displayed on motor fuel pumps.

(3) The department shall distribute fuel tax stickers to all individuals who conduct fuel pump inspections, including department employees and local government employees. Government employees who conduct fuel pump inspections shall display a fuel tax sticker on each motor fuel pump or shall verify that such a sticker is being displayed at the time of inspection as required under this subsection. Fuel tax stickers must:

(a) Be displayed on each face of the motor fuel pump on which the price of the fuel sold from the pump is displayed; and

(b) Be displayed in a clear, conspicuous, and prominent manner.

(4) The department shall provide fuel tax stickers by mail to fuel pump owners who request them for the face of each motor fuel pump for which a sticker is requested.

(5) The department shall produce updated fuel tax stickers on an annual basis when one or more fuel tax rates have changed. Fuel tax stickers must be replaced at the time of motor fuel pump inspection if the sticker has been updated with any new fuel tax rates.

Sec. 104. 2017 c 313 s 106 (uncodified) is amended to read as follows:

FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

Motor Vehicle Account—State Appropriation(~~(\$597,000)~~)
\$613,000

Sec. 105. 2017 c 313 s 108 (uncodified) is amended to read as follows:

FOR THE BOARD OF PILOTAGE COMMISSIONERS

Multimodal Transportation Account—State Appropriation \$1,100,000

The appropriation in this section is subject to the following conditions and limitations: \$1,100,000 of the multimodal transportation account—state appropriation is provided solely for self-insurance liability premium expenditures; however, this appropriation is contingent upon the board:

(1) Annually depositing the first one hundred fifty thousand dollars collected through Puget Sound pilotage district pilotage tariffs into the pilotage account (~~(solely for the expenditure of self-insurance premiums)~~);

(2) Maintaining the Puget Sound pilotage district pilotage tariff at the rate in existence on January 1, 2017; and

(3) Assessing a self-insurance premium surcharge of sixteen dollars per pilotage assignment on vessels requiring pilotage in the Puget Sound pilotage district.

NEW SECTION. Sec. 106. A new section is added to 2017 c 313 (uncodified) to read as follows: **FOR THE**

DEPARTMENT OF ECOLOGY

Motor Vehicle Account—State Appropriation \$30,000

The appropriation in this section is subject to the following conditions and limitations: \$30,000 of the motor vehicle account—state appropriation is provided solely for the department to convene a work group to establish principles, review options, and develop recommendations regarding the establishment of a statewide program with a purpose of reducing fluid leakage from motor vehicles.

(1) The work group must be comprised of public, private, and nonprofit stakeholders and must include at least the Washington stormwater center, stormwater outreach for regional municipalities, the association of Washington cities, and the Washington state association of counties.

(2) The work group shall use the statewide don't drip and drive program established by the department as a model for creating this new program. The work group shall establish principles, review options, and develop recommendations regarding the new program. Recommendations made by the work group shall include, but are not limited to:

(a) Identifying an entity to manage the program;

(b) Potential public, private, and nonprofit partners;

(c) The potential scope of the program; and

(d) Funding requirements and potential funding sources for the program.

(3) The work group shall submit a report with its findings and recommendations to the transportation committees of the legislature by November 1, 2018.

NEW SECTION. Sec. 107. A new section is added to 2017 c 313 (uncodified) to read as follows: **FOR THE HOUSE OF REPRESENTATIVES**

Motor Vehicle Account—State Appropriation \$2,126,000

NEW SECTION. Sec. 108. A new section is added to 2017 c 313 (uncodified) to read as follows: **FOR THE SENATE**

Motor Vehicle Account—State Appropriation \$2,029,000

TRANSPORTATION AGENCIES—OPERATING

Sec. 201. 2017 3rd sp.s. c 1 s 995 (uncodified) is amended to read as follows:

FOR THE WASHINGTON TRAFFIC SAFETY COMMISSION

| | |
|------------------------------|------------------------------|
| Highway Safety Account—State | Appropriation |
| ..... | ((\$4,266,000)) |
| | <u>\$4,329,000</u> |

| | |
|--------------------------------|-------------------------------|
| Highway Safety Account—Federal | Appropriation |
| ..... | ((\$22,048,000)) |
| | <u>\$22,210,000</u> |

| | |
|--------------------------------------|---------------|
| Highway Safety Account—Private/Local | Appropriation |
| ..... | \$118,000 |

| | |
|--|-----------|
| School Zone Safety Account—State Appropriation | \$850,000 |
|--|-----------|

| | |
|---------------------------|---------------------|
| TOTAL APPROPRIATION | <u>\$27,282,000</u> |
| | <u>\$27,507,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) \$100,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter 324, Laws of 2017 (~~((Substitute Senate Bill No. 5402))~~) (bicyclist safety advisory council).

(2) \$1,000,000 of the highway safety account—state appropriation is provided solely for the implementation of section 13(4), chapter 336, Laws of 2017 (~~((Engrossed Second Substitute House Bill No. 1614))~~) (impaired driving). The funding is provided for grants to organizations that seek to reduce driving

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under the influence of drugs and alcohol and for administering the program. \$108,806 of the amount provided in this subsection is for the commission to cover the costs associated with administering the grant program. The funding provided in this subsection is contingent on the availability of funds raised by the fee, described in section 13(4), chapter 336, Laws of 2017 ((Engrossed Second Substitute House Bill No. 1614)) (impaired driving), sufficient to cover the costs of administering the program.

Sec. 202. 2017 c 313 s 202 (uncodified) is amended to read as follows:

FOR THE COUNTY ROAD ADMINISTRATION BOARD

| | |
|--|------------------------------|
| Rural Arterial Trust Account—State Appropriation | ((\$1,022,000)) |
| | <u>\$1,058,000</u> |
| Motor Vehicle Account—State Appropriation | ((\$2,504,000)) |
| | <u>\$2,721,000</u> |
| County Arterial Preservation Account—State Appropriation | ((\$1,541,000)) |
| | <u>\$1,594,000</u> |
| TOTAL APPROPRIATION | <u>\$5,067,000</u> |
| | <u>\$5,373,000</u> |

Sec. 203. 2017 c 313 s 203 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION IMPROVEMENT BOARD

| | |
|--|------------------------------|
| Transportation Improvement Account—State Appropriation | ((\$4,089,000)) |
| | <u>\$4,320,000</u> |

Sec. 204. 2017 c 313 s 204 (uncodified) is amended to read as follows:

FOR THE JOINT TRANSPORTATION COMMITTEE

| | |
|---|------------------------------|
| Highway Safety Account—State Appropriation | \$95,000 |
| Motor Vehicle Account—State Appropriation | ((\$1,589,000)) |
| | <u>\$1,972,000</u> |
| Multimodal Transportation Account—State Appropriation | ((\$700,000)) |
| | <u>\$1,015,000</u> |
| TOTAL APPROPRIATION | <u>\$2,289,000</u> |
| | <u>\$3,082,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) \$200,000 of the multimodal transportation account—state appropriation is for a consultant study of marine pilotage in Washington state, with a goal of recommending best practices for: An analytically-driven pilotage tariff and fee setting process; determination of the total number of pilots and pilot workload; pilot recruitment, training, review, and selection, with a focus on increasing pilot diversity; and selection of governance structures for the oversight and management of pilotage activities. The study must include the following:

- (i)(A) An examination of current practices of the board of pilotage related to: Pilotage tariff and fee setting, including a review of the development and composition of fees, their relationship to tariffs and pilotage district expenditures, and an analysis of pilot benefits; the setting of the total number of pilots and pilot workload distribution; pilot candidate recruitment and training; pilot review and selection processes; and reporting to comply with statutory requirements;
- (B) An examination of the current oversight, administrative practices, and governance of the board of pilotage commissioners and the two pilotage districts, including board composition

analysis, the possible role of the legislative appropriations process, and options for insurance liability coverage for the board of pilotage commissioners;

(ii) A comparison of current practices identified under this subsection (1)(a) to best practices in marine pilotage elsewhere in the United States, including both state licensed pilotage and federal pilotage systems with independent contractor, public employee, or private employee pilots; and a comparison to marine pilotage activities outside of the United States, to the extent these marine pilotage activities can inform the evaluation process and identify additional best practices that could be implemented in Washington state;

(iii) A comparison of the results of the examination of current practices to best practices in the United States in areas other than marine pilotage for which similar activities are conducted;

(iv) An evaluation of the extent to which the best practices examined can be implemented and would be effective in Washington state; and

(v) A recommendation for the best practices that should be adopted by Washington state for each of the areas examined.

(b) The joint transportation committee must issue a report of its findings and recommendations to the house of representatives and senate transportation committees by January 8, 2018.

(2) \$160,000 of the motor vehicle account—state appropriation is for the joint transportation committee to contract with the University of Minnesota to independently analyze and assess traffic data for the express toll lanes and general purpose lanes of the Interstate 405 tolled corridor, including in terms of the performance measures described in RCW 47.56.880, and to develop and recommend near-term and longer-term strategies for the improvement of traffic performance in this corridor. A report summarizing the results of the traffic data assessment and providing recommended strategies is due to the transportation committees of the legislature by January 8, 2018.

(3)(a) \$500,000 of the multimodal transportation account—state appropriation is for a consultant study of air cargo movement at Washington airports. The study must:

- (i) Describe the state's air cargo system, and identify the facilities that comprise the system;
- (ii) Evaluate the current and projected future capacity of the air cargo system;
- (iii) Identify underutilized capacity;
- (iv) Identify and describe what market forces may determine demand for cargo service at different facilities and what role the shippers and cargo service providers play in determining how cargo is moved in the state;
- (v) Develop a definition of congestion in the state's air cargo system, including metrics by which to measure congestion and the cost of congestion to shippers; and
- (vi) Evaluate what would be needed to more effectively use existing capacity at airports across the state. As part of this evaluation, the study must:

- (A) Evaluate air, land, and surface transportation constraints, including intermodal constraints, to accommodate current demand and future growth;
- (B) Evaluate impediments to addressing those constraints;
- (C) Evaluate options to address those constraints; and
- (D) Evaluate the impacts to air cargo-related industries that would result from shifting cargo service to Washington airports that currently have available capacity.

(b) The study must also identify the state's interest in reducing air cargo congestion and evaluate ways to address this interest on a statewide basis.

(c) The study must provide recommendations regarding:

- (i) Options to reduce air cargo congestion and more efficiently

use available capacity at Washington airports;

(ii) Options to address the state's interest in reducing air cargo congestion on a statewide basis;

(iii) Strategies to accomplish the recommendations under this subsection (3)(c); and

(iv) Statutory changes needed to implement the recommendations under this subsection (3)(c).

(d) The department of transportation shall provide technical support for the study, including providing guidance regarding information that may already be available due to the department's ongoing work on the Washington aviation system plan.

(e) The joint transportation committee shall issue a report of its findings and recommendations to the house of representatives and senate transportation committees by December 14, 2018.

(4) \$100,000 of the motor vehicle account—state appropriation is for the joint transportation committee to conduct an assessment of the current roles and responsibilities of the transportation commission. The purpose of the assessment is to review the current membership, functions, powers, and duties of the transportation commission beyond those granted to the transportation commission as the tolling authority under RCW 47.56.850, for the adoption of ferry fares and pricing policies under RCW 47.60.315, or for work related to the road usage charge pilot project as directed by the legislature. When conducting the assessment, the joint transportation committee must consult with the transportation commission and the office of financial management.

(a) The assessment must consist of a review of the following:

(i) The primary enabling statutes of the transportation commission contained in RCW 47.01.051 through 47.01.075;

(ii) The transportation commission's functions relating to ferries under chapters 47.60 and 47.64 RCW beyond those granted by the legislature for adoption of fares and pricing policies;

(iii) The existing budget of the transportation commission to ensure it is appropriate for the roles and responsibilities it is directed to do by the governor and the legislature;

(iv) The transportation commission's current roles and responsibilities relating to transportation planning, transportation policy development, and other functions; and

(v) Other issues related to the transportation commission as determined by the joint transportation committee.

(b) A report of the assessment findings and recommendations is due to the transportation committees of the legislature by December 31, 2017.

(5)(a) \$360,000 of the motor vehicle account—state appropriation, from the cities' statewide fuel tax distributions under RCW 46.68.110(2), is for the joint transportation committee to conduct a study to assess the current state of city transportation funding, identify emerging issues, and recommend funding sources to meet current and future needs. As part of the study, the joint transportation committee shall:

(i) Identify current city transportation funding responsibilities, sources, and gaps;

(ii) Identify emerging issues that may add additional strain on city costs and funding capacity;

(iii) Identify future city funding needs;

(iv) Evaluate alternative sources of funding; and

(v) Recommend sources of funding to address those needs and gaps.

(b) In considering alternative sources of funding, the study shall evaluate sources available outside of the state of Washington that currently are not available in Washington.

(c) In conducting the study, the joint transportation committee must consult with:

(i) City representatives;

(ii) A representative from the department of transportation local programs division;

(iii) A representative from the transportation improvement board;

(iv) A representative from the department of transportation/metropolitan planning organization/regional transportation planning organization coordinating committee; and

(v) Others as appropriate.

(d) The association of Washington cities and the department of transportation shall provide technical support to the study.

(e) The joint transportation committee must issue a report of its findings and recommendations to the transportation committees of the legislature by June 30, 2019.

(6)(a) \$315,000 of the multimodal transportation account—state appropriation is for a consultant study of the capital needs of public transportation systems operated by public transportation benefit areas, metropolitan municipal corporations, cities, counties, and county transportation authorities. The study must include:

(i) An inventory of each agency's vehicle fleet;

(ii) An inventory of each agency's facilities, including the state of repair;

(iii) The replacement and expansion needs of each agency's vehicle fleet, as well as the associated costs, over the next ten years;

(iv) The replacement and expansion needs for each agency's facilities including, but not limited to, such facilities as park and rides, transit centers, and maintenance buildings;

(v) The source of funding, if known, planned to cover the cost of the bus and facilities replacement and expansion needs including, but not limited to, local revenue, state grants, and federal grants;

(vi) The amount of service that could be provided with the local funds that are currently required for each agency's total capital needs; and

(vii) A list of potential state, federal, or local revenue sources that public transportation agencies could access or implement in order to meet agencies' capital needs. These revenue sources may be either currently available sources or sources that would need legislative authorization.

(b) The Washington state transit association and the Washington state department of transportation shall provide technical support to the study.

(c) The joint transportation committee shall issue a report of its findings and recommendations to the transportation committees of the legislature by March 1, 2019.

(7)(a) \$95,000 of the highway safety account—state appropriation is provided solely for the joint transportation committee, in consultation with the department of licensing, to assess opportunities for improving the ability of commercial driver's license holders and applicants to obtain commercial driver's license medical certification and variances, when not governed by federal law, to address the current shortage of individuals who are authorized to drive commercial motor vehicles in the state by maximizing the availability of commercial driver's licenses for individuals who are able to safely drive these vehicles. The joint transportation committee must review current department of licensing practices and state laws and regulations, evaluating potential opportunities to expand eligibility criteria for commercial driver's license medical certifications and variances, and make recommendations regarding how department of licensing practices and state laws and regulations can be modified to increase the availability of commercial driver's licenses to address the current shortage of individuals who are authorized to drive commercial motor vehicles in the state.

(b) This review must include an assessment of possible

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approaches for developing a system within the department of licensing, such as through the use of a new state medical advisory board or panel, for setting state (i) medical certification requirements for excepted interstate commercial driver's license holders and applicants; and (ii) medical waiver requirements for physicians to use in evaluating whether to grant medical variances to intrastate nonexcepted commercial driver's license holders and applicants. Methods in use by other states to set state medical certification and medical waiver requirements must be considered. Under this approach, medical standards, when not governed by federal law, would be determined by the state rather than set by default to exceed or match federal medical standards for requiring medical certifications from excepted interstate commercial driver's license holders and applicants and for granting medical variances to intrastate commercial driver's license holders and applicants. In the case of medical variances, the medical standards adopted would be required to be based on sound medical judgment combined with appropriate performance standards ensuring no adverse effect on safety, as specified in 49 C.F.R. Sec. 350.341(h)(2).

(c) In conducting this review, in addition to consulting with the department of licensing, the joint transportation committee must consult with stakeholders who currently rely on the state's commercial driver's license medical certification process, the Washington state patrol, the traffic safety commission, and the state department of health.

(d) An overview of the work conducted and the recommendations developed, including specific changes to state law and regulations, are due to the transportation committees of the legislature and the governor by November 1, 2018. Recommendations should include methods for expediting implementation of the recommendations made, without compromising safety considerations, to address the current shortage of individuals who are authorized to drive commercial motor vehicles in the state as quickly as possible.

Sec. 205. 2017 c 313 s 205 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION COMMISSION

| | |
|--|---------------------------|
| Motor Vehicle Account—State Appropriation ..((\$2,074,000)) | <u>\$2,295,000</u> |
| Multimodal Transportation Account—State Appropriation | \$462,000 |
| TOTAL APPROPRIATION..... | <u>\$2,536,000</u> |
| | <u>\$2,757,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) The commission shall coordinate with the department of transportation to jointly pursue any federal or other funds that are or might become available to fund a road usage charge pilot project. Where feasible, grant application content prepared by the commission must reflect the direction provided by the road usage charge steering committee on the preferred road usage charge pilot project approach. One or more grant applications may be developed as part of the road usage charge pilot project implementation plan development work, but the pilot project implementation plan must nevertheless include any details necessary for a full launch of the pilot project not required to be included in any grant application.

(b) The commission shall reconvene the road usage charge steering committee, with the same membership authorized in chapter 222, Laws of 2014, as well as the addition of a representative from the Puget Sound regional council, and, upon finalization of the federal grant award for stage 1 of the road usage charge pilot project, shall report at least once every three months

to the steering committee with updates on project progress, key project milestones, and developments related to securing additional federal funding for future road usage charge pilot work until stage 2 of the road usage charge pilot project begins. Each report must include a phone or in-person meeting with the steering committee, with a maximum of two in-person meetings to be held in 2017. A year-end report on the status of the project must be provided to the governor's office and the transportation committees of the house of representatives and the senate by December 1, 2017. If the year-end report is not the final report for stage 1 of the pilot project, a final report that includes an evaluation of stage 1 of the pilot project must be provided to the governor's office and the transportation committees of the house of representatives and the senate following completion of stage 1 of the pilot project. Any legislative vacancies on the steering committee must be appointed by the speaker of the house of representatives for a house of representatives member vacancy, and by the majority leader and minority leader of the senate for a senate member vacancy.

(c) Once stage 2 of the road usage charge pilot project begins, the commission shall periodically report to the steering committee with updates on the progress of the Washington state road usage charge pilot project, which is scheduled to be completed in February of 2019.

(2) The legislature finds that there is a need for long-term toll payer relief from increasing toll rates on the Tacoma Narrows bridge. Therefore, the commission must convene a work group to review, update, add to as necessary, and comment on various scenarios for toll payer relief outlined in the 2014 joint transportation committee report on internal refinance opportunities for the Tacoma Narrows bridge. The work group must include participation from the Tacoma Narrows bridge citizen's advisory group, at least one member from each of the legislative delegations from the districts immediately abutting the Tacoma Narrows bridge, the local chambers of commerce, and affected local communities. Legislative members of the work group must be reimbursed for travel expenses by the commission. The work group must submit a report with its preferred and prioritized policy solutions to the transportation committees of the legislature by December 1, 2017.

(3) \$150,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Substitute House Bill No. 2970), Laws of 2018 (autonomous work group) for the commission to fund the facilitation and coordination of work group activities. If chapter . . . (Substitute House Bill No. 2970), Laws of 2018 is not enacted by June 30, 2018, the amount provided in this subsection lapses.

Sec. 206. 2017 c 313 s 206 (uncodified) is amended to read as follows:

FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

| | |
|--|------------------|
| Motor Vehicle Account—State Appropriation ... ((\$818,000)) | <u>\$836,000</u> |
|--|------------------|

The appropriation in this section is subject to the following conditions and limitations: \$60,000 of the motor vehicle account—state appropriation is provided solely for the board, from amounts set aside out of statewide fuel taxes distributed to cities according to RCW 46.68.110(2), to manage and update the road-rail conflicts database produced as a result of the joint transportation committee's "Study of Road-rail Conflicts in Cities (2016)." The board shall update the database using data from the most recent versions of the Washington state freight and goods transportation system update, marine cargo forecast, and other relevant sources. The database must continue to identify

prominent road-rail conflicts that will help to inform strategic state investment for freight mobility statewide. The board shall form a committee including, but not limited to, representatives from local governments, the department of transportation, the utilities and transportation commission, and relevant stakeholders to identify and recommend a statewide list of projects using a corridor-based approach. The board shall provide the list to the transportation committees of the legislature and the office of financial management by September 1, 2018.

Sec. 207. 2017 c 313 s 207 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL

| | |
|---|--------------------------------|
| State Patrol Highway Account—State Appropriation | ((\$480,926,000)) |
| | <u>\$490,774,000</u> |
| State Patrol Highway Account—Federal Appropriation | ((\$14,025,000)) |
| | <u>\$14,592,000</u> |
| State Patrol Highway Account—Private/Local Appropriation | ((\$3,863,000)) |
| | <u>\$4,016,000</u> |
| Highway Safety Account—State Appropriation | ((\$1,067,000)) |
| | <u>\$1,077,000</u> |
| Ignition Interlock Device Revolving Account—State Appropriation | \$510,000 |
| Multimodal Transportation Account—State Appropriation | \$276,000 |
| TOTAL APPROPRIATION | <u>\$500,667,000</u> |
| | <u>\$511,245,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) Washington state patrol officers engaged in off-duty uniformed employment providing traffic control services to the department of transportation or other state agencies may use state patrol vehicles for the purpose of that employment, subject to guidelines adopted by the chief of the Washington state patrol. The Washington state patrol must be reimbursed for the use of the vehicle at the prevailing state employee rate for mileage and hours of usage, subject to guidelines developed by the chief of the Washington state patrol.

(2) \$510,000 of the ignition interlock device revolving account—state appropriation is provided solely for the ignition interlock program at the Washington state patrol to provide funding for two staff to work and provide support for the program in working with manufacturers, service centers, technicians, and participants in the program.

(3) \$1,000,000 of the state patrol highway account—state appropriation is provided solely for ongoing support, system updates, maintenance, and an independent assessment of the P25 digital land mobile radio system. Of the amount provided in this subsection, \$400,000 must be used for the independent assessment of the P25 digital land mobile radio system. The independent assessment must identify implementation issues and coverage gaps and recommend strategies to address these issues and gaps. The assessment must be submitted to the governor and the transportation committees of the legislature by September 1, 2018. To the extent practicable, the Washington state patrol shall begin implementing recommendations before the completion of the independent assessment.

(4) The Washington state patrol and the department of transportation shall jointly submit a prioritized list of weigh station projects to the office of financial management by October 1, 2017. Projects submitted must include estimated costs for

preliminary engineering, rights-of-way, and construction and must also consider the timing of any available funding for weigh station projects.

(5) The Washington state patrol and the office of financial management must be consulted by the department of transportation during the design phase of any improvement or preservation project that could impact Washington state patrol weigh station operations. During the design phase of any such project, the department of transportation must estimate the cost of designing around the affected weigh station's current operations, as well as the cost of moving the affected weigh station.

(6) ~~(\$510,000)~~ \$580,000 of the state patrol highway account—state appropriation is provided solely for the operation of and administrative support to the license investigation unit to enforce vehicle registration laws in southwestern Washington. The Washington state patrol, in consultation with the department of revenue, shall maintain a running estimate of sales and use taxes remitted to the state pursuant to activity conducted by the license investigation unit. At the end of the calendar quarter in which it is estimated that more than \$625,000 in taxes have been remitted to the state since the effective date of this section, the Washington state patrol shall notify the state treasurer and the state treasurer shall transfer funds pursuant to section ~~(408)~~ 406(25) of this act.

(7) \$600,000 of the state patrol highway account—state appropriation is provided solely for the implementation of chapter ~~((~~Senate Bill No. 5274~~))~~ 181, Laws of 2017 (WSPRS salary definition). ~~((If chapter . . . (Senate Bill No. 5274), Laws of 2017 is not enacted by June 30, 2017, the amount in this subsection lapses.))~~

(8) \$100,000 of the state patrol highway account—state appropriation is provided solely for the implementation of chapter . . . (Substitute House Bill No. 2278), Laws of 2018 (privacy protections in government). If chapter . . . (Substitute House Bill No. 2278), Laws of 2018 is not enacted by June 30, 2018, the amount provided in this subsection lapses.

(9) \$4,354,000 of the state patrol highway account—state appropriation is provided solely for an additional cadet class, consisting of the 35th arming class and 111th trooper basic training class, in the 2017-2019 fiscal biennium.

Sec. 208. 2017 c 313 s 208 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

| | |
|---|--------------------------------|
| Marine Fuel Tax Refund Account—State Appropriation | \$34,000 |
| Motorcycle Safety Education Account—State Appropriation | ((\$4,523,000)) |
| | <u>\$4,608,000</u> |
| State Wildlife Account—State Appropriation | ((\$1,030,000)) |
| | <u>\$891,000</u> |
| Highway Safety Account—State Appropriation | ((\$202,973,000)) |
| | <u>\$268,694,000</u> |
| Highway Safety Account—Federal Appropriation | \$3,215,000 |
| Motor Vehicle Account—State Appropriation | ((\$90,659,000)) |
| | <u>\$83,938,000</u> |
| Motor Vehicle Account—Federal Appropriation | \$329,000 |
| Motor Vehicle Account—Private/Local Appropriation | ((\$2,048,000)) |
| | <u>\$5,139,000</u> |
| Ignition Interlock Device Revolving Account—State Appropriation | ((\$5,250,000)) |
| | <u>\$5,262,000</u> |
| Department of Licensing Services Account—State | |

| | |
|---|--------------------------|
| Appropriation | (\$6,611,000) |
| | <u>\$6,899,000</u> |
| License Plate Technology Account—State | |
| Appropriation | \$3,000,000 |
| Abandoned RV Account—State Appropriation | \$500,000 |
| TOTAL APPROPRIATION..... | <u>\$319,672,000</u> |
| | <u>\$382,509,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) (~~(\$205,000 of the highway safety account state)~~) \$230,000 of the motor vehicle account—private/local appropriation is provided solely for the implementation of chapter . . . (Engrossed House Bill No. 2201), Laws of (~~2017~~) 2018 (MVET collection). If chapter . . . (Engrossed House Bill No. 2201), Laws of (~~2017~~) 2018 is not enacted by June 30, (~~2017~~) 2018, the amount provided in this subsection lapses.

(2) \$20,810,000 of the highway safety account—state appropriation and \$3,000,000 of the license plate technology account—state appropriation are provided solely for business and technology modernization. The department and the state chief information officer or his or her designee must provide a joint project status report to the transportation committees of the legislature on at least a calendar quarter basis. The report must include, but is not limited to: Detailed information about the planned and actual scope, schedule, and budget; status of key vendor and other project deliverables; and a description of significant changes to planned deliverables or system functions over the life of the project. Project staff will periodically brief the committees or the committees' staff on system security and data protection measures.

(3) The department when modernizing its computer systems must place personal and company data elements in separate data fields to allow the department to select discrete data elements when providing information or data to persons or entities outside the department. This requirement must be included as part of the systems design in the department's business and technology modernization. Pursuant to the restrictions in federal and state law, a person's photo, social security number, or medical information must not be made available through public disclosure or data being provided under RCW 46.12.630 or 46.12.635.

(4) (~~(\$4,471,000)~~) \$46,718,000 of the highway safety account—state appropriation is provided solely for costs necessary to accommodate increased demand for enhanced drivers' licenses and enhanced identicards. The office of financial management shall place \$27,247,000 of the (entire) amount provided in this subsection in unallotted status. The office of financial management may release portions of the funds when it determines that average wait times have increased by more than two minutes based on wait time and volume data provided by the department compared to average wait times and volume during the month of December (~~2016~~) 2017. The department and the office of financial management shall evaluate the use of these funds on a monthly basis and (~~periodically~~) report quarterly to the transportation committees of the legislature on average wait times and volume data for enhanced drivers' licenses and enhanced identicards.

(5) The department shall continue to encourage the use of online vehicle registration renewal reminders and minimize the number of letters mailed by the department. To further this goal, the department shall develop a pilot program to replace first-class mail, letter-form renewal reminders with postcard renewal reminders. The goal of the pilot program is to realize substantial savings on printing and postage costs. The pilot program must include customers who performed their last renewal online and still receive a paper renewal notice. The appropriations in this

section reflect savings in postage and printing costs of at least \$250,000 in the 2017-2019 fiscal biennium.

(6) (~~(\$350,000)~~) \$550,000 of the highway safety account—state appropriation is provided solely for communication and outreach activities necessary to inform the public of federally acceptable identification options including, but not limited to, enhanced drivers' licenses and enhanced identicards. The department shall develop and implement an outreach plan that includes informational material that can be effectively communicated to all communities and populations in Washington. At least thirty-five percent of this appropriation must be used by the department for outreach efforts to communities that would not otherwise be served by traditional media outlets.

(7) \$19,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter (~~---~~ (~~Substitute Senate Bill No. 5289~~)) 334, Laws of 2017 (distracted driving). (~~If chapter --- (Substitute Senate Bill No. 5289), Laws of 2017 is not enacted by June 30, 2017, the amount provided in this subsection lapses.~~)

(8) \$57,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter (~~---~~ (~~House Bill No. 1400~~)) 11, Laws of 2017 (aviation license plate). (~~If chapter --- (House Bill No. 1400), Laws of 2017 is not enacted by June 30, 2017, the amount provided in this subsection lapses.~~)

(9) \$572,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter (~~---~~ (~~Engrossed Substitute House Bill No. 1481~~)) 197, Laws of 2017 (driver education uniformity). (~~If chapter --- (Engrossed Substitute House Bill No. 1481), Laws of 2017 is not enacted by June 30, 2017, the amount provided in this subsection lapses.~~)

(10) \$39,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter (~~---~~ (~~Substitute House Bill No. 1568~~)) 25, Laws of 2017 (Fred Hutch license plate). (~~If chapter --- (Substitute House Bill No. 1568), Laws of 2017 is not enacted by June 30, 2017, the amount provided in this subsection lapses.~~)

(11) \$104,000 of the ignition interlock device revolving account—state appropriation is provided solely for the implementation of chapter (~~---~~ (~~Engrossed Second Substitute House Bill No. 1614~~)) 336, Laws of 2017 (impaired driving). (~~If chapter --- (Engrossed Second Substitute House Bill No. 1614), Laws of 2017 is not enacted by June 30, 2017, the amount provided in this subsection lapses.~~)

(12) \$500,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter (~~---~~ (~~Engrossed Substitute House Bill No. 1808~~)) 206, Laws of 2017 (foster youth/driving). (~~If chapter --- (Engrossed Substitute House Bill No. 1808), Laws of 2017 is not enacted by June 30, 2017, the amount provided in this subsection lapses.~~)

(13) \$61,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter (~~---~~ (~~Engrossed Senate Bill No. 5008~~)) 310, Laws of 2017 (REAL ID compliance). (~~If chapter --- (Engrossed Senate Bill No. 5008), Laws of 2017 is not enacted by June 30, 2017, the amount in this subsection lapses.~~)

(14)(a) Within existing funds, the department, in consultation with the department of ecology, shall convene a work group comprised of registered tow truck operators, hulk haulers, representatives from county solid waste facilities, and the recycling community to develop a sustainable plan for the collection and disposal of abandoned recreational vehicles.

(b) The work group shall report on the current problems relating to abandoned recreational vehicles and develop policy options for procedures relating to the transportation, recycling,

and disposal of abandoned recreational vehicles, as well as other potentially related issues. As a result of its discussions, the work group shall also produce draft legislation. The final report and draft legislation are due to the standing transportation committees of the legislature on December 1, 2017.

(15) \$30,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter ~~((... (Senate Bill No. 5382))~~ 122, Laws of 2017 (reduced-cost identicards). ~~((If chapter ... (Senate Bill No. 5382), Laws of 2017 is not enacted by June 30, 2017, the amount in this subsection lapses.))~~

(16) \$112,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter ~~((... (Engrossed Substitute Senate Bill No. 5338))~~ 218, Laws of 2017 (registration enforcement). ~~((If chapter ... (Engrossed Substitute Senate Bill No. 5338), Laws of 2017 is not enacted by June 30, 2017, the amount in this subsection lapses.))~~

(17) \$30,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter ~~((... (Substitute Senate Bill No. 5343))~~ 43, Laws of 2017 (tow truck notices). ~~((If chapter ... (Substitute Senate Bill No. 5343), Laws of 2017 is not enacted by June 30, 2017, the amount in this subsection lapses.))~~

(18) \$230,000 of the highway safety account—state appropriation is provided solely for developing an application program interface service. This work must result in a mobile browser based application for use on tablet devices at licensing services offices.

(a) The application must be able to be used by licensing services offices staff for:

(i) Prescreening customers and directing them to the most efficient service line;

(ii) Performing any transaction within the department's online services;

(iii) Answering customer questions regarding license status and reinstatement; and

(iv) Providing a queue ticket to customers waiting for service inside and outside the office.

(b) Additionally, the application must be:

(i) Able to add a feature allowing customers to get in line via an online application and receive a mobile text message when their turn is approaching; and

(ii) Scalable to add other features to mobile devices to expedite customer service.

(19) \$112,000 of the highway safety account—state appropriation and \$88,000 of the motor vehicle account—state appropriation are provided solely for the department to make information technology updates and modifications to the driver and vehicle system in order to implement bills that are enacted in the 2018 legislative session.

(20) \$500,000 of the abandoned RV account—state appropriation is provided solely for the implementation of chapter ... (Substitute House Bill No. 2925), Laws of 2018 (abandoned recreational vehicle disposal). If chapter ... (Substitute House Bill No. 2925), Laws of 2018 is not enacted by June 30, 2018, the amount provided in this subsection lapses.

(21) Within amounts provided in this section, the department, in consultation with the county auditors, shall convene a work group to assess the current licensing services system and the establishment of a new licensing services partnership committee. The purpose of the licensing services partnership committee will be to provide a forum for communication between licensing partners regarding Washington's licensing services system.

(a) The work group must consist of, but is not limited to, a representative from the department, a county auditor, a county licensing manager, a subagent representative who is a small office

manager, a subagent representative from eastern Washington, and a subagent representative from western Washington.

(b) The work group must consider, at a minimum, and make recommendations on expanding services offered by subagents, establishing voluntary payment plans and automatic renewal options, enhancing electronic title and renewal options, the current financial environment for subagents and county auditors, and the establishment of the licensing service partnership committee.

(c) The work group shall submit a report with its findings and recommendations to the transportation committees of the legislature by December 1, 2018. Recommendations must be made on the policy options listed in (b) of this subsection. Recommendations regarding the licensing services partnership committee must also include whether or not to implement a pilot project for the committee, and if the pilot project is implemented, whether or not the pilot project should have a fixed term.

Sec. 209. 2017 c 313 s 209 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TOLL OPERATIONS AND MAINTENANCE—PROGRAM B

| | |
|--|---------------------------|
| High Occupancy Toll Lanes Operations Account—State Appropriation | (\$4,033,000) |
| | <u>\$4,462,000</u> |
| Motor Vehicle Account—State Appropriation | \$513,000 |
| State Route Number 520 Corridor Account—State Appropriation | (\$52,671,000) |
| | <u>\$57,137,000</u> |
| State Route Number 520 Civil Penalties Account—State Appropriation | (\$4,328,000) |
| | <u>\$4,131,000</u> |
| Tacoma Narrows Toll Bridge Account—State Appropriation | (\$32,134,000) |
| | <u>\$33,621,000</u> |
| Interstate 405 Express Toll Lanes Operations Account—State Appropriation | (\$22,194,000) |
| | <u>\$21,760,000</u> |
| Alaskan Way Viaduct Replacement Project Account—State Appropriation | (\$6,506,000) |
| | <u>\$13,938,000</u> |
| TOTAL APPROPRIATION | \$122,379,000 |
| | <u>\$135,562,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,300,000 of the Tacoma Narrows toll bridge account—state appropriation and \$9,048,000 of the state route number 520 corridor account—state appropriation are provided solely for the purposes of addressing unforeseen operations and maintenance costs on the Tacoma Narrows bridge and the state route number 520 bridge, respectively. The office of financial management shall place the amounts provided in this subsection, which represent a portion of the required minimum fund balance under the policy of the state treasurer, in unallotted status. The office may release the funds only when it determines that all other funds designated for operations and maintenance purposes have been exhausted.

(2) \$3,100,000 of the Interstate 405 express toll lanes operations account—state appropriation, \$1,498,000 of the state route number 520 corridor account—state appropriation, and \$1,802,000 of the high occupancy toll lanes operations account—state appropriation are provided solely for the operation and maintenance of roadside toll collection systems.

(3) ~~(\$4,328,000)~~ \$4,131,000 of the state route number 520

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civil penalties account—state appropriation, \$2,192,000 of the Tacoma Narrows toll bridge account—state appropriation, and \$1,191,000 of the Interstate 405 express toll lanes operations account—state appropriation are provided solely for expenditures related to the toll adjudication process.

(4) The department shall make detailed quarterly expenditure reports available to the Washington state transportation commission and to the public on the department's web site using current resources. The reports must include a summary of toll revenue by facility on all operating toll facilities and high occupancy toll lane systems, and an itemized depiction of the use of that revenue.

(5) As long as the facility is tolled, the department must provide quarterly reports to the transportation committees of the legislature on the Interstate 405 express toll lane project performance measures listed in RCW 47.56.880(4). These reports must include:

(a) Information on the travel times and travel time reliability (at a minimum, average and 90th percentile travel times) maintained during peak and nonpeak periods in the express toll lanes and general purpose lanes for both the entire corridor and commonly made trips in the corridor including, but not limited to, northbound from Bellevue to Rose Hill, state route number 520 at NE 148th to Interstate 405 at state route number 522, Bellevue to Bothell (both NE 8th to state route number 522 and NE 8th to state route number 527), and a trip internal to the corridor (such as NE 85th to NE 160th) and similar southbound trips;

(b) A month-to-month comparison of travel times and travel time reliability for the entire corridor and commonly made trips in the corridor as specified in (a) of this subsection since implementation of the express toll lanes and, to the extent available, a comparison to the travel times and travel time reliability prior to implementation of the express toll lanes;

(c) Total express toll lane and total general purpose lane traffic volumes, as well as per lane traffic volumes for each type of lane (i) compared to total express toll lane and total general purpose lane traffic volumes, as well as per lane traffic volumes for each type of lane, on this segment of Interstate 405 prior to implementation of the express toll lanes and (ii) compared to total express toll lane and total general purpose lane traffic volumes, as well as per lane traffic volumes for each type of lane, from month to month since implementation of the express toll lanes; and

(d) Underlying congestion measurements, that is, speeds, that are being used to generate the summary graphs provided, to be made available in a digital file format.

(6) \$666,000 of the high occupancy toll lanes operations account—state appropriation, \$11,527,000 of the state route number 520 corridor account—state appropriation, \$4,955,000 of the Tacoma Narrows toll bridge account—state appropriation, \$4,286,000 of the Interstate 405 express toll lanes operations account—state appropriation, and \$6,506,000 of the Alaskan Way viaduct replacement project account—state appropriation are provided solely for the department to implement a new tolling customer service toll collection system, and are subject to the conditions, limitations, and review provided in section 701 (~~of this act~~), chapter 313, Laws of 2017.

(a) The office of financial management shall place \$2,000,000 of the amounts provided in this subsection in unallotted status, to be distributed between the facilities using the account proportions in this subsection. If the vendors selected as the successful bidders for the new tolling customer service toll collection system or the operator of the new system are different than the vendor as of January 1, 2017, the office of financial management may release portions of this amount as transition costs.

(b) The funds provided in this subsection from the Alaskan Way viaduct replacement project account—state appropriation are provided through a transfer from the motor vehicle account—state in section (~~(408)~~) (406)(26) of this act. These funds are a loan to the Alaskan Way viaduct replacement project account—state, and the legislature assumes that these funds will be reimbursed to the motor vehicle account—state at a later date when the portion of state route number 99 that is the deep bore tunnel is operational.

(c) The department must provide a project status report to the office of financial management and the transportation committees of the legislature on at least a calendar quarterly basis. The report must include, but is not limited to:

(i) Detailed information about the planned and actual scope, schedule, and budget;

(ii) Status of key vendor and other project deliverables; and

(iii) A description of significant changes to planned deliverables or system functions over the life of the project.

(d) The department shall continue to work with the office of financial management, office of the chief information officer, and the transportation committees of the legislature on the project management plan that includes a provision for independent verification and validation of contract deliverables from the successful bidder and a provision for quality assurance that includes reporting independently to the office of the chief information officer on an ongoing basis during system implementation.

(7) The department shall make detailed quarterly reports to the governor and the transportation committees of the legislature on the following:

(a) The use of consultants in the tolling program, including the name of the contractor, the scope of work, the type of contract, timelines, deliverables, any new task orders, and any extensions to existing consultant contracts;

(b) The nonvendor costs of administering toll operations, including the costs of staffing the division, consultants and other personal service contracts required for technical oversight and management assistance, insurance, payments related to credit card processing, transponder purchases and inventory management, facility operations and maintenance, and other miscellaneous nonvendor costs; and

(c) The vendor-related costs of operating tolled facilities, including the costs of the customer service center, cash collections on the Tacoma Narrows bridge, electronic payment processing, and toll collection equipment maintenance, renewal, and replacement.

(d) The toll adjudication process, including a summary table for each toll facility that includes:

(i) The number of notices of civil penalty issued;

(ii) The number of recipients who pay before the notice becomes a penalty;

(iii) The number of recipients who request a hearing and the number who do not respond;

(iv) Workload costs related to hearings;

(v) The cost and effectiveness of debt collection activities; and

(vi) Revenues generated from notices of civil penalty.

(8) (~~(\$13,617,000)~~) \$13,179,000 of the Interstate 405 express toll lanes operations account—state appropriation is provided solely for operational costs related to the express toll lane facility. The office of financial management shall place \$6,808,000 of the amount provided in this subsection in unallotted status. The office of financial management may only release the funds to the department upon the passage of a 2018 supplemental transportation budget.

(9) In 2021, toll equipment on the Tacoma Narrows Bridge will

have reached the end of its operational life. During the 2017-2019 fiscal biennium, the department plans to issue a request for proposals as the first stage of a competitive procurement process that will replace the toll equipment and select a new tolling operator for the Tacoma Narrows Bridge. The request for proposals and subsequent competitive procurement must incorporate elements that prioritize the overall goal of lowering costs per transaction for the facility, such as incentives for innovative approaches which result in lower transactional costs, requests for efficiencies on the part of the bidder that lower operational costs, and incorporation of technologies such as self-serve credit card machines or other point-of-payment technologies that lower costs or improve operational efficiencies.

Sec. 210. 2017 c 313 s 210 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
INFORMATION TECHNOLOGY—PROGRAM C**

| | | |
|--|---------------|----------------------------|
| Transportation Partnership Account—State | Appropriation | \$1,460,000 |
| Motor Vehicle Account—State | Appropriation | (\$83,572,000) |
| | | <u>\$87,960,000</u> |
| Puget Sound Ferry Operations Account—State | Appropriation | \$263,000 |
| Multimodal Transportation Account—State | Appropriation | (\$2,876,000) |
| | | <u>\$2,878,000</u> |
| Transportation 2003 Account (Nickel Account)—State | Appropriation | \$1,460,000 |
| TOTAL APPROPRIATION | | <u>\$89,631,000</u> |
| | | <u>\$94,021,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) \$9,588,000 of the motor vehicle account—state appropriation is provided solely for the development of the labor system replacement project and is subject to the conditions, limitations, and review provided in section 701 ~~(of this act)~~, chapter 313, Laws of 2017. It is the intent of the legislature that if any portion of the labor system replacement project is leveraged in the future for the time, leave, and labor distribution of any other agencies, the motor vehicle account will be reimbursed proportionally for the development of the system since amounts expended from the motor vehicle account must be used exclusively for highway purposes in conformance with Article II, section 40 of the state Constitution. This must be accomplished through a loan arrangement with the current interest rate under the terms set by the office of the state treasurer at the time the system is deployed to additional agencies. If the motor vehicle account is not reimbursed for future use of the system, it is further the intent of the legislature that reductions will be made to central service agency charges accordingly.

(2) \$2,296,000 of the motor vehicle account—state appropriation is provided solely for the development of ferries network systems support.

(3) \$365,000 of the motor vehicle account—state appropriation is provided solely for the department to contract with a consultant to develop a plan, in consultation with the office of financial management, and cost estimate to modernize and migrate the department's business applications from an agency-based data center to the state data center or a cloud-based environment.

Sec. 211. 2017 c 313 s 211 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
FACILITY MAINTENANCE, OPERATIONS, AND**

CONSTRUCTION—PROGRAM D—OPERATING

| | | |
|---|---------------|----------------------------|
| Motor Vehicle Account—State | Appropriation | (\$28,146,000) |
| | | <u>\$29,406,000</u> |
| State Route Number 520 Corridor Account—State | Appropriation | \$34,000 |
| TOTAL APPROPRIATION | | <u>\$28,180,000</u> |
| | | <u>\$29,440,000</u> |

Sec. 212. 2017 c 313 s 212 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
AVIATION—PROGRAM F**

| | | |
|-----------------------------------|---------------|----------------------------|
| Aeronautics Account—State | Appropriation | (\$6,749,000) |
| | | <u>\$7,365,000</u> |
| Aeronautics Account—Federal | Appropriation | (\$4,900,000) |
| | | <u>\$6,855,000</u> |
| Aeronautics Account—Private/Local | Appropriation | \$171,000 |
| TOTAL APPROPRIATION | | <u>\$11,820,000</u> |
| | | <u>\$14,391,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

~~(\$2,637,000)~~ (1) \$3,122,000 of the aeronautics account—state appropriation is provided solely for the airport aid grant program, which provides competitive grants to public airports for pavement, safety, planning, and security.

(2) \$35,000 of the aeronautics—state appropriation is provided solely for the implementation of chapter . . . (Substitute House Bill No. 1656), Laws of 2018 (community aviation revitalization loan program). If chapter . . . (Substitute House Bill No. 1656), Laws of 2018 is not enacted by June 30, 2018, the amount provided in this subsection lapses.

(3) \$35,000 of the aeronautics—state appropriation is provided solely for the implementation of chapter . . . (Engrossed Substitute House Bill No. 2295), Laws of 2018 (electric aircraft). If chapter . . . (Engrossed Substitute House Bill No. 2295), Laws of 2018 is not enacted by June 30, 2018, the amount provided in this subsection lapses.

Sec. 213. 2017 c 313 s 213 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
PROGRAM DELIVERY MANAGEMENT AND
SUPPORT—PROGRAM H**

| | | |
|---|---------------|----------------------------|
| Motor Vehicle Account—State | Appropriation | (\$54,512,000) |
| | | <u>\$56,508,000</u> |
| Motor Vehicle Account—Federal | Appropriation | \$500,000 |
| Multimodal Transportation Account—State | Appropriation | (\$252,000) |
| | | <u>\$257,000</u> |
| TOTAL APPROPRIATION | | <u>\$55,264,000</u> |
| | | <u>\$57,265,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) \$300,000 of the motor vehicle account—state appropriation is provided solely for the completion of property value determinations for surplus properties to be sold. The value determinations must be completed by agency staff if available; otherwise, the agency may contract out for these services. The real estate services division of the department must recover the cost of its efforts from the sale of surplus property. Proceeds for surplus property sales must fund additional future sales, and the real estate services division shall prioritize staff resources to meet revenue assumptions for surplus property sales.

(2) The legislature recognizes that the trail known as the Rocky Reach Trail, and its extensions, serve to separate motor vehicle traffic from pedestrians and bicyclists, increasing motor vehicle safety on state route number 2 and the coincident section of state route number 97. Consistent with chapter 47.30 RCW and pursuant to RCW 47.12.080, the legislature declares that transferring portions of WSDOT Inventory Control (IC) No. 2-09-04686 containing the trail and associated buffer areas to the Washington state parks and recreation commission is consistent with the public interest. The legislature directs the department to transfer the property to the Washington state parks and recreation commission.

(a) The department must be paid fair market value for any portions of the transferred real property that is later abandoned, vacated, or ceases to be publicly maintained for trail purposes.

(b) Prior to completing the transfer in this subsection (2), the department must ensure that provisions are made to accommodate private and public utilities and any facilities that predate the department's acquisition of the property, at no cost to those entities. Prior to completing the transfer, the department shall also ensure that provisions, by fair market assessment, are made to accommodate other private and public utilities and any facilities that have been legally allowed by permit or other instrument.

(c) The department may sell any adjoining property that is not necessary to support the Rocky Reach Trail and adjacent buffer areas only after the transfer of trail-related property to the Washington state parks and recreation commission is complete. Adjoining property owners must be given the first opportunity to acquire such property that abuts their property, and applicable boundary line or other adjustments must be made to the legal descriptions for recording purposes.

Sec. 214. 2017 c 313 s 214 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC-PRIVATE PARTNERSHIPS—PROGRAM K

| | |
|--|--------------------|
| Motor Vehicle Account—State Appropriation | (\$622,000) |
| | <u>\$640,000</u> |
| Electric Vehicle Charging Infrastructure Account—State Appropriation | \$1,000,000 |
| Multimodal Transportation Account—State Appropriation..... | (\$535,000) |
| | <u>\$610,000</u> |
| TOTAL APPROPRIATION..... | <u>\$2,157,000</u> |
| | <u>\$2,250,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) \$35,000 of the multimodal transportation account—state appropriation is provided solely for the public-private partnerships program to conduct an outreach effort to assess interest in a public-private partnership to rebuild the Anacortes ferry terminal. The public-private partnerships program shall issue a request for letters of interest, similar to the request issued in 2009, in a public-private partnership to rebuild the Anacortes ferry terminal by combining the ferry terminal functions and structure with one or more commercial ventures, including, but not limited to, ventures to provide lodging, conference and meeting facilities, food service, shopping, or other retail operations. The public-private partnerships program shall notify the transportation committees of the legislature upon release of the request for letters of interest and shall provide the transportation committees of the legislature with a summary of the information collected once the letters of interest have been received.

(2) \$1,000,000 of the electric vehicle charging infrastructure

account—state appropriation is provided solely for the purpose of capitalizing the Washington electric vehicle infrastructure bank as provided in chapter 44, Laws of 2015 3rd sp. sess. (transportation revenue). The department may spend no more than one million dollars from the electric vehicle charging infrastructure account during the four-year period of the 2015-2017 and 2017-2019 fiscal biennia.

(3) The economic partnerships program must continue to explore retail partnerships at state-owned park and ride facilities, as authorized in RCW 47.04.295.

(4) \$500,000 of the multimodal transportation account—state appropriation is provided solely to study public-private partnership alternatives for the financing and construction of an entry building located at Colman Dock.

(a) As part of the study, the public-private partnerships program must work with the city of Seattle, Native American tribes, and local community groups to evaluate the efficacy of contracting with a private entity to participate in the construction of the Colman Dock entry building. The study must:

(i) Identify and discuss options to construct the facility as currently scoped;

(ii) Identify and discuss options, including rescoping the current design of the facility for purposes of providing a project that has the potential to increase economic development activities along the Seattle waterfront area, such as through the inclusion of office space and restaurants;

(iii) Consider concepts and options found in the design development described in the 2013-2015 capital budget (chapter 19, Laws of 2013 2nd sp. sess.), including connections to Pier 48 as a future public park;

(iv) Consider rooftop public access for panoramic views of the Puget Sound and Olympic mountains; and

(v) Consider exhibits of the history and heritage of the vicinity.

(b) By November 15, 2017, the public-private partnerships program must provide a report to the governor and the transportation committees of the legislature on the program's findings and recommendations.

(5) \$75,000 of the multimodal transportation account—state appropriation is provided solely for the department to contract with the Puget Sound Clean Air Agency to conduct a study that identifies and evaluates opportunities to facilitate low-income utilization of electric vehicles. The study must include, but is not limited to, development and evaluation of an electric vehicle car-sharing program for low-income housing sites that is designed to maximize the use of electric vehicles by residents of these sites, and that must consider any infrastructure needs that will need to be met to support the use of electric vehicles at these sites. The department must provide a report detailing the findings of this study to the transportation committees of the legislature by December 1, 2018.

Sec. 215. 2017 c 313 s 215 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE—PROGRAM M

| | |
|--|----------------------|
| Motor Vehicle Account—State Appropriation | (\$434,781,000) |
| | <u>\$452,070,000</u> |
| Motor Vehicle Account—Federal Appropriation . | \$7,000,000 |
| State Route Number 520 Corridor Account—State Appropriation | \$4,447,000 |
| Tacoma Narrows Toll Bridge Account—State Appropriation | \$1,233,000 |
| <u>Alaskan Way Viaduct Replacement Project Account—State Appropriation</u> | <u>\$2,982,000</u> |
| TOTAL APPROPRIATION | <u>\$447,461,000</u> |

\$467,732,000

The appropriations in this section are subject to the following conditions and limitations:

(1) (~~(\$7,092,000)~~) \$8,000,000 of the motor vehicle account—state appropriation is provided solely for utility fees assessed by local governments as authorized under RCW 90.03.525 for the mitigation of stormwater runoff from state highways.

(2) \$4,447,000 of the state route number 520 corridor account—state appropriation is provided solely to maintain the state route number 520 floating bridge. These funds must be used in accordance with RCW 47.56.830(3).

(3) \$1,233,000 of the Tacoma Narrows toll bridge account—state appropriation is provided solely to maintain the new Tacoma Narrows bridge. These funds must be used in accordance with RCW 47.56.830(3).

(4) \$35,000 of the motor vehicle account—state appropriation is provided solely for the department to submit a request for proposals as part of a pilot project that explores the use of rotary auger ditch cleaning and reshaping service technology in maintaining roadside ditches for state highways. The pilot project must consist of at least one technology test on each side of the Cascade mountain range.

(5) \$250,000 of the motor vehicle account—state appropriation is provided solely for the department to implement safety improvements and debris clean up on department-owned rights-of-way in the city of Seattle. Direct or contracted activities must include collecting and disposing of garbage, clearing debris or hazardous material, and implementing safety improvements. Funds may also be used to contract with the city of Seattle to provide mutual services in rights-of-way similar to contract agreements in the 2015-2017 fiscal biennium.

Sec. 216. 2017 c 313 s 216 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q—OPERATING

| | |
|--|------------------------------------|
| Motor Vehicle Account—State | Appropriation |
| ..... | .....((\$62,578,000)) |
| | <u>\$65,864,000</u> |
| Motor Vehicle Account—Federal Appropriation .. | \$2,050,000 |
| Motor Vehicle Account—Private/Local | Appropriation |
| ..... | \$250,000 |
| TOTAL APPROPRIATION | <u>\$64,878,000</u> |
| | <u>\$68,164,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) \$6,000,000 of the motor vehicle account—state appropriation is provided solely for low-cost enhancements. The department shall give priority to low-cost enhancement projects that improve safety or provide congestion relief. By December 15th of each odd-numbered year, the department shall provide a report to the legislature listing all low-cost enhancement projects completed in the prior fiscal biennium.

(2) When regional transit authority construction activities are visible from a state highway, the department shall allow the regional transit authority to place safe and appropriate signage informing the public of the purpose of the construction activity.

(3) The department must make signage for low-height bridges a high priority.

(4) \$50,000 of the motor vehicle account—state appropriation is provided solely for the department to coordinate with the appropriate local jurisdictions for development and implementation of a historic route 10 signage program on Interstate 90 from the Columbia River to the Idaho state border.

(5) During the 2017-2019 fiscal biennium, the department shall

continue a pilot program that expands private transportation providers' access to high occupancy vehicle lanes. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, the following vehicles must be authorized to use the reserved portion of the highway if the vehicle has the capacity to carry eight or more passengers, regardless of the number of passengers in the vehicle: (a) Auto transportation company vehicles regulated under chapter 81.68 RCW; (b) passenger charter carrier vehicles regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; (c) private nonprofit transportation provider vehicles regulated under chapter 81.66 RCW; and (d) private employer transportation service vehicles. For purposes of this subsection, "private employer transportation service" means regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees. Nothing in this subsection is intended to authorize the conversion of public infrastructure to private, for-profit purposes or to otherwise create an entitlement or other claim by private users to public infrastructure.

Sec. 217. 2017 c 313 s 217 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S

| | |
|--|------------------------------------|
| Motor Vehicle Account—State | Appropriation |
| ..... | .....((\$32,794,000)) |
| | <u>\$34,122,000</u> |
| Motor Vehicle Account—Federal Appropriation .. | \$1,656,000 |
| Multimodal Transportation Account—State | Appropriation |
| ..... | .....((\$1,128,000)) |
| | <u>\$1,129,000</u> |
| TOTAL APPROPRIATION | <u>\$35,578,000</u> |
| | <u>\$36,907,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,500,000 of the motor vehicle account—state appropriation is provided solely for a grant program that makes awards for the following: (a) Support for nonprofit agencies, churches, and other entities to help provide outreach to populations underrepresented in the current apprenticeship programs; (b) preapprenticeship training; and (c) child care, transportation, and other supports that are needed to help women, veterans, and minorities enter and succeed in apprenticeship. The department must report on grants that have been awarded and the amount of funds disbursed by December 1, 2017, and annually thereafter.

(2) \$300,000 of the motor vehicle account—state appropriation is provided solely for succession planning and leadership training. The department shall report on the implementation of these activities to the transportation committees of the legislature by December 31, 2018.

Sec. 218. 2017 c 313 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION PLANNING, DATA, AND RESEARCH—PROGRAM T

| | |
|-------------------------------|------------------------------------|
| Motor Vehicle Account—State | Appropriation |
| ..... | .....((\$23,117,000)) |
| | <u>\$28,201,000</u> |
| Motor Vehicle Account—Federal | Appropriation |
| |((\$35,182,000)) |
| | <u>\$39,782,000</u> |

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| | |
|---|---------------------|
| Multimodal Transportation Account—State Appropriation | \$711,000 |
| Multimodal Transportation Account—Federal Appropriation | \$2,809,000 |
| Multimodal Transportation Account—Private/Local Appropriation | \$100,000 |
| TOTAL APPROPRIATION | \$61,949,000 |
| | <u>\$71,603,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall investigate opportunities for a transit-oriented development pilot project at the existing Kingsgate park and ride at Interstate 405 and 132nd. The department must coordinate with the city of Kirkland and other key stakeholders to determine the feasibility and cost of transit-oriented development at Kingsgate. A report on the process and outcomes is due to the transportation committees of the legislature no later than December 1, 2017.

(2) \$100,000 of the motor vehicle account—state appropriation and \$250,000 of the motor vehicle account—federal appropriation are provided solely for a study that details a cost estimate for replacing the westbound U.S. 2 trestle and recommends a series of financing options to address that cost and to satisfy debt service requirements.

In conducting the study, the department shall work in close collaboration with a stakeholder group that includes, but is not limited to, Snohomish county, the port of Everett, economic alliance Snohomish county, the cities of Everett, Lake Stevens, Marysville, Snohomish, and Monroe, and affected transit agencies.

The department shall quantify both the cost of replacing the westbound trestle structure and making mobility and capacity improvements to maximize the use of the structure in the years leading up to full replacement. Financing options that should be examined and quantified include public-private partnerships, public-public partnerships, a transportation benefit district tailored to the specific incorporated and unincorporated area, loans and grants, and other alternative financing measures available at the state or federal level.

The department shall also evaluate ways in which the costs of alternative financing can be debt financed.

The department shall complete the study and submit a final report and recommendations to the transportation committees of the legislature, including recommendations on statutory changes needed to implement available financing options, by January 8, 2018.

(3) \$100,000 of the motor vehicle account—state appropriation is provided solely for the department to conduct a cost-benefit analysis study of building a northbound lane on state route number 167 north of state route number 18 in the vicinity of the on-ramp at state route number 18 and the exit at 15th Street Northwest. The analysis must include, but is not limited to, the cost of shoulder hardening and restriping and estimated congestion impacts resulting from the additional lane. The analysis must also consider the estimated cost impact of completing the additional lane work in coordination with the SR 167/SR 410 to SR 18 – Congestion Management project (316706C). The department shall issue a report of its findings and recommendations to the transportation committees of the legislature by December 31, 2018.

(4) \$181,000 of the motor vehicle account—state appropriation is provided solely for the department, in coordination with the University of Washington department of mechanical engineering, to study measures to reduce noise impacts from bridge expansion joints. The study must examine testing methodologies and project

timelines and costs. A final report must be submitted to the transportation committees of the legislature by October 15, 2018.

(5) \$200,000 of the motor vehicle account—state appropriation is provided solely for implementation of a practical solutions study for the state route number 162 and state route number 410 interchange, based on the recommendations of the SR-162 Study/Design project (L2000107). The study must include short, medium, and long-term phase recommendations and must be submitted to the transportation committees of the legislature by January 1, 2019.

(6) \$500,000 of the motor vehicle account—state appropriation is provided solely for implementation of a state route number 518 corridor study to be conducted in partnership with the Port of Seattle, Sound Transit and other regional entities. The department must study practical solutions to address high vehicle volumes and delays in the corridor including evaluation of solutions to the rapid growth of traffic in the corridor and how that growth impacts access to the Seattle-Tacoma international airport and the surrounding communities. The study must be submitted to the transportation committees of the legislature by June 30, 2019.

(7) \$350,000 of the motor vehicle account—state appropriation is provided solely for implementation of chapter 288 (Substitute Senate Bill No. 5806), Laws of 2017 (I-5 Columbia river bridge).

(8) \$550,000 of the motor vehicle account—state appropriation is provided solely for implementation of a corridor study to identify potential improvements between exit 116 and exit 99 of Interstate 5.

Sec. 219. 2017 c 313 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—CHARGES FROM OTHER AGENCIES—PROGRAM U

| | |
|---|-------------------------------|
| Motor Vehicle Account—State Appropriation | ((\$69,997,000)) |
| | <u>\$74,784,000</u> |
| Multimodal Transportation Account—State Appropriation | ((\$1,285,000)) |
| | <u>\$1,913,000</u> |
| TOTAL APPROPRIATION | <u>\$71,282,000</u> |
| | <u>\$76,697,000</u> |

Sec. 220. 2017 c 313 s 220 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC TRANSPORTATION—PROGRAM V

| | |
|---|-------------------------------|
| State Vehicle Parking Account—State Appropriation | \$754,000 |
| Regional Mobility Grant Program Account—State Appropriation | ((\$93,920,000)) |
| | <u>\$101,850,000</u> |
| Rural Mobility Grant Program Account—State Appropriation | \$32,223,000 |
| Multimodal Transportation Account—State Appropriation | ((\$92,437,000)) |
| | <u>\$96,772,000</u> |
| Multimodal Transportation Account—Federal Appropriation | \$3,574,000 |
| TOTAL APPROPRIATION | <u>\$222,908,000</u> |
| | <u>\$235,173,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) \$52,679,000 of the multimodal transportation account—state appropriation is provided solely for a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation. Of this amount:

(a) \$12,000,000 of the multimodal transportation account—

state appropriation is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers must be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost effectiveness of trips provided. Of the amount provided in this subsection (1)(a), \$25,000 of the multimodal transportation account—state appropriation is provided solely for the ecumenical christian helping hands organization for special needs transportation services.

(b) \$40,679,000 of the multimodal transportation account—state appropriation is provided solely for grants to transit agencies to transport persons with special transportation needs. To receive a grant, the transit agency must, to the greatest extent practicable, have a maintenance of effort for special needs transportation that is no less than the previous year's maintenance of effort for special needs transportation. Grants for transit agencies must be prorated based on the amount expended for demand response service and route deviated service in calendar year 2015 as reported in the "Summary of Public Transportation - 2015" published by the department of transportation. No transit agency may receive more than thirty percent of these distributions.

(2) \$32,223,000 of the rural mobility grant program account—state appropriation is provided solely for grants to aid small cities in rural areas as prescribed in RCW 47.66.100.

(3)(a) (~~(\$10,290,000)~~) \$10,702,000 of the multimodal transportation account—state appropriation is provided solely for a vanpool grant program for: (i) Public transit agencies to add vanpools or replace vans; and (ii) incentives for employers to increase employee vanpool use. The grant program for public transit agencies will cover capital costs only; operating costs for public transit agencies are not eligible for funding under this grant program. Additional employees may not be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. The department shall encourage grant applicants and recipients to leverage funds other than state funds.

(b) At least \$1,600,000 of the amount provided in this subsection must be used for vanpool grants in congested corridors.

(4) (~~(\$16,241,000)~~) \$24,171,000 of the regional mobility grant program account—state appropriation is reappropriated and provided solely for the regional mobility grant projects identified in LEAP Transportation Document (~~(2017-2 ALL PROJECTS)~~) 2018-1 as developed (~~(April 20, 2017)~~) February 18, 2018, Program - Public Transportation Program (V).

(5)(a) \$77,679,000 of the regional mobility grant program account—state appropriation is provided solely for the regional mobility grant projects identified in LEAP Transportation Document (~~(2017-2 ALL PROJECTS)~~) 2018-1 as developed (~~(April 20, 2017)~~) February 18, 2018, Program - Public Transportation Program (V). The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, must be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and any remaining funds must be used only to fund projects identified in the LEAP transportation document referenced in this subsection. The department shall provide annual status reports on December 15, 2017, and December 15, 2018, to the office of financial management and the transportation committees of the legislature regarding the projects receiving the grants. It is the intent of the legislature to appropriate funds through the regional

mobility grant program only for projects that will be completed on schedule. A grantee may not receive more than twenty-five percent of the amount appropriated in this subsection. The department shall not approve any increases or changes to the scope of a project for the purpose of a grantee expending remaining funds on an awarded grant.

(b) In order to be eligible to receive a grant under (a) of this subsection during the 2017-2019 fiscal biennium, a transit agency must establish a process for private transportation providers to apply for the use of park and ride facilities. For purposes of this subsection, (i) "private transportation provider" means: An auto transportation company regulated under chapter 81.68 RCW; a passenger charter carrier regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; a private nonprofit transportation provider regulated under chapter 81.66 RCW; or a private employer transportation service provider; and (ii) "private employer transportation service" means regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees.

(6) Funds provided for the commute trip reduction (CTR) program may also be used for the growth and transportation efficiency center program.

(7) \$5,920,000 of the multimodal transportation account—state appropriation and \$754,000 of the state vehicle parking account—state appropriation are provided solely for CTR grants and activities. Of this amount, \$250,000 of the multimodal transportation account—state appropriation is provided solely for a voluntary pilot program to expand public-private partnership CTR incentives to make measurable reductions in off-peak, weekend, and nonwork trips. Ridesharing may be integrated into grant proposals. The department shall prioritize grant proposals that focus on the Interstate 90, Interstate 5, or Interstate 405 corridor. The department shall offer competitive trip-reduction grants. The department shall report to the transportation committees of the legislature by December 1, 2018, on the pilot program's impacts to the transportation system and potential improvements to the CTR grant program.

(8) (~~(\$17,590,000)~~) \$20,891,000 of the multimodal transportation account—state appropriation is provided solely for connecting Washington transit projects identified in LEAP Transportation Document (~~(2017-2 ALL PROJECTS)~~) 2018-1 as developed (~~(April 20, 2017)~~) February 18, 2018. It is the intent of the legislature that entities identified to receive funding in the LEAP document referenced in this subsection receive the amounts specified in the time frame specified in that LEAP document. If an entity has already completed a project in the LEAP document referenced in this subsection before the time frame identified, the entity may substitute another transit project or projects that cost a similar or lesser amount.

(9) \$2,000,000 of the multimodal transportation account—state appropriation is provided solely for transit coordination grants.

(10) \$250,000 of the multimodal transportation account—state appropriation is provided solely for King county for a pilot program to provide certain students in the Highline and Lake Washington school districts with an ORCA card during the summer. To be eligible for an ORCA card under this program, a student must also be in high school, be eligible for free and reduced-price lunches, and have a job or other responsibility during the summer. King county must provide a report to the department and the transportation committees of legislature by December 15, 2018, regarding: The annual student usage of the pilot program, available ridership data, the cost to expand the program to other King county school districts, the cost to expand the program to student populations other than high school or eligible for free and reduced-price lunches, opportunities for

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subsidized ORCA cards or local grant or matching funds, and any additional information that would help determine if the pilot program should be extended or expanded.

(11) The department shall not require more than a ten percent match from nonprofit transportation providers for state grants.

(12)(a) For projects funded as part of the 2015 connecting Washington transportation package listed on the LEAP transportation document identified in subsection (4) of this section, if the department expects to have substantial reappropriations for the 2019-2021 fiscal biennium, the department may, on a pilot basis, apply funding from a project with an appropriation that cannot be used for the current fiscal biennium to advance one or more of the following projects:

(i) King County Metro - RapidRide Expansion, Burien-Delridge (G2000031);

(ii) King County Metro - Route 40 Northgate to Downtown (G2000032);

(iii) Spokane Transit - Spokane Central City Line (G2000034);

(iv) Kitsap Transit - East Bremerton Transfer Center (G2000039); or

(v) City of Seattle - Northgate Transit Center Pedestrian Bridge (G2000041).

(b) At least ten business days before advancing a project pursuant to this subsection, the department must notify the office of financial management and the transportation committees of the legislature. The advancement of a project may not hinder the delivery of the projects for which the reappropriations are necessary for the 2019-2021 fiscal biennium.

(13) \$300,000 of the multimodal transportation account—state appropriation is provided solely for Pierce Transit to procure and install digital transit information technology at various transit centers, in order to provide transit riders with real-time arrival and departure information.

Sec. 221. 2017 c 313 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—MARINE—PROGRAM X

| | |
|--|----------------------------|
| Puget Sound Ferry Operations Account—State | |
| Appropriation | (\$496,307,000) |
| | \$510,734,000 |
| Puget Sound Ferry Operations Account—Federal | |
| Appropriation | \$8,743,000 |
| Puget Sound Ferry Operations Account—Private/Local | |
| Appropriation | \$121,000 |
| TOTAL APPROPRIATION..... | \$505,171,000 |
| | \$519,598,000 |

The appropriations in this section are subject to the following conditions and limitations:

(1) The office of financial management budget instructions require agencies to recast enacted budgets into activities. The Washington state ferries shall include a greater level of detail in its 2017-2019 supplemental and 2019-2021 omnibus transportation appropriations act requests, as determined jointly by the office of financial management, the Washington state ferries, and the transportation committees of the legislature. This level of detail must include the administrative functions in the operating as well as capital programs.

(2) For the 2017-2019 fiscal biennium, the department may enter into a distributor controlled fuel hedging program and other methods of hedging approved by the fuel hedging committee.

(3) ~~(\$68,049,000)~~ \$71,004,000 of the Puget Sound ferry operations account—state appropriation is provided solely for auto ferry vessel operating fuel in the 2017-2019 fiscal biennium, which reflect cost savings from a reduced biodiesel fuel

requirement and, therefore, is contingent upon the enactment of section 703 ~~((of this act))~~ chapter 313, Laws of 2017. The amount provided in this subsection represents the fuel budget for the purposes of calculating any ferry fare fuel surcharge.

(4) \$30,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the marine division assistant secretary's designee to the board of pilotage commissioners, who serves as the board chair. As the agency chairing the board, the department shall direct the board chair, in his or her capacity as chair, to require that the report to the governor and chairs of the transportation committees required under RCW 88.16.035(1)(f) be filed by September 1, 2017, and annually thereafter, and that the report include the continuation of policies and procedures necessary to increase the diversity of pilots, trainees, and applicants, including a diversity action plan. The diversity action plan must articulate a comprehensive vision of the board's diversity goals and the steps it will take to reach those goals.

(5) \$500,000 of the Puget Sound ferry operations account—state appropriation is provided solely for operating costs related to moving vessels for emergency capital repairs. Funds may only be spent after approval by the office of financial management.

(6) \$25,000 of the Puget Sound ferry operations account—state appropriation is provided solely for additional hours of traffic control assistance by a uniformed officer at the Fauntleroy ferry terminal.

(7) \$75,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the department to contract with the University of Washington to conduct an analysis of loading procedures at the Fauntleroy ferry terminal. The department must share the results of the analysis with the governor's office and the transportation committees of the legislature by December 31, 2018.

Sec. 222. 2017 c 313 s 222 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y—OPERATING

| | |
|---|---------------------------|
| Multimodal Transportation Account—State | |
| Appropriation | (\$80,146,000) |
| | \$81,168,000 |
| Multimodal Transportation Account—Private/Local | |
| Appropriation | (\$46,000) |
| | \$346,000 |
| TOTAL APPROPRIATION | \$80,192,000 |
| | \$81,514,000 |

The appropriations in this section are subject to the following conditions and limitations:

(1) \$300,000 of the multimodal transportation account—state appropriation is provided solely for a consultant study of ultra high-speed ground transportation. "Ultra high-speed" means two hundred fifty miles per hour or more. The study must identify the costs and benefits of ultra high-speed ground transportation along a north-south alignment in Washington state. The study must provide:

~~((+))~~ (a) An update to the high speed ground transportation study commissioned pursuant to chapter 231, Laws of 1991 and delivered to the governor and legislature on October 15, 1992;

~~((2))~~ (b) An analysis of an ultra high-speed ground transportation alignment between Vancouver, British Columbia and Portland, Oregon with stations in: Vancouver, British Columbia; Bellingham, Everett, Seattle, SeaTac, Tacoma, Olympia, and Vancouver, Washington; and Portland, Oregon, with an option to connect with an east-west alignment in Washington state and with a similar system in the state of California;

- ~~((3))~~ (c) An analysis of the following key elements:
- ~~((a))~~ (i) Economic feasibility;
- ~~((b))~~ (ii) Forecasted demand;
- ~~((c))~~ (iii) Corridor identification;
- ~~((d))~~ (iv) Land use and economic development and environmental implications;
- ~~((e))~~ (v) Compatibility with other regional transportation plans, including interfaces and impacts on other travel modes such as air transportation;
- ~~((f))~~ (vi) Technological options for ultra high-speed ground transportation, both foreign and domestic;
- ~~((g))~~ (vii) Required specifications for speed, safety, access, and frequency;
- ~~((h))~~ (viii) Identification of existing highway or railroad rights-of-way that are suitable for ultra high-speed travel, including identification of additional rights-of-way that may be needed and the process for acquiring those rights-of-way;
- ~~((i))~~ (ix) Institutional arrangements for carrying out detailed system planning, construction, and operations; and
- ~~((j))~~ (x) An analysis of potential financing mechanisms for an ultra high-speed travel system.

The department shall provide a report of its study findings to the governor and transportation committees of the legislature by December 15, 2017.

(2)(a) \$300,000 of the multimodal transportation account—private/local appropriation and \$900,000 of the multimodal transportation account—state appropriation is provided solely for a consultant business case analysis of ultra high-speed ground transportation. The business case analysis must build on the results of the 2017 Washington state ultra high-speed ground transportation feasibility study.

(b) The business case analysis must include an advisory group with members as provided in this subsection. The president of the senate shall appoint one member from each of the two largest caucuses of the senate; the speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives; the governor or his or her designee; the secretary of transportation or his or her designee; the director of the department of commerce or his or her designee; the rail director of the department of transportation or his or her designee; and representatives from communities and stakeholders from public and private sectors relevant to the analysis, including from the province of British Columbia and the state of Oregon.

(c) The department shall provide a report of its findings to the governor and transportation committees of the legislature by June 30, 2019.

Sec. 223. 2017 c 313 s 223 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z—OPERATING

| | |
|---|------------------------------------|
| Motor Vehicle Account—State | Appropriation |
| ..... | .....((\$10,644,000)) |
| | <u>\$11,364,000</u> |
| Motor Vehicle Account—Federal Appropriation | .. \$2,567,000 |
| Multiuse Roadway Safety Account—State | Appropriation |
| ..... | ..... \$132,000 |
| TOTAL APPROPRIATION | \$13,343,000 |
| | <u>\$14,063,000</u> |

The appropriations in this section are subject to the following conditions and limitations: \$1,100,000 of the motor vehicle account—state appropriation is provided solely for the department, from amounts set aside out of statewide fuel taxes distributed to counties according to RCW 46.68.120(3), to contract with the Washington state association of counties to:

Provide statewide updates to transportation metrics and financial reporting; develop and implement an inventory of county culvert and short-span bridge infrastructure; and develop and implement enhanced road safety data in support of county road systemic safety programs. The Washington state association of counties must develop and implement data collection, management, and reporting in cooperation with state agencies involved with the collection and maintenance of related inventory systems.

TRANSPORTATION AGENCIES—CAPITAL

Sec. 301. 2017 c 313 s 301 (uncodified) is amended to read as follows:

FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

| | |
|---|------------------------------------|
| Freight Mobility Investment Account—State | |
| Appropriation |((\$22,462,000)) |
| | <u>\$22,507,000</u> |
| Highway Safety Account—State | Appropriation |
| ..... | .....((\$1,900,000)) |
| | <u>\$2,000,000</u> |
| Motor Vehicle Account—Federal Appropriation | .. \$3,250,000 |
| Freight Mobility Multimodal Account—State | Appropriation |
| ..... | .....((\$21,843,000)) |
| | <u>\$22,283,000</u> |
| Freight Mobility Multimodal Account—Private/Local | Appropriation |
| ..... | ..... \$1,320,000 |
| TOTAL APPROPRIATION | \$50,775,000 |
| | <u>\$51,360,000</u> |

The appropriations in the section are subject to the following conditions and limitations: No state moneys may be expended to plan for or construct a roundabout on Trent road/SR 290 as part of the Spokane Valley Barker/Trent grade separation project provided this restriction does not increase the overall cost of the project.

Sec. 302. 2017 c 313 s 302 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL

| | |
|------------------------------------|-----------------------------------|
| State Patrol Highway Account—State | Appropriation |
| ..... | .....((\$3,103,000)) |
| | <u>\$4,503,000</u> |

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation in this section is provided solely for the following projects:

- (1) \$250,000 for emergency repairs;
- (2) \$728,000 for roof replacements;
- (3) ~~((~~\$2,000,000 for the state patrol academy in Shelton for replacement of the skid pan, repair of the training tank, and replacement of the HVAC system; and~~))~~
- (4)) \$125,000 for the Whiskey Ridge generator shelter;
- (4) \$200,000 for replacement of the HVAC system at the state patrol academy in Shelton;
- (5) \$700,000 for repair of the training tank at the state patrol academy in Shelton; and
- (6) \$2,500,000 for the replacement of the skid pan at the state patrol academy in Shelton.

The Washington state patrol may transfer funds between projects specified in this section to address cash flow requirements. If a project specified in this section is completed for less than the amount provided, the remainder may be transferred to another project specified in this section not to exceed the total appropriation provided in this section.

Sec. 303. 2017 c 313 s 303 (uncodified) is amended to read as follows:

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FOR THE COUNTY ROAD ADMINISTRATION BOARD

| | | | |
|--|-------|---------------------|----------------------|
| Rural Arterial Trust Account—State Appropriation | | (\$58,186,000) | |
| | | | <u>\$63,186,000</u> |
| Motor Vehicle Account—State Appropriation | ..... | \$706,000 | |
| County Arterial Preservation Account—State Appropriation | ..... | (\$35,434,000) | |
| | | | <u>\$38,434,000</u> |
| TOTAL APPROPRIATION | ..... | <u>\$94,326,000</u> | |
| | | | <u>\$102,326,000</u> |

Sec. 304. 2017 c 313 s 304 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION IMPROVEMENT BOARD

| | | | |
|--|-------|----------------------|----------------------|
| Small City Pavement and Sidewalk Account—State Appropriation | ..... | \$5,780,000 | |
| Transportation Improvement Account—State Appropriation | ..... | (\$240,300,000) | |
| | | | <u>\$279,300,000</u> |
| Multimodal Transportation Account—State Appropriation | ..... | \$14,670,000 | |
| TOTAL APPROPRIATION | ..... | <u>\$260,750,000</u> | |
| | | | <u>\$299,750,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

- (1) The entire multimodal transportation account—state appropriation is provided solely for the complete streets program.
- (2) \$9,687,000 of the transportation improvement account—state appropriation is provided solely for:
 - (a) The arterial preservation program to help low tax-based, medium-sized cities preserve arterial pavements;
 - (b) The small city pavement program to help cities meet urgent preservation needs; and
 - (c) The small city low-energy street light retrofit program.

Sec. 305. 2017 c 313 s 305 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—FACILITIES—PROGRAM D—(DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)—CAPITAL

| | | | |
|--|-------|---------------------|---------------------|
| Motor Vehicle Account—State Appropriation | ..... | (\$6,087,000) | |
| | | | <u>\$10,070,000</u> |
| Connecting Washington Account—State Appropriation | ..... | (\$24,257,000) | |
| | | | <u>\$26,537,000</u> |
| Transportation Partnership Account—State Appropriation | ..... | \$17,000 | |
| TOTAL APPROPRIATION | ..... | <u>\$30,344,000</u> | |
| | | | <u>\$36,624,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

- (1) ~~(\$16,170,000)~~ \$17,237,000 of the connecting Washington account—state appropriation is provided solely for a new Olympic region maintenance and administration facility to be located on the department-owned site at the intersection of Marvin Road and 32nd Avenue in Lacey, Washington.
- (2) ~~(\$8,087,000)~~ \$9,300,000 of the connecting Washington account—state appropriation is provided solely for a new administration facility on Euclid Avenue in Wenatchee, Washington.
- (3) \$3,400,000 of the motor vehicle account—state appropriation is provided solely for design, project management, demolition, bid documents, permits, and other planning activities

necessary for the renovation of the facility located at 15700 Dayton Ave N in Shoreline to be ready to proceed. After renovation, the building will be occupied by the department of transportation, department of licensing, and department of ecology. The cost of construction will be shared by these agencies. The department of transportation, department of licensing, and department of ecology must consult with the office of financial management in all phases of the project. Total project costs are not to exceed \$46,500,000.

Sec. 306. 2017 c 313 s 306 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—IMPROVEMENTS—PROGRAM I

| | | | |
|--|-------|------------------------|------------------------|
| Transportation Partnership Account—State Appropriation | ..... | (\$570,992,000) | |
| | | | <u>\$691,333,000</u> |
| Motor Vehicle Account—State Appropriation | ..... | (\$47,406,000) | |
| | | | <u>\$70,247,000</u> |
| Motor Vehicle Account—Federal Appropriation | ..... | (\$216,647,000) | |
| | | | <u>\$253,410,000</u> |
| Motor Vehicle Account—Private/Local Appropriation | ..... | (\$24,209,000) | |
| | | | <u>\$48,330,000</u> |
| Connecting Washington Account—State Appropriation | ..... | (\$1,159,822,000) | |
| | | | <u>\$1,215,024,000</u> |
| Special Category C Account—State Appropriation | ..... | (\$6,146,000) | |
| | | | <u>\$11,000,000</u> |
| Multimodal Transportation Account—State Appropriation | ..... | (\$15,162,000) | |
| | | | <u>\$16,299,000</u> |
| Alaskan Way Viaduct Replacement Project Account—State Appropriation | ..... | (\$122,046,000) | |
| | | | <u>\$122,047,000</u> |
| Transportation 2003 Account (Nickel Account)—State Appropriation | ..... | (\$51,115,000) | |
| | | | <u>\$52,457,000</u> |
| Interstate 405 Express Toll Lanes Operations Account—State Appropriation | ..... | (\$12,000,000) | |
| | | | <u>\$16,258,000</u> |
| TOTAL APPROPRIATION | ..... | <u>\$2,225,545,000</u> | |
| | | | <u>\$2,496,405,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

- (1) Except as provided otherwise in this section, the entire connecting Washington account—state appropriation and the entire transportation partnership account—state appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document ((2017-4) 2018-1 as developed ((April 20, 2017)) February 18, 2018, Program - Highway Improvements Program (I); and \$2,000,000 in additional funding is provided for US 2 Trestle IJR (L1000158). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in subsections (28) and (31) of this section and section 601 of this act.
- (2) Except as otherwise provided in this section, the entire transportation 2003 account (nickel account)—state appropriation is provided solely for the projects and activities as listed in LEAP Transportation Document ((2017-4) 2018-1 as

developed (~~(April 20, 2017)~~) February 18, 2018, Program – Highway Improvements Program (I).

(3) Except as provided otherwise in this section, the entire motor vehicle account—state appropriation and motor vehicle account—federal appropriation are provided solely for the projects and activities listed in LEAP Transportation Document (~~(2017-2 ALL PROJECTS)~~) 2018-1 as developed (~~(April 20, 2017)~~) February 18, 2018, Program - Highway Improvements Program (I). Any federal funds gained through efficiencies, adjustments to the federal funds forecast, additional congressional action not related to a specific project or purpose, or the federal funds redistribution process must then be applied to highway and bridge preservation activities.

(4) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act. The department shall submit a report on fiscal year (~~(2017)~~) funds transferred in the prior fiscal year using this subsection as part of the department's (~~(2018)~~) annual budget submittal.

(5) The connecting Washington account—state appropriation includes up to (~~(\$360,433,000)~~) \$361,282,000 in proceeds from the sale of bonds authorized in RCW 47.10.889.

(6) The transportation 2003 account (nickel account)—state appropriation includes up to (~~(\$51,115,000)~~) \$24,843,000 in proceeds from the sale of bonds authorized in RCW 47.10.861.

(7) The transportation partnership account—state appropriation includes up to (~~(\$325,748,000)~~) \$363,342,000 in proceeds from the sale of bonds authorized in RCW 47.10.873. (~~(Of this amount, \$122,046,000 must be transferred to the Alaskan Way viaduct replacement project account.)~~)

(8) The Alaskan Way viaduct replacement account—state appropriation includes up to \$122,046,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

(9) The motor vehicle account—state appropriation includes up to \$69,647,000 in proceeds from the sale of bonds authorized in RCW 47.10.843.

(~~(8)~~) \$159,407,000) (10) \$194,258,000 of the transportation partnership account—state appropriation, \$7,000 of the motor vehicle account—federal appropriation, (~~(\$8,000,000)~~) \$27,903,000 of the motor vehicle account—private/local appropriation, (~~(\$29,100,000)~~) \$30,097,000 of the transportation 2003 account (nickel account)—state appropriation, (~~(\$122,046,000)~~) \$122,047,000 of the Alaskan Way viaduct replacement project account—state appropriation, and (~~(\$2,662,000)~~) \$2,663,000 of the multimodal transportation account—state appropriation are provided solely for the SR 99/Alaskan Way Viaduct Replacement project (809936Z).

(~~(9)~~) (11) \$12,500,000 of the multimodal transportation account—state appropriation is provided solely for transit mitigation for the SR 99/Viaduct Project - Construction Mitigation project (809940B).

(~~(10)~~) (12) Within existing resources, during the regular sessions of the legislature, the department of transportation shall participate in work sessions, before the transportation committees of the house of representatives and senate, on the Alaskan Way viaduct replacement project. These work sessions must include a report on current progress of the project, timelines for completion, outstanding claims, the financial status of the project, and any other information necessary for the legislature to maintain appropriate oversight of the project. The parties invited to present may include the department of transportation, the Seattle tunnel partners, and other appropriate stakeholders.

(~~(11)~~ ~~-\$5,804,000~~) (13) \$7,769,000 of the transportation partnership account—state appropriation, (~~(\$5,162,000)~~) \$6,744,000 of the transportation 2003 account (nickel account)—

state appropriation, and (~~(\$146,000)~~) \$5,000,000 of the special category C account—state appropriation are provided solely for the US 395/North Spokane Corridor project (600010A). Any future savings on the project must stay on the US 395/Interstate 90 corridor and be made available to the current phase of the North Spokane corridor project or any future phase of the project in 2017-2019.

(~~(12)~~ ~~\$26,601,000~~) (14) \$27,415,000 of the transportation partnership account—state appropriation and (~~(\$10,956,000)~~) \$13,158,000 of the transportation 2003 account (nickel account)—state appropriation are provided solely for the I-405/Kirkland Vicinity Stage 2 - Widening project (8BI1002). This project must be completed as soon as practicable as a design-build project. Any future savings on this project or other Interstate 405 corridor projects must stay on the Interstate 405 corridor and be made available to either the I-405/SR 167 Interchange - Direct Connector project (140504C), the I-405 Renton to Bellevue project (M00900R), or the I-405/SR 522 to I-5 Capacity Improvements project (L2000234) in the 2017-2019 fiscal biennium.

(~~(13)~~) (15) \$1,500,000 of the transportation partnership account—state appropriation (~~(is)~~) and \$3,000,000 of the Interstate 405 express toll lanes operations account—state appropriation are provided solely for (~~(preliminary engineering for)~~) activities related to adding capacity on Interstate 405 between state route number 522 and Interstate 5, with the goals of increasing vehicle throughput and aligning project completion with the implementation of bus rapid transit in the vicinity of the project. The transportation partnership account—state appropriation funding is a transfer from the I-405/Kirkland Vicinity Stage 2 - Widening project due to savings, and will start an additional phase of this I-405 project.

(~~(14)~~) (16)(a) The SR 520 Bridge Replacement and HOV project (8BI1003) is supported over time from multiple sources, including a \$300,000,000 TIFIA loan, \$924,615,000 in Garvee bonds, toll revenues, state bonds, interest earnings, and other miscellaneous sources.

(b) (~~(\$44,311,000)~~) \$78,958,000 of the transportation partnership account—state appropriation is provided solely for the SR 520 Bridge Replacement and HOV project (8BI1003).

(c) When developing the financial plan for the project, the department shall assume that all maintenance and operation costs for the new facility are to be covered by tolls collected on the toll facility and not by the motor vehicle account.

(~~(15)~~) (17) The department shall itemize all future requests for the construction of buildings on a project list and submit them through the transportation executive information system as part of the department's (~~(2018)~~) annual budget submittal. It is the intent of the legislature that new facility construction must be transparent and not appropriated within larger highway construction projects.

(~~(16)~~) (18) Any advisory group that the department convenes during the 2017-2019 fiscal biennium must consider the interests of the entire state of Washington.

(~~(17)~~) (19) It is the intent of the legislature that for the I-5 JBLM Corridor Improvements project (M00100R), the department shall actively pursue \$50,000,000 in federal funds to pay for this project to supplant state funds in the future. \$50,000,000 in connecting Washington account funding must be held in unallotted status during the 2021-2023 fiscal biennium. These funds may only be used after the department has provided notice to the office of financial management that it has exhausted all efforts to secure federal funds from the federal highway administration and the department of defense.

(~~(18)~~ ~~\$93,500,000~~) (20) \$93,651,000 of the connecting Washington account—state appropriation (~~(is)~~) and \$600,000 of

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the motor vehicle account—state appropriation are provided solely for the SR 167/SR 509 Puget Sound Gateway project (M00600R). Any savings on the project must stay on the Puget Sound gateway corridor until the project is complete.

~~((20))~~ (21)(a) In making budget allocations to the Puget Sound Gateway project, the department shall implement the project's construction as a single corridor investment. The department shall develop a coordinated corridor construction and implementation plan for state route number 167 and state route number 509 in collaboration with affected stakeholders. Specific funding allocations must be based on where and when specific project segments are ready for construction to move forward and investments can be best optimized for timely project completion. Emphasis must be placed on avoiding gaps in fund expenditures for either project.

(b) The secretary of transportation must develop a memorandum of understanding with local project stakeholders that identifies a schedule for stakeholders to provide local matching funds for the Puget Sound Gateway project. Criteria for eligibility of local match includes matching funds and equivalent in-kind contributions including, but not limited to, land donations. The memorandum of understanding must be finalized by July 1, 2018. The department must submit a copy of the memorandum of understanding to the transportation committees of the legislature and report regularly on the status of the requirements outlined in this subsection ~~((20))~~ (21)(b) and (c) of this subsection.

(c) During the course of developing the memorandum of understanding, the department must evaluate the project schedules to determine if there are any benefits to be gained by moving the project schedule forward. ~~((Additionally, the department must consider completing))~~ It is the legislature's intent that if the department identifies any savings after the funding gap on the base project is closed as part of the proposal to expedite the project, that these cost savings shall go toward construction of a full single-point urban interchange at the junction of state route number 161 (Meridian avenue) and state route number 167 and a full single-point urban interchange at the junction of state route number 509 and 188th Street. If the department receives additional funds from an outside source for this project after the funding gap on the base project is closed, the funds must be applied toward the completion of these two full single-point urban interchanges.

~~(d)~~ \$600,000 of the motor vehicle account—state appropriation provided in subsection (20) of this section is provided solely for planning and preliminary engineering for a full single-point urban interchange at the junction of state route number 161 (Meridian avenue) and state route number 167.

~~((21))~~ (22) It is the intent of the legislature that, for the I-5/North Lewis County Interchange project (L2000204), the department develop and design the project with the objective of significantly improving access to the industrially zoned properties in north Lewis county. The design must consider the county's process of investigating alternatives to improve such access from Interstate 5 that began in March 2015.

~~((22) \$600,000)~~ (23) \$942,000 of the motor vehicle account—state appropriation is provided solely for the department to complete an interchange justification report (IJR) for the U.S. 2 trestle (L1000158), covering the state route number 204 and 20th Street interchanges at the end of the westbound structure.

(a) The department shall develop the IJR in close collaboration with affected local jurisdictions, including Snohomish county and the cities of Everett, Lake Stevens, Marysville, Snohomish, and Monroe.

(b) Within the amount provided for the IJR, the department

must address public outreach and the overall operational approval of the IJR.

(c) The department shall complete the IJR and submit the final report to the governor and the transportation committees of the legislature by July 1, 2018.

~~((23))~~ (24)(a) The legislature recognizes that the city of Mercer Island has unique access issues that require the use of Interstate 90 to leave the island and that this access may be affected by the I-90/Two-Way Transit and HOV Improvements project. One of the most heavily traveled on-ramps from Mercer Island to the westbound Interstate 90 general purpose lanes is from Island Crest Way. The department must continue to consult with the city of Mercer Island and the other signatories to the 1976 memorandum of agreement to preserve access provided to Mercer Island by the Island Crest Way on-ramp, and thus grandfather in the current use of the on-ramp for both high occupancy vehicles as well as vehicles seeking to access the general purpose lanes of Interstate 90. The department must consider all reasonable access solutions, including allowing all vehicles to use the Island Crest Way on-ramp to access the new high occupancy vehicle lane with a reasonable and safe distance provided for single-occupancy vehicles to merge into the general purpose lanes.

(b) A final access solution for Mercer Island must consider the following criteria: Safety; operational effects on all users, including maintaining historic access to Interstate 90 provided from Mercer Island by Island Crest Way; enforcement requirements; and compliance with state and federal law.

(c) The department may not restrict by occupancy the westbound on-ramp from Island Crest Way until a final access solution that meets the criteria in (b) of this subsection has been reached.

~~((24) \$2,000,000)~~ (25) \$3,258,000 of the Interstate 405 express toll lanes operations account—state appropriation is provided solely for the I-405 NB Hard Shoulder Running – SR 527 to I-5 project (L1000163).

~~((25))~~ (26) The legislature finds that there are sixteen companies involved in wood preserving in the state that employ four hundred workers and have an annual payroll of fifteen million dollars. Before the department's switch to steel guardrails, ninety percent of the twenty-five hundred mile guardrail system was constructed of preserved wood and one hundred ten thousand wood guardrail posts were produced annually for state use. Moreover, the policy of using steel posts requires the state to use imported steel. Given these findings, where practicable, and until June 30, 2019, the department shall include the design option to use wood guardrail posts, in addition to steel posts, in new guardrail installations. The selection of posts must be consistent with the agency design manual policy that existed before December 2009.

~~((26))~~ (27) For the SR 526 Corridor Improvements project (N52600R), the department shall look holistically at the state route number 526 corridor from the state route number 526/Interstate 5 interchange at the east end to the southwest Everett industrial area and Boeing's west access road on the west end. The department, working with affected jurisdictions and stakeholders, shall select project elements that best maximize mobility and congestion relief in the corridor and draw from project elements identified in a practical solutions process.

~~((27) It is the intent of the legislature that for the I-5/Slater Road Interchange Improvements project (L1000099), \$2,000,000 of connecting Washington account state funds be added in the 2021-2023 fiscal biennium and \$10,100,000 of connecting Washington account state funds be added in the 2023-2025 fiscal biennium, and that the LEAP transportation document referenced in subsection (1) of this section be updated~~

accordingly.)

(28)(a) For projects funded as part of the 2015 connecting Washington transportation package listed on the LEAP transportation document identified in subsection (1) of this section, if the department expects to have substantial reappropriations for the 2019-2021 fiscal biennium, the department may, on a pilot basis, apply funding from a project with an appropriation that cannot be used for the current fiscal biennium to advance one or more of the following projects:

- (i) SR 20/Sharpes Corner Vicinity Intersection (L1000112);
- (ii) I-5/Marvin Road/SR 510 Interchange (L1100110);
- (iii) I-5/Northbound On-ramp at Bakerview (L2000119);
- (iv) US 395/Ridgeline Intersection (L2000127);
- (v) I-90/Eastside Restripe Shoulders (L2000201);
- (vi) SR 240/Richland Corridor Improvements (L2000202);
- (vii) SR 14/Bingen Overpass (L2220062);
- (viii) US Hwy 2 Safety (N00200R);
- (ix) SR 520/148th Ave NE Overlake Access Ramp (L1100101);
- (x) SR 28/SR 285 North Wenatchee Area Improvements (L2000061);
- (xi) I-5/Rebuild Chambers Way Interchange Improvements (L2000223);
- (xii) SR 28 East Wenatchee Corridor Improvements (T10300R);
- (xiii) SR 3/Belfair Bypass – New Alignment (T30400R); or
- (xiv) SR 510/Yelm Loop Phase 2 (T32700R).

(b) At least ten business days before advancing a project pursuant to this subsection, the department must notify the office of financial management and the transportation committees of the legislature. The advancement of a project may not hinder the delivery of the projects for which the reappropriations are necessary for the 2019-2021 fiscal biennium.

(29) Within existing resources and in consultation with local communities, the department shall begin planning efforts, including traffic data collection, analysis and evaluation, scoping, and environmental review, for roundabouts at the intersection of state route number 900 and SE May Valley Road and at the intersection of state route number 169 and Cedar Grove Road SE.

(30) Among the options studied as part of the SR 410 Corridor Study project (L1000174), the department shall examine the mobility and safety benefits of replacing or expanding the White River bridge between Enumclaw and Buckley to four lanes and removing the trestle.

(31)(a) Projects funded as part of the 2015 connecting Washington transportation package listed on the LEAP transportation document identified in subsection (1) of this section, and delivered utilizing the design-build method, may be advanced by the department subject to the following conditions:

- (i) The department has provided notification of the request to advance the project as provided in (c) of this subsection;
- (ii) The design-build project will be delivered in a more efficient or cost effective manner by advancing the timeline identified in the LEAP transportation document identified in subsection (1) of this section; and
- (iii) The department has consulted with the office of financial management and the transportation committees of the legislature, and the director of the office of financial management has provided written authorization for the advancement.

(b) For the purpose of advancing projects eligible under (a) of this subsection, the department may apply amounts available from connecting Washington projects with an appropriation that would not otherwise be used for the current fiscal biennium. The advancement of a project may not hinder or delay the delivery of the projects for which reappropriations are necessary for the 2019-2021 fiscal biennium.

(c) At least thirty calendar days before advancing a project, the department must notify the office of financial management and the transportation committees of the legislature of the proposed project advancement. The notification must include the projects being advanced and the projects with unused appropriation authority applied to advance projects pursuant to (b) of this subsection. The notification must also provide the rationale for timing changes for each advanced project and for each project with an appropriation that would not otherwise be used for the current fiscal biennium.

(32) Proceeds from the sale of any surplus real property acquired for the purpose of building the SR 167/SR 509 Puget Sound Gateway (M00600R) project must be deposited into the motor vehicle account for the purpose of constructing the project.

Sec. 307. 2017 c 313 s 307 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
PRESERVATION—PROGRAM P**

| | | |
|---|---------------|-----------------------|
| Recreational Vehicle Account—State | Appropriation | |
| | | (\$2,480,000) |
| | | \$3,584,000 |
| <u>High-Occupancy Toll Lanes Operations Account—State</u> | | |
| <u>Appropriation</u> | | \$161,000 |
| Transportation Partnership Account—State | Appropriation | |
| | | (\$204,000) |
| | | \$12,785,000 |
| Motor Vehicle Account—State | Appropriation | |
| | | (\$49,192,000) |
| | | \$63,690,000 |
| Motor Vehicle Account—Federal | Appropriation | |
| | | (\$515,368,000) |
| | | \$579,624,000 |
| Motor Vehicle Account—Private/Local | Appropriation | |
| | | (\$10,400,000) |
| | | \$11,739,000 |
| State Route Number 520 Corridor Account—State | Appropriation | |
| | | (\$498,000) |
| | | \$1,747,000 |
| Connecting Washington Account—State | Appropriation | |
| | | (\$185,030,000) |
| | | \$204,656,000 |
| Tacoma Narrows Toll Bridge Account—State | Appropriation | |
| | | (\$384,000) |
| | | \$856,000 |
| Transportation 2003 Account (Nickel Account)—State | Appropriation | |
| | | (\$58,894,000) |
| | | \$56,991,000 |
| TOTAL APPROPRIATION | | \$822,450,000 |
| | | \$935,833,000 |

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account—state appropriation and the entire transportation partnership account—state appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document (~~2017-4~~) 2018-1 as developed (~~April 20, 2017~~) February 18, 2018, Program - Highway Preservation Program (P). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 601 of this act.

(2) Except as otherwise provided in this section, the entire transportation 2003 account (nickel account)—state appropriation is provided solely for the projects and activities as

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listed in LEAP Transportation Document (~~(2017-1)~~) 2018-1 as developed (~~(April 20, 2017)~~) February 18, 2018, Program – Highway Preservation Program (P).

(3) Except as provided otherwise in this section, the entire motor vehicle account—state appropriation and motor vehicle account—federal appropriation are provided solely for the projects and activities listed in LEAP Transportation Document (~~(2017-2 ALL PROJECTS)~~) 2018-1 as developed (~~(April 20, 2017)~~) February 18, 2018, Program - Highway Preservation Program (P). Any federal funds gained through efficiencies, adjustments to the federal funds forecast, additional congressional action not related to a specific project or purpose, or the federal funds redistribution process must then be applied to highway and bridge preservation activities.

(4) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act. The department shall submit a report on fiscal year 2017 funds transferred using this subsection as part of the department's 2018 budget submittal.

(5) The transportation 2003 account (nickel account)—state appropriation includes up to (~~(\$13,395,000)~~) \$28,847,000 in proceeds from the sale of bonds authorized in RCW 47.10.861.

(6) The motor vehicle account—state appropriation includes up to \$3,786,000 in proceeds from the sale of bonds authorized in RCW 47.10.843.

(~~(\$7,200,000)~~) (7) \$11,553,000 of the connecting Washington account—state appropriation is provided solely for the land mobile radio upgrade (G2000055) and is subject to the conditions, limitations, and review provided in section 701 (~~(of this act)~~), chapter 313, Laws of 2017. The land mobile radio project is subject to technical oversight by the office of the chief information officer. The department, in collaboration with the office of the chief information officer, shall identify where existing or proposed mobile radio technology investments should be consolidated, identify when existing or proposed mobile radio technology investments can be reused or leveraged to meet multiagency needs, increase mobile radio interoperability between agencies, and identify how redundant investments can be reduced over time. The department shall also provide quarterly reports to the technology services board on project progress.

(~~(\$7)~~) (8) \$3,000,000 of the motor vehicle account—state appropriation is provided solely for extraordinary costs incurred from litigation awards, settlements, or dispute mitigation activities not eligible for funding from the self-insurance fund. The amount provided in this subsection must be held in unallotted status until the department submits a request to the office of financial management that includes documentation detailing litigation-related expenses. The office of financial management may release the funds only when it determines that all other funds designated for litigation awards, settlements, and dispute mitigation activities have been exhausted. No funds provided in this subsection may be expended on any legal fees related to the SR 99/Alaskan Way viaduct replacement project.

(~~(\$8) \$22,620,000)~~ (9) \$20,755,000 of the motor vehicle account—federal appropriation and (~~(\$663,000)~~) \$844,000 of the motor vehicle account—state appropriation are provided solely for the preservation of structurally deficient bridges or bridges that are at risk of becoming structurally deficient. These funds must be used widely around the state of Washington. When practicable, the department shall pursue design-build contracts for these bridge projects to expedite delivery. The department shall provide a report that identifies the progress of each project funded in this subsection as part of its 2018 agency budget request.

(~~(\$9)~~) (10) The appropriation in this section includes funding

for starting planning, engineering, and construction of the Elwha River bridge replacement. To the greatest extent practicable, the department shall maintain public access on the existing route.

(~~(\$10)~~) (11)(a) (~~(\$4,820,000)~~) \$9,014,000 of the motor vehicle account—federal appropriation and (~~(\$182,000)~~) \$217,000 of the motor vehicle account—state appropriation are provided solely for weigh station preservation (OBP3006). These amounts must be held in unallotted status, except that the director of the office of financial management may approve allotment of the funds upon fulfillment of the conditions of (b) of this subsection.

(b) The department and the Washington state patrol shall jointly submit a prioritized list of weigh station projects to the office of financial management by October 1, 2017. Projects submitted must include estimated costs for preliminary engineering, rights-of-way, and construction and must also consider the timing of any available funding for weigh station projects.

(~~(\$11)~~) (12) The department must consult with the Washington state patrol and the office of financial management during the design phase of any improvement or preservation project that could impact Washington state patrol weigh station operations. During the design phase of any such project, the department must estimate the cost of designing around the affected weigh station's current operations, as well as the cost of moving the affected weigh station.

(~~(\$12)~~) (13) During the course of any planned resurfacing or other preservation activity on state route number 26 between Colfax and Othello in the 2017-2019 fiscal biennium, the department must add dug-in reflectors.

(~~(\$13)~~) (14) The department shall continue to monitor the test patch of pavement that used electric arc furnace slag as an aggregate and report back to the legislature by December 1, 2018, on its comparative wear resistance, skid resistance, and feasibility for use throughout the state in new pavement construction.

(~~(\$14)~~) (15) For projects funded as part of the 2015 connecting Washington transportation package listed on the LEAP transportation document identified in subsection (1) of this section, if the department expects to have substantial reappropriations for the 2019-2021 fiscal biennium, the department may, on a pilot basis, apply funding from a project with an appropriation that cannot be used for the current fiscal biennium to advance the US 12/Wildcat Bridge Replacement project (L2000075). At least ten business days before advancing the project pursuant to this subsection, the department must notify the office of financial management and the transportation committees of the legislature. The advancement of the project may not hinder the delivery of the projects for which the reappropriations are necessary for the 2019-2021 fiscal biennium.

Sec. 308. 2017 c 313 s 308 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
TRAFFIC OPERATIONS—PROGRAM Q—CAPITAL**

| | | |
|---|------------------------------|---------------------|
| Motor Vehicle Account—State Appropriation | ((\$4,913,000)) | <u>\$6,566,000</u> |
| Motor Vehicle Account—Federal Appropriation | ((\$5,106,000)) | <u>\$5,566,000</u> |
| Motor Vehicle Account—Private/Local Appropriation | ((\$500,000)) | <u>\$649,000</u> |
| TOTAL APPROPRIATION | | <u>\$10,519,000</u> |
| | | <u>\$12,781,000</u> |

The appropriations in this section are subject to the following conditions and limitations: The department shall set aside a

sufficient portion of the motor vehicle account—state appropriation for federally selected competitive grants or congressional earmark projects that require matching state funds. State funds set aside as matching funds for federal projects must be accounted for in project 000005Q and remain in unallotted status until needed for those federal projects.

Sec. 309. 2017 c 313 s 309 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
WASHINGTON STATE FERRIES CONSTRUCTION—
PROGRAM W**

| | |
|---|--|
| Puget Sound Capital Construction Account—State Appropriation | (\$59,924,000) \$73,574,000 |
| Puget Sound Capital Construction Account—Federal Appropriation | (\$152,838,000) \$205,032,000 |
| Puget Sound Capital Construction Account—Private/Local Appropriation | (\$15,654,000) \$27,196,000 |
| Transportation Partnership Account—State Appropriation | \$2,923,000 |
| Connecting Washington Account—State Appropriation | (\$142,837,000) \$139,328,000 |
| <u>Multimodal Transportation Account—State Appropriation</u> | <u>\$2,734,000</u> |
| <u>Transportation 2003 Account (Nickel Account)—State Appropriation</u> | <u>\$4,169,000</u> |
| TOTAL APPROPRIATION | \$374,176,000 \$454,956,000 |

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed in LEAP Transportation Document (~~2017-2 ALL PROJECTS~~) 2018-1 as developed (~~April 20, 2017~~) February 18, 2018, Program - Washington State Ferries Capital Program (W) and is contingent upon the enactment of subsection (6) of this section.

(2) (~~\$26,252,000~~) \$27,825,000 of the Puget Sound capital construction account—federal appropriation (~~and \$63,804,000~~), \$46,895,000 of the connecting Washington account—state appropriation, and \$733,000 of the Puget Sound capital construction account—state appropriation are provided solely for the Mukilteo ferry terminal (952515P). To the greatest extent practicable and within available resources, the department shall design the new terminal to be a net-zero energy building. To achieve this goal, the department shall evaluate using highly energy efficient equipment and systems, and the most appropriate renewable energy systems for the needs and location of the terminal. To the extent practicable, the department shall avoid the closure of, or disruption to, any existing public access walkways in the vicinity of the terminal project during construction.

(3) (~~\$61,729,000~~) \$94,671,000 of the Puget Sound capital construction account—federal appropriation, (~~\$36,529,000~~) \$46,919,000 of the connecting Washington account—state appropriation, (~~and \$15,554,000~~) \$26,949,000 of the Puget Sound capital construction account—private/local appropriation, \$2,734,000 of the multimodal transportation account—state appropriation, \$2,811,000 of the Puget Sound capital construction account—state appropriation, and \$679,000 of the transportation 2003 (nickel account)—state appropriation are provided solely for the Seattle Terminal Replacement project (900010L).

(4) \$5,000,000 of the Puget Sound capital construction account—state appropriation is provided solely for emergency capital repair costs (999910K). Funds may only be spent after approval by the office of financial management.

(5) (~~\$775,000~~) \$950,000 of the Puget Sound capital construction account—state appropriation is provided solely for life extension of the existing ticketing system and ORCA acceptance (998521A and 998521B). The ferry system shall work with Washington technology solutions and the tolling division on the development of a new, interoperable ticketing system.

(6)(a) The department shall, in consultation with the office of financial management, hire an independent planning consultant to assist with overall scope development of a new ferry system long-range plan, including incorporating the items listed in (b) of this subsection. The independent planning consultant must have experience in planning for other ferry systems.

(b) The department shall update the ferries division long-range plan by January 1, 2019. In reviewing the changing needs of the users of the ferry system and the associated funding opportunities and challenges, the department must include, but is not limited to, the following elements in the new long-range plan:

(i) Identify changes in the demographics of users of the system;
(ii) Review route timetables and propose adjustments that take into consideration ridership volume, vessel load times, proposed and current passenger-only ferry system ridership, and other operational needs;

(iii) Review vessel needs by route and propose a vessel replacement schedule, vessel retirement schedule, and estimated number of vessels needed. This analysis should also articulate a reserve vessel strategy;

(iv) Identify the characteristics most appropriate for replacement vessels, such as passenger and car-carrying capacity, while taking into consideration other cost-driving factors. These factors should include:

(A) Anticipated crewing requirements;
(B) Fuel type;
(C) Other operating and maintenance costs;
(v) Review vessel dry dock needs, consider potential impacts of the United States navy, and propose strategies to meet these needs;
(vi) Address the seismic vulnerability of the system and articulate emergency preparedness plans;
(vii) Evaluate leased and state-owned property locations for the ferry headquarters, to include an analysis of properties outside the downtown area of Seattle;
(viii) Evaluate strategies that may help spread peak ridership, such as time-of-day ticket pricing and expanding the reservation system; and

(ix) Identify operational changes that may reduce costs, such as nighttime tie-up locations.

(c) The department shall submit a status report on the long-range plan update to the governor and the transportation committees of the legislature by June 30, 2018, and a final report by January 1, 2019.

(7) \$600,000 of the Puget Sound capital construction account—state appropriation is provided for development of a request for proposal to convert the three ferry vessels in the Jumbo Mark II class to hybrid electric propulsion and make associated necessary modifications to the Seattle, Bainbridge, Edmonds, and Kingston terminals. The department is directed to explore capital project financing options to include, but not be limited to, federal funding opportunities, private or local contributions, application for Volkswagen settlement funds, and energy-savings performance contracting to be repaid in whole or in part by fuel-cost savings. The department will report total capital cost estimates, optimal construction schedule, annual capital and

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operating savings or costs, and a recommended funding option to the governor and to the transportation committees of the legislature by June 30, 2019.

Sec. 310. 2017 c 313 s 310 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y—CAPITAL

| | | |
|---|---------------------------|----------------------|
| Essential Rail Assistance Account—State Appropriation | (\$424,000) | <u>\$845,000</u> |
| Transportation Infrastructure Account—State Appropriation | (\$5,367,000) | <u>\$7,575,000</u> |
| Multimodal Transportation Account—State Appropriation | (\$51,665,000) | <u>\$77,707,000</u> |
| Multimodal Transportation Account—Federal Appropriation | (\$1,487,000) | <u>\$59,814,000</u> |
| TOTAL APPROPRIATION | \$58,943,000 | <u>\$145,941,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document (~~(2017-2 ALL PROJECTS)~~) 2018-1 as developed (~~(April 20, 2017)~~) February 18, 2018, Program - Rail Program (Y).

(2) (~~(\$5,000,000)~~) \$7,009,000 of the transportation infrastructure account—state appropriation is provided solely for new low-interest loans approved by the department through the freight rail investment bank (FRIB) program. The department shall issue FRIB program loans with a repayment period of no more than ten years, and charge only so much interest as is necessary to recoup the department's costs to administer the loans. The department shall report annually to the transportation committees of the legislature and the office of financial management on all FRIB loans issued.

(3) \$7,017,000 of the multimodal transportation account—state appropriation and \$24,000 of the essential rail assistance account—state appropriation are provided solely for new statewide emergent freight rail assistance projects identified in the LEAP transportation document referenced in subsection (1) of this section.

(4) \$367,000 of the transportation infrastructure account—state appropriation and \$1,100,000 of the multimodal transportation account—state appropriation are provided solely to reimburse Highline Grain, LLC for approved work completed on Palouse River and Coulee City (PCC) railroad track in Spokane county between the BNSF Railway Interchange at Cheney and Geiger Junction and must be administered in a manner consistent with freight rail assistance program projects. The value of the public benefit of this project is expected to meet or exceed the cost of this project in: Shipper savings on transportation costs; jobs saved in rail-dependent industries; and/or reduced future costs to repair wear and tear on state and local highways due to fewer annual truck trips (reduced vehicle miles traveled). The amounts provided in this subsection are not a commitment for future legislatures, but it is the legislature's intent that future legislatures will work to approve biennial appropriations until the full \$7,337,000 cost of this project is reimbursed.

(5)(a) (~~(\$400,000)~~) \$686,000 of the essential rail assistance account—state appropriation (~~(and \$305,000)~~), \$422,000 of the

multimodal transportation account—state appropriation, and \$21,000 of the transportation infrastructure account—state appropriation are provided solely for the purpose of the rehabilitation and maintenance of the Palouse river and Coulee City railroad line (F01111B).

(b) Expenditures from the essential rail assistance account—state in this subsection may not exceed the combined total of:

(i) Revenues deposited into the essential rail assistance account from leases and sale of property pursuant to RCW 47.76.280, 47.76.290, 47.76.300, 47.76.310, and 47.76.320; and

(ii) Revenues transferred from the miscellaneous program account to the essential rail assistance account, pursuant to RCW 47.76.360, for the purpose of sustaining the grain train program by maintaining the Palouse river and Coulee City railroad.

(6) The department shall issue a call for projects for the freight rail assistance program, and shall evaluate the applications in a manner consistent with past practices as specified in section 309, chapter 367, Laws of 2011. By November 15, 2018, the department shall submit a prioritized list of recommended projects to the office of financial management and the transportation committees of the legislature.

(7) For projects funded as part of the 2015 connecting Washington transportation package identified on the LEAP transportation document identified in subsection (1) of this section, if the department expects to have substantial reappropriations for the 2019-2021 fiscal biennium, the department may, on a pilot basis, apply funding from a project with an appropriation that cannot be used for the current fiscal biennium to advance the South Kelso Railroad Crossing project (L1000147). At least ten business days before advancing a project pursuant to this subsection, the department must notify the office of financial management and the transportation committees of the legislature. The advancement of a project may not hinder the delivery of the projects for which the reappropriations are necessary for the 2019-2021 fiscal biennium.

(8) It is the intent of the legislature to encourage the department to pursue federal grant opportunities leveraging up to \$6,696,000 in connecting Washington programmed funds to be used as a state match to improve the state-owned Palouse river and Coulee City system. The amount listed in this subsection is not a commitment for future legislatures, but is the legislature's intent that future legislatures will work to approve biennial appropriations up to a state match share not to exceed \$6,696,000 of a grant award.

(9) \$3,800,000 of the multimodal transportation account—state appropriation is provided solely for track improvements on the state-owned PV Hooper branch of the Palouse river and Coulee City railway between Hooper Junction and Endicott.

(10) \$2,500,000 of the multimodal transportation account—state appropriation is provided solely for construction of a new bridge 12 (Salmon Creek) and replacement track on the Chelatchie Prairie railroad shortline at mile post 12.45 in Clark county to complete a design and permitting project originally funded in the 2016 transportation budget.

Sec. 311. 2017 c 313 s 311 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z—CAPITAL

| | | |
|--|--------------------------|--------------------|
| Highway Infrastructure Account—State Appropriation | (\$293,000) | <u>\$1,083,000</u> |
| Highway Infrastructure Account—Federal Appropriation | (\$218,000) | <u>\$488,000</u> |
| Transportation Partnership Account—State Appropriation | (\$1,143,000) | |

| | | | |
|---|------------|-----------------------|-----------------------------------|
| | | | <u>\$2,321,000</u> |
| Highway | Safety | Account—State | Appropriation |
| | | |(\$2,388,000) |
| | | | <u>\$4,287,000</u> |
| Motor | Vehicle | Account—State | Appropriation |
| | | |(\$15,080,000) |
| | | | <u>\$24,534,000</u> |
| Motor | Vehicle | Account—Federal | Appropriation |
| | | |(\$65,187,000) |
| | | | <u>\$71,614,000</u> |
| Motor | Vehicle | Account—Private/Local | Appropriation |
| | | |\$18,000,000 |
| Connecting | Washington | Account—State | Appropriation |
| | | |(\$118,293,000) |
| | | | <u>\$137,387,000</u> |
| Multimodal Transportation Account—State | | | |
| Appropriation | | |(\$56,079,000) |
| | | | <u>\$80,482,000</u> |
| TOTAL APPROPRIATION | | | <u>\$276,681,000</u> |
| | | | <u>\$340,196,000</u> |

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document (~~(2017-2 ALL PROJECTS)~~) 2018-1 as developed (~~(April 20, 2017)~~) February 18, 2018, Program - Local Programs Program (Z); \$500,000 for the 35th avenue SE reconstruction project in Mill Creek; \$1,300,000 for the south Lake Stevens multiuse path project in Lake Stevens; \$300,000 for preliminary design work in King county on the segment of Covington way SE that is bounded on the north by the intersection with SE Wax road and on the south by a point that is approximately one hundred feet south of the intersection with 164th place SE, with the end goal of improving both mobility and safety along the segment; and \$305,000 for preliminary engineering of the state route number 547 pedestrian and bicycle safety trail in Kendall.

(2) The amounts identified in the LEAP transportation document referenced under subsection (1) of this section for pedestrian safety/safe routes to school are as follows:

(a) \$18,380,000 of the multimodal transportation account—state appropriation is provided solely for newly selected pedestrian and bicycle safety program projects. (~~(\$6,432,000)~~) \$14,219,000 of the multimodal transportation account—state appropriation and (~~(\$1,143,000)~~) \$1,846,000 of the transportation partnership account—state appropriation are reappropriated for pedestrian and bicycle safety program projects selected in the previous biennia (L2000188).

(b) \$11,400,000 of the motor vehicle account—federal appropriation and \$7,750,000 of the multimodal transportation account—state appropriation are provided solely for newly selected safe routes to school projects. (~~(\$6,372,000)~~) \$11,181,000 of the motor vehicle account—federal appropriation, (~~(\$923,000)~~) \$1,394,000 of the multimodal transportation account—state appropriation, and (~~(\$2,388,000)~~) \$4,287,000 of the highway safety account—state appropriation are reappropriated for safe routes to school projects selected in the previous biennia (L2000189). The department may consider the special situations facing high-need areas, as defined by schools or project areas in which the percentage of the children eligible to receive free and reduced-price meals under the national school lunch program is equal to, or greater than, the state average as determined by the department, when evaluating project proposals against established funding criteria while ensuring continued

compliance with federal eligibility requirements.

(3) The department shall submit a report to the transportation committees of the legislature by December 1, 2017, and December 1, 2018, on the status of projects funded as part of the pedestrian safety/safe routes to school grant program. The report must include, but is not limited to, a list of projects selected and a brief description of each project's status.

(4) (~~(\$18,741,000)~~) \$32,984,000 of the multimodal transportation account—state appropriation is provided solely for bicycle and pedestrian projects listed in the LEAP transportation document referenced in subsection (1) of this section.

(5) \$43,800,000 of the motor vehicle account—federal appropriation is provided solely for national highway freight network projects identified on the project list submitted in accordance with section 218(4)(b), chapter 14, Laws of 2016 on October 31, 2016. The department shall validate the projects on the list. Only tier one projects on the prioritized freight project list that are validated by the department may receive funding under this subsection. The department shall continue to work with the Washington state freight advisory committee to improve project screening and validation to support project prioritization and selection, including during the freight mobility plan update in 2017. The department may compete for funding under this program and shall provide an updated prioritized freight project list when submitting its 2019-2021 budget request. To the greatest extent practicable, the department shall follow the Washington state freight advisory committee recommendation to allocate ten percent of the funds in this subsection to multimodal projects as permitted under the fixing America's surface transportation (FAST) act.

(6) It is the expectation of the legislature that the department will be administering a local railroad crossing safety grant program for \$7,400,000 in federal funds during the 2017-2019 fiscal biennium. Of the amounts identified in this subsection, a minimum of \$500,000 must be for railroad grade-crossing safety grants at locations where multiple pedestrian or bicyclist fatalities have occurred in the vicinity of a grade-crossing in the last five years.

(7) \$8,000,000 of the connecting Washington account—state appropriation is provided solely for the Covington Connector (L2000104). The amounts described in the LEAP transportation document referenced in subsection (1) of this section are not a commitment by future legislatures, but it is the legislature's intent that future legislatures will work to approve appropriations in the 2019-2021 fiscal biennium to reimburse the city of Covington for approved work completed on the project up to the full \$24,000,000 cost of this project.

(8)(a) For projects funded as part of the 2015 connecting Washington transportation package listed on the LEAP transportation document identified in subsection (1) of this section, if the department expects to have substantial reappropriations for the 2019-2021 fiscal biennium, the department may, on a pilot basis, apply funding from a project with an appropriation that cannot be used for the current fiscal biennium to advance one or more of the following projects:

- (i) SR 502 Main Street Project/Widening (L2000065);
- (ii) Complete SR 522 Improvements-Kenmore (T10600R);
- (iii) Issaquah-Fall City Road (L1000094);
- (iv) Lewis Street Bridge (L2000066);
- (v) Covington Connector (L2000104);
- (vi) Orchard Street Connector (L2000120);
- (vii) Harbour Reach Extension (L2000136);
- (viii) Sammamish Bridge Corridor (L2000137);
- (ix) Brady Road (L2000164);
- (x) Thornton Road Overpass (L2000228);
- (xi) I-5/Port of Tacoma Road Interchange (L1000087);

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(xii) Wilburton Reconnection Project (G2000006);
(xiii) SR 520 Trail Grade Separation at 40th Street (G2000013);

(xiv) Bay Street Pedestrian Project (G2000015); or

(xv) Cowiche Canyon Trail (G2000010).

(b) At least ten business days before advancing a project pursuant to this subsection, the department must notify the office of financial management and the transportation committees of the legislature. The advancement of a project may not hinder the delivery of the projects for which the reappropriations are necessary for the 2019-2021 fiscal biennium.

(9) \$1,500,000 of the motor vehicle account—state appropriation is provided solely for the Spokane Valley Barker/Trent grade separation project, subject to the following conditions and limitations: No state moneys may be expended to plan for or construct a roundabout on Trent road/SR 290 as part of the Spokane Valley Barker/Trent grade separation project provided this restriction does not increase the overall cost of the project.

(10) \$280,000 of the motor vehicle account—state appropriation is provided solely for the Woodin Avenue bridge one-way conversion project in Chelan.

(11) \$300,000 of the motor vehicle account—state appropriation is provided solely for emergency repair work, design work, and slope stabilization on Prevedal road in the town of Lyman.

(12) \$100,000 of the multimodal transportation account—state appropriation is provided solely for the development of a master plan for the Aubrey Davis park in the city of Mercer Island. The department shall provide in-kind services at no charge to the city of Mercer Island for department work on the master plan.

(13) The department must submit a report with its 2019-2021 biennial budget submittal to the governor and transportation committees of the legislature on project services provided to local agencies that receive project funding through the local programs capital budget. The report must include, but is not limited to, a description of project services provided by the department to local agencies for which there is a charge, estimates of charges per project service, and an accounting of expenditures charged to local agencies during the previous four fiscal years.

(14) \$800,000 of the motor vehicle account—state appropriation is provided solely for design and construction of the Redmond Ridge NE and NE Alder Crest Drive roundabout.

(15) \$1,000,000 of the motor vehicle account—state appropriation is provided solely for completion of the Alder street/Olympic highway north project in Shelton.

(16) \$3,000,000 of the motor vehicle account—state appropriation is provided solely for seismic retrofit work and painting of the Bronson way bridge in Renton.

(17) \$350,000 of the motor vehicle account—state appropriation is provided solely for protective barriers on the 8th street bridges in Port Angeles.

(18) \$360,000 of the motor vehicle account—state appropriation is provided solely for preliminary engineering of phase II of the Main street revitalization project in Mountlake Terrace.

(19) \$1,200,000 of the multimodal transportation account—state appropriation is provided solely to relocate and rebuild a 2,100-foot section of the Interurban trail and trailhead in Fife.

(20) \$3,000,000 of the motor vehicle account—state appropriation is provided solely for construction of a roundabout on Willis street at 4th avenue south in Kent.

TRANSFERS AND DISTRIBUTIONS

Sec. 401. 2017 c 313 s 401 (uncodified) is amended to read

as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND TRANSPORTATION FUND REVENUE

| | | | |
|---|------------|---------------|-------------------|
| Transportation Partnership Account—State | | | |
| Appropriation | | | (\$2,239,000) |
| | | | \$2,232,000 |
| <u>Motor Vehicle Account—State Appropriation.....</u> | | | |
| Connecting | Washington | Account—State | |
| Appropriation | | | (\$1,802,000) |
| | | | \$1,806,000 |
| Highway Bond Retirement Account—State | | | |
| Appropriation | | | (\$1,238,072,000) |
| | | | \$1,218,962,000 |
| Ferry | Bond | Retirement | Account—State |
| Appropriation | | | \$28,873,000 |
| Transportation Improvement Board Bond Retirement | | | |
| Account—State Appropriation | | | \$13,254,000 |
| Nondebt-Limit Reimbursable Bond Retirement | | | |
| Account—State Appropriation | | | \$26,609,000 |
| Toll Facility Bond Retirement Account—State | | | |
| Appropriation | | | \$86,493,000 |
| Transportation 2003 Account (Nickel Account)—State | | | |
| Appropriation | | | (\$323,000) |
| | | | \$177,000 |
| TOTAL APPROPRIATION | | | |
| | | | \$1,397,665,000 |
| | | | \$1,378,773,000 |

Sec. 402. 2017 c 313 s 402 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES AND FISCAL AGENT CHARGES

| | | | |
|---|------------|---------------|-------------|
| Transportation Partnership Account—State | | | |
| Appropriation | | | (\$448,000) |
| | | | \$456,000 |
| <u>Motor Vehicle Account—State Appropriation.....</u> | | | |
| Connecting | Washington | Account—State | |
| Appropriation | | | (\$360,000) |
| | | | \$361,000 |
| Transportation 2003 Account (Nickel Account)—State | | | |
| Appropriation | | | (\$65,000) |
| | | | \$39,000 |
| TOTAL APPROPRIATION | | | |
| | | | \$873,000 |
| | | | \$929,000 |

Sec. 403. 2017 c 313 s 404 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

| | | | |
|---|--|--|-----------------|
| Motor Vehicle Account—State Appropriation: | | | |
| For motor vehicle fuel tax distributions to | | | |
| cities and counties | | | |
| | | | (\$514,648,000) |
| | | | \$508,182,000 |

Sec. 404. 2017 c 313 s 406 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—TRANSFERS

Motor Vehicle Account—State Appropriation:

For motor vehicle fuel tax refunds and statutory transfers.....((~~\$2,196,693,000~~))
\$2,145,972,000

\$36,000,000

Sec. 405. 2017 c 313 s 407 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING—TRANSFERS

Motor Vehicle Account—State Appropriation: For motor vehicle fuel tax refunds and transfers((~~\$200,747,000~~))
\$203,535,000

Sec. 406. 2017 c 313 s 408 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—ADMINISTRATIVE TRANSFERS

(1) State Patrol Highway Account—State Appropriation: For transfer to the Connecting Washington Account—State.....((~~\$21,221,000~~))
\$17,221,000

(2) Transportation Partnership Account—State Appropriation: For transfer to the Connecting Washington Account—State..... \$10,946,000

(3) Highway Safety Account—State Appropriation: For transfer to the Multimodal Transportation Account—State((~~\$57,000,000~~))
\$29,000,000

(4) Motor Vehicle Account—State Appropriation: For transfer to the Connecting Washington Account—State.....((~~\$56,464,000~~))
\$6,211,000

(5) Motor Vehicle Account—State Appropriation: For transfer to the Freight Mobility Investment Account—State..... \$8,511,000

(6) Motor Vehicle Account—State Appropriation: For transfer to the Puget Sound Capital Construction Account—State \$20,000,000

(7) Motor Vehicle Account—State Appropriation: For transfer to the Rural Arterial Trust Account—State..... \$4,844,000

(8) Motor Vehicle Account—State Appropriation: For transfer to the Transportation Improvement Account—State..... \$9,688,000

(9) Motor Vehicle Account—State Appropriation: For transfer to the State Patrol Highway Account—State..... \$43,000,000

(10) Puget Sound Ferry Operations Account—State Appropriation: For transfer to the Connecting Washington Account—State..... \$1,305,000

(11) Rural Mobility Grant Program Account—State Appropriation: For transfer to the Multimodal Transportation Account—State \$3,000,000

(12) State Route Number 520 Civil Penalties Account—State Appropriation: For transfer to the State Route Number 520 Corridor Account—State..... \$1,240,000

(13) Capital Vessel Replacement Account—State Appropriation: For transfer to the Connecting Washington Account—State..... \$36,500,000

(14) Multimodal Transportation Account—State Appropriation: For transfer to the Freight Mobility Multimodal Account—State \$8,511,000

(15) Multimodal Transportation Account—State Appropriation: For transfer to the Puget Sound Capital Construction Account—State.....((~~\$32,000,000~~))

(16) Multimodal Transportation Account—State Appropriation: For transfer to the Puget Sound Ferry Operations Account—State \$20,000,000

(17) Multimodal Transportation Account—State Appropriation: For transfer to the Regional Mobility Grant Program Account—State \$27,679,000

(18) Multimodal Transportation Account—State Appropriation: For transfer to the Rural Mobility Grant Program Account—State \$15,223,000

(19) Tacoma Narrows Toll Bridge Account—State Appropriation: For transfer to the Motor Vehicle Account—State \$950,000

(20) Transportation 2003 Account (Nickel Account)—State Appropriation: For transfer to the Connecting Washington Account—State \$22,970,000

(21)(a) Interstate 405 Express Toll Lanes Operations Account—State Appropriation: For transfer to the Motor Vehicle Account—State \$2,019,000

(b) The transfer identified in this subsection is provided solely to repay in full the motor vehicle account—state appropriation loan from section 407(19), chapter 222, Laws of 2014.

(22)(a) Transportation Partnership Account—State Appropriation: For transfer to the Alaskan Way Viaduct Replacement Project Account—State..... \$122,046,000

(b) The amount transferred in this subsection represents that portion of the up to \$200,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.873, intended to be sold through the 2021-2023 fiscal biennium, used only for construction of the SR 99/Alaskan Way Viaduct Replacement project (809936Z), and that must be repaid from the Alaskan Way viaduct replacement project account consistent with RCW 47.56.864.

(23)(a) Motor Vehicle Account—State Appropriation: For transfer to the Tacoma Narrows Toll Bridge Account—State..... \$5,000,000

(b) The transfer in this subsection must be made in April 2019. It is the intent of the legislature that this transfer is temporary, for the purpose of minimizing the impact of toll increases, and an equivalent reimbursing transfer is to occur in November 2019.

(24) Motor Vehicle Account—State Appropriation: For transfer to the County Arterial Preservation Account—State..... \$4,844,000

(25)(a) General Fund Account—State Appropriation: For transfer to the State Patrol Highway Account—State \$625,000

(b) The state treasurer shall transfer the funds only after receiving notification from the Washington state patrol under section 207(6) of this act.

(26)(a) Motor Vehicle Account—State Appropriation: For transfer to the Alaskan Way Viaduct Replacement Project Account—State \$6,506,000

(b) The funds provided in (a) of this subsection are a loan to the Alaskan Way viaduct replacement project account—state, and the legislature assumes that these funds will be reimbursed to the motor vehicle account—state at a later date when the portion of state route number 99 that is a deep bore tunnel is operational.

COMPENSATION

Sec. 501. 2017 3rd sp.s. c 1 s 726 (uncodified) is amended to read as follows:

TRANSPORTATION—WASHINGTON FEDERATION OF STATE EMPLOYEES

~~(Motor Vehicle Account—State Appropriation .. \$18,443,000
State Patrol Highway Account—State Appropriation .. \$1,199,000~~

| | | |
|---|--------------------------|-------------------------|
| State Patrol Highway Account Federal | Appropriation | \$22,000 |
| Puget Sound Ferry Operations Account State | Appropriation | \$73,000 |
| Highway Safety Account State Appropriation | ..... | \$2,613,000 |
| Motorcycle Safety Education Account State | Appropriation | \$37,000 |
| State Wildlife Account State Appropriation | ..... | \$14,000 |
| Ignition Interlock Device Revolving Account State | Appropriation | \$5,000 |
| Department of Licensing Services Account State | Appropriation | \$102,000 |
| Aeronautics Account State Appropriation | ..... | \$3,000 |
| Interstate 405 Express Toll Lanes Operations Account State | Appropriation | \$27,000 |
| State Route Number 520 Corridor Account State | Appropriation | \$51,000 |
| State Route Number 520 Civil Penalties Account State | Appropriation | \$16,000 |
| Multimodal Transportation Account State | Appropriation | \$40,000 |
| Tacoma Narrows Toll Bridge Account State | Appropriation | \$22,000 |
| TOTAL APPROPRIATION | ..... | \$22,667,000 |

The appropriations in this section are subject to the following conditions and limitations:))

(1) An agreement has been reached between the governor and the Washington federation of state employees general government under the provisions of chapter 41.80 RCW for the 2017-2019 fiscal biennium. Funding is provided for a two percent general wage increase effective July 1, 2017, a two percent general wage increase effective July 1, 2018, and a two percent general wage increase effective January 1, 2019. The agreement also includes and funding is provided for salary adjustments for targeted job classifications and increases to vacation leave accruals. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this section shall lapse.

(2) Provisions of the collective bargaining agreement contained in this section are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreement. The collective bargaining agreement contained in this section may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided. Appropriations for state agencies are increased by the amounts specified in ((LEAP Transportation Document 713—2017F)) this act to fund the provisions of this agreement.

Sec. 502. 2017 3rd sp.s. c 1 s 727 (uncodified) is amended to read as follows:

| | | |
|---|--------------------------|----------------------|
| TRANSPORTATION—WPEA | GENERAL | |
| GOVERNMENT | | |
| (Motor Vehicle Account State Appropriation | ..... | \$60,000 |
| State Patrol Highway Account State Appropriation | ..... | \$862,000 |
| State Patrol Highway Account Federal | Appropriation | \$36,000 |
| TOTAL APPROPRIATION | ..... | \$958,000 |

The appropriations in this section are subject to the following conditions and limitations:))

(1) An agreement has been reached between the governor and

the Washington public employees association general government under the provisions of chapter 41.80 RCW for the 2017-2019 fiscal biennium. Funding is provided for a two percent general wage increase effective July 1, 2017, a two percent general wage increase effective July 1, 2018, and a two percent general wage increase effective January 1, 2019. The agreement also includes and funding is provided for salary adjustments for targeted job classifications and increases to vacation leave accruals. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this section shall lapse.

(2) Provisions of the collective bargaining agreement contained in this section are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreement. The collective bargaining agreement contained in this section may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided. Appropriations for state agencies are increased by the amounts specified in ((LEAP Transportation Document 713—2017F)) this act to fund the provisions of this agreement.

Sec. 503. 2017 3rd sp.s. c 1 s 728 (uncodified) is amended to read as follows:

TRANSPORTATION—COLLECTIVE BARGAINING AGREEMENTS—PTE LOCAL 17

| | | |
|---|--------------------------|------------------------|
| (State Patrol Highway Account State | Appropriation | \$3,849,000 |
| State Patrol Highway Account Federal | Appropriation | \$399,000 |
| State Patrol Highway Account Private/Local | Appropriation | \$129,000 |
| Motor Vehicle Account State Appropriation | ..... | \$2,659,000 |
| Highway Safety Account State Appropriation | .... | \$2,462,000 |
| Aeronautics Account State Appropriation | ..... | \$12,000 |
| Puget Sound Ferry Operations Account State | Appropriation | \$26,000 |
| State Route Number 520 Corridor Account State | Appropriation | \$86,000 |
| State Route Number 520 Civil Penalties Account State | Appropriation | \$4,000 |
| Multimodal Transportation Account State | Appropriation | \$43,000 |
| Tacoma Narrows Toll Bridge Account State | Appropriation | \$62,000 |
| Motorcycle Safety Education Account State | Appropriation | \$10,000 |
| TOTAL APPROPRIATION | ..... | \$9,741,000 |

The appropriations in this section are subject to the following conditions and limitations:))

(1) An agreement has been reached between the governor and the professional and technical employees local 17 under the provisions of chapter 41.80 RCW for the 2017-2019 fiscal biennium. Funding is provided for a two percent general wage increase effective July 1, 2017, a two percent general wage increase effective July 1, 2018, and a two percent general wage increase effective January 1, 2019. The agreement also includes and funding is provided for salary adjustments for targeted job classifications and increases to vacation leave accruals. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this

section shall lapse.

(2) Provisions of the collective bargaining agreement contained in this section are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreement. The collective bargaining agreement contained in this section may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided. Appropriations for state agencies are increased by the amounts specified in ((LEAP Transportation Document 713—2017F)) this act to fund the provisions of this agreement.

Sec. 504. 2017 3rd sp.s. c 1 s 729 (uncodified) is amended to read as follows:

TRANSPORTATION—THE COALITION OF UNIONS AGREEMENT

| | | | |
|--|--------------------------|----------------------|---------------------|
| (State Patrol Highway Account State Appropriation | ..... | \$309,000 | |
| State Patrol Highway Account Federal | Appropriation | | \$44,000 |
| TOTAL APPROPRIATION | ..... | \$353,000 | |

~~The appropriation in this section is subject to the following conditions and limitations:))~~

(1) An agreement has been reached between the governor and the coalition of unions under the provisions of chapter 41.80 RCW for the 2017-2019 fiscal biennium. Funding is provided for a two percent general wage increase effective July 1, 2017, a two percent general wage increase effective July 1, 2018, and a two percent general wage increase effective January 1, 2019. The agreement also includes and funding is provided for salary adjustments for targeted job classifications and increases to vacation leave accruals. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this section shall lapse.

(2) Provisions of the collective bargaining agreement contained in this section are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreement. The collective bargaining agreement contained in this section may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided. Appropriations for state agencies are increased by the amounts specified in ((LEAP Transportation Document 713—2017F)) this act to fund the provisions of this agreement.

Sec. 505. 2017 3rd sp.s. c 1 s 730 (uncodified) is amended to read as follows:

TRANSPORTATION—GENERAL WAGE INCREASE—STATE EMPLOYEES

| | | | |
|---|--------------------------|------------------------|----------------------|
| (Motor Vehicle Account State Appropriation | ..... | \$5,163,000 | |
| State Patrol Highway Account State Appropriation | ..... | \$812,000 | |
| State Patrol Highway Account Federal Appropriation | ..... | \$8,000 | |
| State Patrol Highway Account Private/Local | Appropriation | | \$1,000 |
| Puget Sound Ferry Operations Account State | Appropriation | | \$460,000 |
| Highway Safety Account State Appropriation | ..... | \$655,000 | |
| Highway Safety Account Federal Appropriation | ..... | \$119,000 | |
| Motorcycle Safety Education Account State | Appropriation | | \$12,000 |
| State Wildlife Account State Appropriation | ..... | \$8,000 | |

| | | | |
|---|--------------------------|------------------------|----------------------|
| Department of Licensing Services Account State | Appropriation | ..... | \$21,000 |
| Aeronautics Account State Appropriation | ..... | \$53,000 | |
| State Route Number 520 Corridor Account State | Appropriation | ..... | \$102,000 |
| Multimodal Transportation Account State | Appropriation | ..... | \$302,000 |
| Rural Arterial Trust Account State Appropriation | ..... | \$32,000 | |
| County Arterial Preservation Account State | Appropriation | ..... | \$33,000 |
| Transportation Improvement Account State | Appropriation | ..... | \$84,000 |
| TOTAL APPROPRIATION | ..... | \$7,865,000 | |

~~The appropriations in this section are subject to the following conditions and limitations:))~~

(1) Funding is provided for state agency employee compensation for employees funded in the 2017-2019 omnibus transportation appropriations act who are not represented or who bargain under statutory authority other than chapter 41.80 or 47.64 RCW or RCW 41.56.473 or 41.56.475. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this section shall lapse.

(2) Funding is provided for a two percent general wage increase effective July 1, 2017, for all classified employees as specified in subsection (1) of this section, employees in the Washington management service, and exempt employees under the jurisdiction of the office of financial management. The appropriations are also sufficient to fund a two percent salary increase effective July 1, 2017, for executive, legislative, and judicial branch employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(3) Funding is provided for a two percent general wage increase effective July 1, 2018, for all classified employees as specified in subsection (1) of this section, employees in the Washington management service, and exempt employees under the jurisdiction of the office of financial management. The appropriations are also sufficient to fund a two percent salary increase effective July 1, 2018, for executive, legislative, and judicial branch employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(4) Funding is provided for a two percent general wage increase effective January 1, 2019, for all classified employees as specified in subsection (1) of this section, employees in the Washington management service, and exempt employees under the jurisdiction of the office of financial management. The appropriations are also sufficient to fund a two percent salary increase effective January 1, 2019, for executive, legislative, and judicial branch employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(5) Appropriations for state agencies are increased by the amounts specified in ((LEAP Transportation Document 713—2017F)) this act to fund the provisions of this section.

Sec. 506. 2017 3rd sp.s. c 1 s 731 (uncodified) is amended to read as follows:

TRANSPORTATION—TARGETED COMPENSATION INCREASES—NONREPRESENTED JOB CLASS SPECIFIC

| | | | |
|---|--------------------------|----------------------|--------------------|
| (Motor Vehicle Account State Appropriation | | \$629,000 | |
| Puget Sound Ferry Operations Account State | Appropriation | | \$8,000 |

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| | |
|---|-----------|
| Appropriation | \$14,000 |
| Transportation Improvement Account State | |
| Appropriation | \$90,000 |
| County Arterial Preservation Account State | |
| Appropriation | \$16,000 |
| State Route Number 520 Corridor Account State | |
| Appropriation | \$16,000 |
| TOTAL APPROPRIATION | \$765,000 |

The appropriations in this section are subject to the following conditions and limitations:))

(1) Funding is provided for salary adjustments for targeted job classifications for employees funded in the 2017-2019 omnibus transportation appropriations act, as specified by the office of financial management, of classified state employees, except those represented by a collective bargaining unit under chapters 41.80 and 47.64 RCW and RCW 41.56.473 and 41.56.475. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this section shall lapse.

(2) Appropriations for state agencies are increased by the amounts specified in ((LEAP Transportation Document 713-2017F)) this act to fund the provisions of this section.

Sec. 507. 2017 3rd sp.s. c 1 s 732 (uncodified) is amended to read as follows:

TRANSPORTATION—ORCA TRANSIT PASSES—WASHINGTON FEDERATION OF STATE EMPLOYEES
 ((Motor Vehicle Account State Appropriation \$410,000
 State Patrol Highway Account State Appropriation.. \$32,000
 Puget Sound Ferry Operations Account State
 Appropriation \$8,000
 Highway Safety Account State Appropriation..... \$30,000
 State Route Number 520 Corridor Account State
 Appropriation \$8,000
 State Route Number 520 Civil Penalties Account State
 Appropriation..... \$2,000
 Tacoma Narrows Toll Bridge Account State
 Appropriation \$2,000
 Interstate 405 Express Toll Lanes Operations Account State
 Appropriation..... \$6,000
 TOTAL APPROPRIATION..... \$498,000

The appropriations in this section are subject to the following conditions and limitations:))

(1) Funding is provided for transit passes for state employees outside of higher education who work in King County, who are represented by the Washington Federation of State Employees. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this section shall lapse.

(2) Appropriations for state agencies are increased by the amounts specified in ((LEAP Transportation Document 713-2017F)) this act to fund the provisions of this section.

Sec. 508. 2017 3rd sp.s. c 1 s 733 (uncodified) is amended to read as follows:

TRANSPORTATION—ORCA TRANSIT PASSES
 ((Motor Vehicle Account State Appropriation..... \$142,000
 State Patrol Highway Account State Appropriation \$252,000
 State Patrol Highway Account Federal Appropriation \$6,000
 State Patrol Highway Account Local Appropriation... \$8,000
 Puget Sound Ferry Operations Account State
 Appropriation \$1,548,000
 Highway Safety Account State Appropriation..... \$76,000

| | |
|---|-------------|
| State Route Number 520 Corridor Account State | |
| Appropriation | \$16,000 |
| Tacoma Narrows Toll Bridge Account State | |
| Appropriation | \$4,000 |
| Multimodal Transportation Account State | |
| Appropriation | \$10,000 |
| TOTAL APPROPRIATION | \$2,062,000 |

The appropriations in this section are subject to the following conditions and limitations:))

(1) Funding is provided for transit passes for state employees outside of higher education who work in King County, and who are not covered by a collective bargaining agreement. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this section shall lapse.

(2) Appropriations for state agencies are increased by the amounts specified in ((LEAP Transportation Document 713-2017F)) this act to fund the provisions of this section.

Sec. 509. 2017 3rd sp.s. c 1 s 735 (uncodified) is amended to read as follows:

TRANSPORTATION—COMPENSATION—REPRESENTED EMPLOYEES—INSURANCE BENEFITS
 ((Aeronautics Account State Appropriation \$3,000
 State Patrol Highway Account State Appropriation \$711,000
 State Patrol Highway Account Federal
 Appropriation \$38,000
 State Patrol Highway Account Private/Local
 Appropriation \$15,000
 Motorcycle Safety Education Account State
 Appropriation \$7,000
 State Wildlife Account State Appropriation..... \$4,000
 Highway Safety Account State Appropriation \$821,000
 Motor Vehicle Account State Appropriation..... \$2,955,000
 Puget Sound Ferry Operations Account State
 Appropriation \$1,872,000
 Ignition Interlock Device Revolving Account State
 Appropriation \$1,000
 State Route Number 520 Corridor Account State
 Appropriation \$20,000
 State Route Number 520 Civil Penalties Account State
 Appropriation \$4,000
 Department of Licensing Services Account State
 Appropriation \$18,000
 Multimodal Transportation Account State
 Appropriation \$18,000
 Tacoma Narrows Toll Bridge Account State
 Appropriation \$9,000
 I-405 Express Toll Lanes Operations Account State
 Appropriation \$8,000
 TOTAL APPROPRIATION \$6,504,000

The appropriations in this section are subject to the following conditions and limitations:))

Collective bargaining agreements were reached for the 2017-2019 fiscal biennium between the governor and the employee representatives under the provisions of chapters 41.80 and 41.56 RCW. Appropriations in this act for state agencies are sufficient to implement the provisions of the 2017-2019 collective bargaining agreements and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan must not exceed \$913 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly

employer funding rate must not exceed \$957 per eligible employee.

(b) Except as provided by the parties' health care agreement, in order to achieve the level of funding provided for health benefits, the public employees' benefits board must require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065. The board shall collect a twenty-five dollar per month surcharge payment from members who use tobacco products and a surcharge payment of not less than fifty dollars per month from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in another employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment. The surcharge payments shall be collected in addition to the member premium payment.

(c) The health care authority must deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts must not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, must provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2018 and 2019, the subsidy must be up to \$150.00 per month. The public employees' benefits board may not authorize under RCW 41.05.085, and the health care authority may not provide, a subsidy under this subsection of more than \$150.00 per month. Funds from reserves accumulated for future adverse claims experience, from past favorable claims experience, or otherwise, may not be used to increase this retiree subsidy beyond what is authorized by the legislature in this subsection.

(3) All savings resulting from reduced claim costs or other factors identified after June 1, 2017, must be reserved for funding employee health benefits in the 2019-2021 fiscal biennium.

(4) Appropriations for state agencies are increased by the amounts specified in ((LEAP Transportation Document 713—2017F)) this act to fund the provisions of this agreement.

Sec. 510. 2017 3rd sp.s. c 1 s 736 (uncodified) is amended to read as follows:

TRANSPORTATION—COMPENSATION—NONREPRESENTED EMPLOYEES—INSURANCE BENEFITS

| | |
|---|------------------------|
| (Aeronautics Account—State Appropriation..... | \$9,000 |
| State Patrol Highway Account State Appropriation | \$1,414,000 |
| State Patrol Highway Account Federal Appropriation | \$14,000 |
| Motorcycle Safety Education Account State Appropriation | \$2,000 |
| Rural Arterial Trust Account—State Appropriation | \$4,000 |
| State Wildlife Account—State Appropriation | \$1,000 |
| Highway Safety Account—State Appropriation..... | \$111,000 |
| Highway Safety Account—Federal Appropriation..... | \$20,000 |
| Motor Vehicle Account—State Appropriation | \$781,000 |
| Puget Sound Ferry Operations Account State Appropriation | \$68,000 |
| Transportation Improvement Account State Appropriation | \$12,000 |

| | |
|--|------------------------|
| State Route Number 520 Corridor Account State Appropriation..... | \$16,000 |
| County Arterial Preservation Account State Appropriation | \$4,000 |
| Department of Licensing Services Account State Appropriation..... | \$3,000 |
| Multimodal Transportation Account State Appropriation | \$45,000 |
| TOTAL APPROPRIATION | \$2,504,000 |

The appropriations in this section are subject to the following conditions and limitations:))

(1) Appropriations for state agencies in this act are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education, and are subject to the following conditions and limitations:

(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan must not exceed \$913 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate must not exceed \$957 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board must require any of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065. The board shall collect a twenty-five dollar per month surcharge payment from members who use tobacco products and a surcharge payment of not less than fifty dollars per month from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in another employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment. The surcharge payments shall be collected in addition to the member premium payment.

(c) The health care authority must deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts must not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, must provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2018 and 2019, the subsidy must be up to \$150.00 per month. The public employees' benefits board may not authorize under RCW 41.05.085, and the health care authority may not provide, a subsidy under this subsection of more than \$150.00 per month. Funds from reserves accumulated for future adverse claims experience, from past favorable claims experience, or otherwise, may not be used to increase this retiree subsidy beyond what is authorized by the legislature in this subsection.

(3) All savings resulting from reduced claim costs or other factors identified after June 1, 2017, must be reserved for funding employee health benefits in the 2019-2021 fiscal biennium.

(4) Appropriations for state agencies are increased by the amounts specified in ((LEAP Transportation Document 713—2017F)) this act to fund the provisions of this agreement.

IMPLEMENTING PROVISIONS

Sec. 601. 2017 c 313 s 601 (uncodified) is amended to read

FIFTY FOURTH DAY, MARCH 2, 2018

2018 REGULAR SESSION

as follows:

FUND TRANSFERS

(1) The 2005 transportation partnership projects or improvements and 2015 connecting Washington projects or improvements are listed in the LEAP Transportation Document ((2017-1)) 2018-1 as developed ((April 20, 2017)) February 18, 2018, which consists of a list of specific projects by fund source and amount over a sixteen-year period. Current fiscal biennium funding for each project is a line-item appropriation, while the outer year funding allocations represent a sixteen-year plan. The department of transportation is expected to use the flexibility provided in this section to assist in the delivery and completion of all transportation partnership account and connecting Washington account projects on the LEAP transportation document referenced in this subsection. For the 2017-2019 project appropriations, unless otherwise provided in this act, the director of the office of financial management may provide written authorization for a transfer of appropriation authority between projects funded with transportation partnership account appropriations or connecting Washington account appropriations to manage project spending and efficiently deliver all projects in the respective program under the following conditions and limitations:

(a) Transfers may only be made within each specific fund source referenced on the respective project list;

(b) Transfers from a project may not be made as a result of the reduction of the scope of a project or be made to support increases in the scope of a project;

(c) Transfers from a project may be made if the funds appropriated to the project are in excess of the amount needed in the current fiscal biennium;

(d) Transfers may not occur for projects not identified on the applicable project list;

(e) Transfers may not be made while the legislature is in session;

(f) Transfers to a project may not be made with funds designated as attributable to practical design savings as described in RCW 47.01.480;

(g) Each transfer between projects may only occur if the director of the office of financial management finds that any resulting change will not hinder the completion of the projects as approved by the legislature. Until the legislature reconvenes to consider the 2018 supplemental omnibus transportation appropriations act, any unexpended 2015-2017 appropriation balance as approved by the office of financial management, in consultation with the legislative staff of the house of representatives and senate transportation committees, may be considered when transferring funds between projects; and

(h) Transfers between projects may be made by the department of transportation without the formal written approval provided under this subsection (1), provided that the transfer amount does not exceed two hundred fifty thousand dollars or ten percent of the total project, whichever is less. These transfers must be reported quarterly to the director of the office of financial management and the chairs of the house of representatives and senate transportation committees.

(2) The department of transportation must submit quarterly all transfers authorized under this section in the transportation executive information system. The office of financial management must maintain a legislative baseline project list identified in the LEAP transportation documents referenced in this act, and update that project list with all authorized transfers under this section.

(3) At the time the department submits a request to transfer funds under this section, a copy of the request must be submitted

to the transportation committees of the legislature.

(4) Before approval, the office of financial management shall work with legislative staff of the house of representatives and senate transportation committees to review the requested transfers in a timely manner.

(5) No fewer than ten days after the receipt of a project transfer request, the director of the office of financial management must provide written notification to the department of any decision regarding project transfers, with copies submitted to the transportation committees of the legislature.

(6) The department must submit annually as part of its budget submittal a report detailing all transfers made pursuant to this section.

Sec. 602. 2017 c 313 s 606 (uncodified) is amended to read as follows:

(1) By November 15, 2017, and annually thereafter, the department of transportation must report on amounts expended to benefit transit, bicycle, or pedestrian elements within all connecting Washington projects in programs I, P, and Z identified in LEAP Transportation Document ((2017-2 ALL PROJECTS)) 2018-1 as developed ((April 20, 2017)) February 18, 2018. The report must address each modal category separately and identify if eighteenth amendment protected funds have been used and, if not, the source of funding.

(2) To facilitate the report in subsection (1) of this section, the department of transportation must require that all bids on connecting Washington projects include an estimate on the cost to implement any transit, bicycle, or pedestrian project elements.

MISCELLANEOUS 2017-2019 FISCAL BIENNIUM

Sec. 701. RCW 88.16.061 and 2008 c 128 s 17 are each amended to read as follows:

The account in the general fund designated in RCW 43.79.330(17) as the "Puget Sound pilotage account" is hereby redesignated as the "pilotage account".

The pilotage account is hereby redesignated as a nonappropriated account, and is therefore created in the custody of the state treasurer. All receipts designated, credited, or transferred to the pilotage account must be deposited into the account. Expenditures from the account may be used only for the purposes of the board of pilotage commissioners as prescribed under this chapter. Only the board or the board's designee may authorize expenditures from the account. During the 2017-2019 fiscal biennium, solely for the implementation of chapter . . . (Substitute House Bill No. 2983), Laws of 2018 (marine pilotage tariffs), the legislature may direct the state treasurer to make transfers of money from this account to the public service revolving account for the utilities and transportation commission's use in developing a marine pilotage tariff rate-setting process and in performing rate-setting activities. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. Sec. 702. 2017 c 288 s 5 (uncodified) is repealed.

MISCELLANEOUS

NEW SECTION. Sec. 801. 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.

NEW SECTION. Sec. 802. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public

institutions, and takes effect immediately."

Correct the title.

and the same is herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator King moved that the Senate refuse to concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 6106 and ask the House to recede therefrom.

Senator Liias spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator King that the Senate refuse to concur in the House amendment(s) to Engrossed Substitute Senate Bill No.

6106 and ask the House to recede therefrom.

The motion by Senator King carried and the Senate refused to concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 6106 and asked the House to recede therefrom by voice vote.

MOTION

At 6:29 p.m., on motion of Senator Liias, the Senate adjourned until 9:00 o'clock a.m. Saturday, March 3, 2018.

KAREN KEISER, President Pro Tempore of the Senate

BRAD HENDRICKSON, Secretary of the Senate

| | | | | |
|---------|-----------------------------------|---------|-----------------------------------|-----------------------------------|
| 1058 | Second Reading | 52 | Second Reading | 40 |
| | Third Reading Final Passage | 52 | Third Reading Final Passage | 42 |
| 1209-S | Other Action..... | 6 | 2143-S2 | Other Action..... |
| | Second Reading | 3, 5, 6 | | Second Reading |
| | Third Reading Final Passage | 6 | | Third Reading Final Passage |
| 1336 | Second Reading | 56 | 2177-S2 | Other Action..... |
| | Third Reading Final Passage | 56 | | Second Reading |
| 1482-S3 | Second Reading | 47 | | Third Reading Final Passage |
| | Third Reading Final Passage | 47 | 2257 | Second Reading |
| 1516-S2 | Second Reading | 21 | | Third Reading Final Passage |
| 1524-S | Other Action..... | 35 | 2261 | Other Action..... |
| | Second Reading | 34 | | Second Reading |
| | Third Reading Final Passage | 35 | | Third Reading Final Passage |
| 1558-S | Second Reading | 38 | 2276-S | Other Action..... |
| | Third Reading Final Passage | 38 | | Second Reading |
| 1561-S2 | Other Action..... | 20, 21 | | Third Reading Final Passage |
| | Second Reading | 19, 20 | 2285 | Second Reading |
| | Third Reading Final Passage | 22 | | Third Reading Final Passage |
| 1656-S | Second Reading | 38 | 2285-S | Other Action..... |
| | Third Reading Final Passage | 38 | | Second Reading |
| 1672 | Second Reading | 14 | 2307 | Second Reading |
| | Third Reading Final Passage | 14 | | Third Reading Final Passage |
| 1742 | Second Reading | 43 | 2313 | Second Reading |
| | Third Reading Final Passage | 44 | | Third Reading Final Passage |
| 1831-S2 | Second Reading | 10 | 2317-S | Second Reading |
| | Third Reading Final Passage | 10 | | Third Reading Final Passage |
| 1849 | Second Reading | 15 | 2322-S | Other Action..... |
| | Third Reading Final Passage | 15 | | Second Reading |
| 2009-S2 | Other Action..... | 32 | | Third Reading Final Passage |
| | Second Reading | 31 | 2356-S | Second Reading |
| | Third Reading Final Passage | 32 | | Third Reading Final Passage |
| 2015-S2 | Other Action..... | 42 | 2367-S | Second Reading |
| | | | | Third Reading Final Passage |

| | | | |
|-----------------------------------|--------|-----------------------------------|--------------------------------|
| Other Action..... | 13 | Third Reading Final Passage | 33 |
| Second Reading | 10 | 2777 | |
| Third Reading Final Passage | 14 | Other Action..... | 50 |
| 2424-S | | Second Reading | 47, 50 |
| Other Action..... | 39 | Third Reading Final Passage | 50 |
| Second Reading | 38 | 2785 | |
| Third Reading Final Passage | 39 | Second Reading | 43 |
| 2468 | | Third Reading Final Passage | 43 |
| Second Reading | 14 | 2822-S | |
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| Second Reading | 33 | Third Reading Final Passage | 58 |
| Third Reading Final Passage | 34 | 2858 | |
| 2515-S | | Second Reading | 36 |
| Second Reading | 46 | Third Reading Final Passage | 36 |
| Third Reading Final Passage | 46 | 2892 | |
| 2519 | | Other Action..... | 37 |
| Other Action..... | 55 | Second Reading | 37 |
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| 2561-S | | Other Action..... | 59, 60 |
| Other Action..... | 52 | Second Reading | 56, 57, 58, 59, 60, 61, 62, 64 |
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| Third Reading Final Passage | 52 | 2998-S | |
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| Third Reading Final Passage | 43 | 5028 | |
| 2667 | | Messages | 1 |
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| 2667-S | | Messages | 1 |
| Second Reading | 7 | 6109-S | |
| Third Reading Final Passage | 9 | Messages | 1 |
| 2671-S2 | | 6124-S | |
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| Third Reading Final Passage | 52 | 6125 | |
| 2696-S | | Messages | 1 |
| Second Reading | 33 | 6199-S | |
| Third Reading Final Passage | 33 | Messages | 1 |
| 2701-S | | 6210 | |
| Second Reading | 39 | Messages | 1 |
| Third Reading Final Passage | 39 | 6218 | |
| 2709 | | Messages | 1 |
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| Third Reading Final Passage | 51 | 6287 | |
| 2733 | | Messages | 1 |
| Other Action..... | 33 | 6367 | |
| Second Reading | 32 | Messages | 1 |

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 Messages 1

6408
 Messages 1

6414
 Messages 1

6438-S
 Messages 1

6453-S2
 Messages 1

6462
 Messages 1

8008
 Messages 1

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CHAPLAIN OF THE DAY
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 Chaplain of the Sumner and Bonney Lake

Police Departments 1

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FLAG BEARERS
 Eibert, Mr. Brandon 1
 Lechel, Miss Lillian 1

GUESTS
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