NINETY THIRD DAY

MORNING SESSION

Senate Chamber, Olympia
Tuesday, April 15, 2025

The Senate was called to order at 9:30 a.m. by the President of the Senate, Lt. Governor Heck presiding. The Secretary called the roll and announced to the President that all Senators were present.

The Sergeant at Arms Color Guard consisting of Pages Miss Yilin Zhang and Mr. Steven Katz, presented the Colors.

Page Miss Brooke Boyden led the Senate in the Pledge of Allegiance.

The prayer was offered by Reverend Pamela Brokaw of Montesano United Methodist Church.

MOTIONS

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

On motion of Senator Riccelli, 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.

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

MESSAGE FROM THE GOVERNOR
GUBERNATORIAL APPOINTMENTS

April 7, 2025

TO THE HONORABLE, THE SENATE OF THE STATE OF WASHINGTON
Ladies and Gentlemen:

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

LEE J. TYLER, appointed April 7, 2025, for the term ending December 26, 2028, as Member of the Board of Pilotage Commissioners.

Sincerely,
BOB FERGUSON, Governor

Referred to Committee on Transportation as Senate Gubernatorial Appointment No. 9238.

April 10, 2025

TO THE HONORABLE, THE SENATE OF THE STATE OF WASHINGTON
Ladies and Gentlemen:

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

K. C. GOLDEN, reappointed April 10, 2025, for the term ending January 15, 2028, as Member of the Northwest Power and Conservation Council.

Sincerely,
BOB FERGUSON, Governor

Referred to Committee on Environment, Energy & Technology as Senate Gubernatorial Appointment No. 9239.

April 10, 2025

TO THE HONORABLE, THE SENATE OF THE STATE OF WASHINGTON
Ladies and Gentlemen:

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

MONICA YU, reappointed July 1, 2025, for the term ending June 30, 2026, as Member of the Washington Student Achievement Council.

Sincerely,
BOB FERGUSON, Governor

Referred to Committee on Higher Education & Workforce Development as Senate Gubernatorial Appointment No. 9240.

MOTIONS

On motion of Senator Riccelli, all appointees listed on the Gubernatorial Appointments report were referred to the committees as designated.

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

MESSAGE FROM THE HOUSE

April 14, 2025

MR. PRESIDENT:
The House has passed:
SUBSTITUTE SENATE BILL NO. 5104,
SUBSTITUTE SENATE BILL NO. 5245,
ENGROSSED SECOND SUBSTITUTE
SENATE BILL NO. 5337,
SENATE BILL NO. 5473,
SENATE BILL NO. 5478,
SENATE BILL NO. 5485,
SENATE BILL NO. 5616,
and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

MOTION

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

INTRODUCTION AND FIRST READING

SB 5810 by Senators Gildon, and Torres

AN ACT Relating to fiscal matters; amending RCW 9.46.100, 18.04.105, 18.20.430, 18.43.150, 18.51.060, 18.85.061, 19.28.351, 28C.10.082, 34.12.130, 41.05.120, 41.50.075, 41.50.110, 43.09.282, 43.19.025, 43.24.150, 43.99N.060, 43.101.200, 43.101.220, 43.320.110, 43.330.250, 43.330.365, 50.16.010, 50.24.014, 51.44.190, 59.21.050, 67.70.044, 69.50.540, 70.79.350, 70.104.110, 70.128.160, 74.46.561, 74.46.581, 79.64.040, 28B.76.525, 38.40.200, 38.40.210, 38.40.220, 51.44.170, and 72.09.780; reenacting and amending RCW 43.155.050 and 79.64.110; amending 2023 c 475 ss 128, 912, 712, and 738 and 2024 c 376 ss 112, 113, 114, 116, 119, 120, 125, 127, 128, 129, 130, 131, 133, 139, 141, 142, 146, 150, 153, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 215, 218, 219, 220, 221, 222, 223, 225, 226, 227, 228, 229, 230, 302, 304, 307,

308, 309, 310, 311, 401, 402, 501, 504, 506, 507, 508, 509, 511, 512, 513, 515, 516, 517, 518, 519, 520, 523, 601, 602, 603, 604, 605, 606, 607, 609, 612, 702, 703, 704, 707, 713, 717, 801, 802, 803, and 804 (uncodified); reenacting 2023 c 475 s 915 (uncodified); creating new sections; making appropriations; providing expiration dates; and declaring an emergency.

Referred to Committee on Ways & Means.

MOTIONS

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

On motion of Senator Riccelli, the Senate advanced to the seventh order of business.

THIRD READING
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Robinson moved that Kelly A. Shepherd, Senate Gubernatorial Appointment No. 9020, be confirmed as a member of the Everett Community College Board of Trustees.

Senator Robinson spoke in favor of the motion.

MOTION

On motion of Senator Nobles, Senators Frame, Saldaña and Slatter were excused.

APPOINTMENT OF KELLY A. SHEPHERD

The President declared the question before the Senate to be the confirmation of Kelly A. Shepherd, Senate Gubernatorial Appointment No. 9020, as a member of the Everett Community College Board of Trustees.

The Secretary called the roll on the confirmation of Kelly A. Shepherd, Senate Gubernatorial Appointment No. 9020, as a member of the Everett Community College Board of Trustees and the appointment was confirmed by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 3.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senators Frame, Saldaña and Slatter

Kelly A. Shepherd, Senate Gubernatorial Appointment No. 9020, having received the constitutional majority was declared confirmed as a member of the Everett Community College Board of Trustees.

THIRD READING
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Liias moved that Yongmi E. Yim, Senate Gubernatorial Appointment No. 9177, be confirmed as a member of the State Board for Community and Technical Colleges.

Senator Liias spoke in favor of the motion.

APPOINTMENT OF YONGMI E. YIM

The President declared the question before the Senate to be the confirmation of Yongmi E. Yim, Senate Gubernatorial Appointment No. 9177, as a member of the State Board for Community and Technical Colleges.

The Secretary called the roll on the confirmation of Yongmi E. Yim, Senate Gubernatorial Appointment No. 9177, as a member of the State Board for Community and Technical Colleges and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

Yongmi E. Yim, Senate Gubernatorial Appointment No. 9177, having received the constitutional majority was declared confirmed as a member of the State Board for Community and Technical Colleges.

THIRD READING
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Pedersen moved that Margaret K. Walker, Senate Gubernatorial Appointment No. 9170, be confirmed as a member of the University of Washington Board of Regents.

Senator Pedersen spoke in favor of the motion.

MOTION

On motion of Senator Wagoner, Senator Fortunato was excused.

APPOINTMENT OF Margaret K. Walker

The President declared the question before the Senate to be the confirmation of Margaret K. Walker, Senate Gubernatorial Appointment No. 9170, as a member of the University of Washington Board of Regents.

The Secretary called the roll on the confirmation of Margaret K. Walker, Senate Gubernatorial Appointment No. 9170, as a member of the University of Washington Board of Regents and the appointment was confirmed by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick,

Wellman, Wilson, C. and Wilson, J.
Excused: Senators Fortunato and Slatter

Margaret K. Walker, Senate Gubernatorial Appointment No. 9170, having received the constitutional majority was declared confirmed as a member of the University of Washington Board of Regents.

THIRD READING
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Nobles moved that Edward E. Zuckerman, Senate Gubernatorial Appointment No. 9166, be confirmed as a member of The Evergreen College Board of Trustees.
Senator Nobles spoke in favor of the motion.

APPOINTMENT OF EDWARD E. ZUCKERMAN

The President declared the question before the Senate to be the confirmation of Edward E. Zuckerman, Senate Gubernatorial Appointment No. 9166, as a member of The Evergreen College Board of Trustees.

The Secretary called the roll on the confirmation of Edward E. Zuckerman, Senate Gubernatorial Appointment No. 9166, as a member of The Evergreen College Board of Trustees and the appointment was confirmed by the following vote: Yeas, 38; Nays, 9; Absent, 0; Excused, 2.
Voting yea: Senators Alvarado, Bateman, Braun, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Warnick, Wellman and Wilson, C.
Voting nay: Senators Boehnke, Christian, Dozier, McCune, Schoesler, Short, Torres, Wagoner and Wilson, J.
Excused: Senators Fortunato and Slatter

Edward E. Zuckerman, Senate Gubernatorial Appointment No. 9166, having received the constitutional majority was declared confirmed as a member of The Evergreen College Board of Trustees.

MOTION

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

SECOND READING

HOUSE BILL NO. 1573, by Representatives Parshley, Hunt, Doglio, and Reed

Revising the period in which the oath of office must be taken for elective offices of counties, cities, towns, and special purpose districts.

The measure was read the second time.

MOTION

Senator Krishnadasan moved that the following floor amendment no. 0404 by Senator Krishnadasan be adopted:

On page 2, beginning on line 12, after "RCW 29A.04.133" strike all material through "office" on line 18 and insert "((~~but~~)) and may be taken ((~~either:~~
~~(a) Up to ten days prior to the scheduled date of assuming office; or~~
~~(b) At the last regular meeting of the governing body of the applicable county, city, town, or special district held before the winner is to assume office~~)) between the date of the final certification of the election and the day before the term of office begins"

Senator Krishnadasan spoke in favor of adoption of the amendment.
The President declared the question before the Senate to be the adoption of floor amendment no. 0404 by Senator Krishnadasan on page 2, line 12 to House Bill No. 1573.
The motion by Senator Krishnadasan carried and floor amendment no. 0404 was adopted by voice vote.

MOTION

On motion of Senator Krishnadasan, the rules were suspended, House Bill No. 1573 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 Krishnadasan and Wilson, J. spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 1573 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1573 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 Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.
Excused: Senator Slatter

HOUSE BILL NO. 1573 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 SUBSTITUTE HOUSE BILL NO. 1596, by House Committee on Transportation (originally sponsored by Leavitt, Goodman, Ryu, and Berry)

Concerning accountability for persons for speeding.

The measure was read the second time.

WITHDRAWAL OF AMENDMENT

On motion of Senator MacEwen and without objection, floor amendment no. 0306 by Senator MacEwen on page 4, line 21 to

Engrossed Substitute House Bill No. 1596 was withdrawn.

MOTION

Senator MacEwen moved that the following floor amendment no. 0348 by Senator MacEwen be adopted:

On page 4, after line 21, insert the following:
"(c) All data collected under this act must be securely maintained by an intelligent speed assistance device company and may not be shared with any third parties, except for data pertaining to installation and removal of the device, without a court order."

Senator MacEwen spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0348 by Senator MacEwen on page 4, line 21 to Engrossed Substitute House Bill No. 1596.

The motion by Senator MacEwen carried and floor amendment no. 0348 was adopted by voice vote.

MOTION

Senator MacEwen moved that the following floor amendment no. 0307 by Senator MacEwen be adopted:

On page 5, after line 13, insert the following:
"NEW SECTION. **Sec. 7.** A new section is added to chapter 42.56 RCW to read as follows:
Any data collected by an intelligent speed assistance device as defined in section 3 of this act is exempt from disclosure under this chapter."

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

On page 1, line 4 of the title, after "46.04 RCW;" insert "adding a new section to chapter 42.56 RCW;"

Senators MacEwen and Ramos spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0307 by Senator MacEwen on page 5, line 13 to Engrossed Substitute House Bill No. 1596.

The motion by Senator MacEwen carried and floor amendment no. 0307 was adopted by voice vote.

MOTION

Senator Lovick moved that the following floor amendment no. 0340 by Senator Lovick be adopted:

On page 17, after line 5, insert the following:
"NEW SECTION. **Sec. 15.** This act may be known and cited as the BEAM act."

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

On page 1, beginning on line 6 of the title, after "creating" strike "a new section" and insert "new sections"

Senator Lovick spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0340 by Senator Lovick on page 17, line 5 to Engrossed Substitute House Bill No. 1596.

The motion by Senator Lovick carried and floor amendment no. 0340 was adopted by voice vote.

MOTION

Senator Ramos moved that the following floor amendment no. 0315 by Senator Liias be adopted:

On page 17, line 8, after "effect" strike "July 1, 2028" and insert "January 1, 2029"

Senator Ramos spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0315 by Senator Liias on page 17, line 8 to Engrossed Substitute House Bill No. 1596.

The motion by Senator Ramos carried and floor amendment no. 0315 was adopted by voice vote.

MOTION

On motion of Senator Ramos, the rules were suspended, Engrossed Substitute House Bill No. 1596 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 Lovick, King and MacEwen spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1596 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1596 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 40; Nays, 8; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wagoner, Wellman and Wilson, C.

Voting nay: Senators Dozier, Fortunato, McCune, Schoesler, Short, Torres, Warnick and Wilson, J.

Excused: Senator Slatter

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1596 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

SECOND SUBSTITUTE HOUSE BILL NO. 1788, by House Committee on Appropriations (originally sponsored by Richards, Bronoske, Berry, Wylie, Fosse, Taylor, Ormsby, Nance, Salahuddin, Pollet, and Obras)

Concerning workers' compensation benefits.

The measure was read the second time.

MOTION

Senator King moved that the following floor amendment no. 0397 by Senator King be adopted:

On page 4, after line 32, insert the following:

"NEW SECTION. **Sec. 3.** Within existing resources, the advisory committee established under RCW 51.04.110, with the assistance of the department of labor and industries, must:

(1) Review the time-loss wage replacement and benefits calculations; and

(2)(a) Determine methods and make recommendations to:

(i) Improve equity and accuracy in benefit payments;

(ii) Simplify the calculation of wages earned;

(iii) Reduce the type and number of records that must be provided; and

(iv) Ensure fairness and consistency; and

(b) Provide to the appropriate committees of the legislature by October 1, 2026, a report of any recommendations and proposed legislation, if any."

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

On page 1, line 2 of the title, after "creating" strike "a new section" and insert "new sections"

Senator King spoke in favor of adoption of the amendment.

WITHDRAWAL OF AMENDMENT

On motion of Senator King and without objection, floor amendment no. 0397 by Senator King on page 4, line 32 to Second Substitute House Bill No. 1788 was withdrawn.

MOTION

On motion of Senator Saldaña, the rules were suspended, Second Substitute House Bill No. 1788 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 declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1788.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1788 and the bill passed the Senate by the following vote: Yeas, 36; Nays, 12; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Braun, Chapman, Cleveland, Conway, Cortes, Dhingra, Fortunato, Frame, Gildon, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Christian, Dozier, Goehner, MacEwen, McCune, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Slatter

SECOND SUBSTITUTE HOUSE BILL NO. 1788, 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. 1293, by House Committee on Appropriations (originally sponsored by Klicker, Dye, Connors, Barkis, Eslick, Caldier, and Kloba)

Concerning litter.

The measure was read the second time.

MOTION

Senator Boehnke moved that the following committee striking amendment by the Committee on Environment, Energy & Technology be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that plastic bags are one of the most commonly found items that litter state roads, beaches, and other public spaces. Encouraging the adoption of alternatives to plastic bags, such as reusable carryout bags, reduces plastic waste that routinely lines our roadways and pollutes our environment. While thicker plastic bags may be more durable and reusable, research has demonstrated that customers still use these as single-use bags. Thicker plastic bags will lead to additional plastic waste and have a negative impact on litter in the environment.

Therefore, the legislature intends to prevent increased litter, including plastic bag litter, by enhancing penalties for littering to deter such behavior and delaying requirements relating to increasing the thickness of reusable plastic bags.

Sec. 2. RCW 70A.200.060 and 2024 c 231 s 2 are each amended to read as follows:

(1) It is a violation of this section to:

(a) Abandon a junk vehicle upon any property;

(b) Throw, drop, deposit, discard, or otherwise dispose of litter upon any public property in the state or upon private property in this state not owned by him or her or in the waters of this state whether from a vehicle or otherwise including but not limited to any public highway, public park, beach, campground, forestland, recreational area, trailer park, highway, road, street, or alley except:

(i) When the property is designated by the state or its agencies or political subdivisions for the disposal of garbage and refuse, and the person is authorized to use such property for that purpose;

(ii) Into a litter receptacle in a manner that will prevent litter from being carried away or deposited by the elements upon any part of the private or public property or waters.

(2)(a) Except as provided in subsection (5) of this section, it is a class ((~~3~~)) 2 civil infraction as provided in RCW 7.80.120 for a person to litter in an amount less than or equal to one cubic foot. This penalty is in addition to any penalty imposed for a violation of RCW 46.61.645(1).

(b) It is a misdemeanor for a person to litter in an amount greater than one cubic foot but less than 10 cubic yards. A violation of this subsection may alternatively be punished with a notice of a natural resource infraction under chapter 7.84 RCW.

(c) It is a gross misdemeanor for a person to litter more than 10 cubic yards.

(d)(i) A person found liable or guilty under this section shall, in addition to the penalties provided for misdemeanors, gross misdemeanors, or for natural resource infractions as provided in RCW 7.84.100, also pay a litter clean-up restitution payment equal to four times the actual cost of cleanup for natural resource infractions and misdemeanors and two times the actual cost of cleanup for gross misdemeanors. The court shall distribute an amount of the litter clean-up restitution payment that equals the actual cost of cleanup to the landowner where the littering incident occurred and the remainder of the restitution payment to the law enforcement agency investigating the incident.

(ii) The court may, in addition to or in lieu of part or all of the cleanup restitution payment, order the person to pick up and remove litter from the property, with prior permission of the legal owner or, in the case of public property, of the agency managing the property.

(iii) The court may suspend or modify the litter cleanup restitution payment for a first-time offender under this section, if the person cleans up and properly disposes of the litter.

(3) If a junk vehicle is abandoned in violation of this section, RCW 46.55.230 governs the vehicle's removal, disposal, and sale, and the penalties that may be imposed against the person who abandoned the vehicle.

(4) If the violation occurs in a state park, the court shall, in addition to any other penalties assessed, order the person to perform 24 hours of community restitution in the state park where the violation occurred if the state park has stated an intent to participate as provided in RCW 79A.05.050.

(5) It is a class 1 civil infraction as provided in RCW 7.80.120 for a person to discard, in violation of this section, potentially dangerous litter in any amount.

Sec. 3. RCW 70A.530.020 and 2021 c 65 s 78, 2021 c 65 s 77, and 2021 c 33 s 2 are each reenacted and amended to read as follows:

(1) Beginning January 1, 2021, except as provided in this section and RCW 70A.530.030, a retail establishment may not provide to a customer or a person at an event:

(a) A single-use plastic carryout bag;

(b) A paper carryout bag that does not meet the requirements of subsection (6)(a) of this section or a reusable carryout bag made of film plastic that does not meet recycled content requirements; or

(c) Beginning January 1, ((~~2026~~)) 2028, a reusable carryout bag made of film plastic with a thickness of less than four mils((~~, in the event that the 2025 legislature does not amend this section to reflect the recommendations to the legislature made consistent with RCW 70A.530.060~~)).

(2)(a) A retail establishment may provide a reusable carryout bag or a compliant paper carryout bag of any size to a customer at the point of sale. A retail establishment may make reusable carryout bags available to customers through sale.

(b)(i) Until December 31, ((~~2025~~)) 2027, a retail establishment must collect a pass-through charge of eight cents for every compliant paper carryout bag with a manufacturer's stated capacity of one-eighth barrel (eight hundred eighty-two cubic inches) or greater or reusable carryout bag made of film plastic it provides, except as provided in subsection (5) of this section and RCW 70A.530.030.

(ii) Beginning January 1, ((~~2026~~)) 2028, a retail establishment must collect a pass-through charge of twelve cents for reusable carryout bags made of film plastic and eight cents for compliant paper carryout bags((~~, in the event that the 2025 legislature does not amend this section to reflect the recommendations to the legislature made consistent with RCW 70A.530.060. It is the intent of the legislature for the 2025 legislature to reassess the amount of the pass-through charge authorized under this subsection (2)(b), taking into consideration the content of the report to the legislature under RCW 70A.530.060~~)).

(c) A retail establishment must keep all revenue from pass-through charges. The pass-through charge is a taxable retail sale. A retail establishment must show all pass-through charges on a receipt provided to the customer.

(3) Carryout bags provided by a retail establishment do not include:

(a) Bags used by consumers inside stores to:

(i) Package bulk items, such as fruit, vegetables, nuts, grains, candy, greeting cards, or small hardware items such as nails, bolts, or screws;

(ii) Contain or wrap items where dampness or sanitation might be a problem including, but not limited to:

(A) Frozen foods;

(B) Meat;

(C) Fish;

(D) Flowers; and

(E) Potted plants;

(iii) Contain unwrapped prepared foods or bakery goods;

(iv) Contain prescription drugs; or

(v) Protect a purchased item from damaging or contaminating other purchased items when placed in a compliant paper carryout bag or reusable carryout bag; or

(b) Newspaper bags, mailing pouches, sealed envelopes, door hanger bags, laundry/dry cleaning bags, or bags sold in packages containing multiple bags for uses such as food storage, garbage, or pet waste.

(4)(a) Any compostable film bag that a retail establishment provides to customers for products, including for products bagged in stores prior to checkout, must meet the requirements for compostable products and film bags in chapter 70A.455 RCW.

(b) A retail establishment may not use or provide polyethylene or other noncompostable plastic bags for bagging of customer products in stores, as carryout bags, or for home delivery that do not meet the requirements for noncompostable products and film bags in chapter 70A.455 RCW.

(5) Except as provided by local regulations enacted as of April 1, 2020, a retail establishment may provide a bag restricted under subsection (1) of this section from existing inventory until one year after June 11, 2020. The retail establishment, upon request by the department, must provide purchase invoices, distribution receipts, or other information documenting that the bag was acquired prior to June 11, 2020.

(6) For the purposes of this section:

(a) A compliant paper carryout bag must:

(i) Contain a minimum of forty percent postconsumer recycled materials, a minimum of 40 percent nonwood renewable fiber, or a combination of postconsumer recycled materials and nonwood renewable fiber that totals at least 40 percent;

(ii) Be capable of composting, consistent with the timeline and specifications of the entire American society of testing materials D6868 and associated test methods that must be met, as it existed as of January 1, 2020; and

(iii) Display in print on the exterior of the paper bag the minimum percentage of postconsumer content, wheat straw fiber content, or both.

(b) A reusable carryout bag must:

(i) Have a minimum lifetime of one hundred twenty-five uses, which for purposes of this subsection means the capacity to carry a minimum of twenty-two pounds one hundred twenty-five times over a distance of at least one hundred seventy-five feet;

(ii) Be machine washable or made from a durable material that may be cleaned or disinfected; and

(iii) If made of film plastic:

(A) Be made from a minimum of twenty percent postconsumer recycled content until July 1, 2022, and thereafter must be made from a minimum of forty percent postconsumer recycled content;

(B) Display in print on the exterior of the plastic bag the minimum percentage of postconsumer recycled content, the mil thickness, and that the bag is reusable; and

(C) Have a minimum thickness of no less than 2.25 mils until December 31, ((~~2025~~)) 2027, and beginning January 1, ((~~2026~~)) 2028, must have a minimum thickness of four mils.

(c) Except for the purposes of subsection (4) of this section, food banks and other food assistance programs are not retail establishments, but are encouraged to take actions to reduce the

use of single-use plastic carryout bags."

On page 1, line 1 of the title, after "litter;" strike the remainder of the title and insert "amending RCW 70A.200.060; reenacting and amending RCW 70A.530.020; creating a new section; and prescribing penalties."

Senators Boehnke and Shewmake spoke in favor of adoption of the committee striking amendment.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Environment, Energy & Technology to Engrossed Substitute House Bill No. 1293.

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

MOTION

On motion of Senator Boehnke, the rules were suspended, Engrossed Substitute House Bill No. 1293 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 Boehnke and Ramos spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1293 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1293 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 46; Nays, 2; Absent, 0; Excused, 1.

Voting yea: Senators Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Voting nay: Senators Alvarado and Lovelett

Excused: Senator Slatter

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1293 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. 1494, by Representatives Ramel, Donaghy, Nance, Walen, Duerr, Reed, Parshley, and Salahuddin

Concerning the property tax exemptions for new and rehabilitated multiple-unit dwellings in urban centers.

The measure was read the second time.

MOTION

On motion of Senator Stanford, the rules were suspended, House Bill No. 1494 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Stanford spoke in favor of passage of the bill.

Senator Gildon spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 1494.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1494 and the bill passed the Senate by the following vote: Yeas, 30; Nays, 18; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Harris, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wagoner, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Hasegawa, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Warnick and Wilson, J.

Excused: Senator Slatter

HOUSE BILL NO. 1494, 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. 1389, by Representatives Bernbaum, Orcutt, Springer, Dent, Schmick, Parshley, Richards, Simmons, Reed, and Tharinger

Extending the expiration date for reporting requirements on timber purchases.

The measure was read the second time.

MOTION

On motion of Senator Stanford, the rules were suspended, House Bill No. 1389 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Stanford and Gildon spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 1389.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1389 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

HOUSE BILL NO. 1389, 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. 1514, by House Committee on Appropriations (originally sponsored by Ramel, Berry, Doglio, Hunt, Reed, and Parshley)

Encouraging the deployment of low carbon thermal energy networks.

The measure was read the second time.

MOTION

Senator Shewmake moved that the following committee striking amendment by the Committee on Environment, Energy & Technology be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 80.04.010 and 2024 c 348 s 1 are each amended to read as follows:

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

(1) "Automatic location identification" means a system by which information about a caller's location, including the seven-digit number or ten-digit number used to place a 911 call or a different seven-digit number or ten-digit number to which a return call can be made from the public switched network, is forwarded to a public safety answering point for display.

(2) "Automatic number identification" means a system that allows for the automatic display of the seven-digit or ten-digit number used to place a 911 call.

(3) "Battery charging facility" includes a "battery charging station" and a "rapid charging station" as defined in RCW 82.08.816.

(4) "Cogeneration facility" means any machinery, equipment, structure, process, or property, or any part thereof, installed or acquired for the primary purpose of the sequential generation of electrical or mechanical power and useful heat from the same primary energy source or fuel.

(5) "Commission" means the utilities and transportation commission.

(6) "Commissioner" means one of the members of such commission.

(7) "Competitive telecommunications company" means a telecommunications company which has been classified as such by the commission pursuant to RCW 80.36.320.

(8) "Competitive telecommunications service" means a service which has been classified as such by the commission pursuant to RCW 80.36.330.

(9) "Corporation" includes a corporation, company, association or joint stock association.

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

(11) "Electric plant" includes all real estate, fixtures and personal property operated, owned, used or to be used for or in connection with or to facilitate the generation, transmission, distribution, sale or furnishing of electricity for light, heat, or power for hire; and any conduits, ducts or other devices, materials, apparatus or property for containing, holding or carrying conductors used or to be used for the transmission of electricity for light, heat or power.

(12)(a) "Electrical company" includes any corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever (other than a railroad or street railroad company generating electricity solely for railroad or street railroad purposes or for the use of its tenants and not for sale to others), and every city or town owning, operating or managing any electric plant for hire within this state. An electrical company may own, operate, or manage any thermal energy network within this state.

(b) "Electrical company" does not include a company or person employing a cogeneration facility solely for the generation of electricity for its own use or the use of its tenants or for sale to an electrical company, state or local public agency, municipal corporation, or quasi municipal corporation engaged in the sale or distribution of electrical energy, but not for sale to others, unless such company or person is otherwise an electrical company.

(13) "Facilities" means lines, conduits, ducts, poles, wires, cables, cross-arms, receivers, transmitters, instruments, machines, appliances, instrumentalities and all devices, real estate, easements, apparatus, property and routes used, operated, owned or controlled by any telecommunications company to facilitate the provision of telecommunications service.

(14) "Gas company" includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receiver appointed by any court whatsoever, and every city or town, owning, controlling, operating or managing any gas plant within this state. A gas company may own, control, operate, or manage any thermal energy network within this state.

(15) "Gas plant" includes all real estate, fixtures and personal property, owned, leased, controlled, used or to be used for or in connection with the transmission, distribution, sale or furnishing of natural gas, or the manufacture, transmission, distribution, sale or furnishing of other type gas, for light, heat or power.

(16) "LATA" means a local access transport area as defined by the commission in conformance with applicable federal law.

(17) "Local exchange company" means a telecommunications company providing local exchange telecommunications service.

(18) "Noncompetitive telecommunications service" means any service which has not been classified as competitive by the commission.

(19) "Person" includes an individual, a firm or partnership.

(20) "Private shared telecommunications services" includes the provision of telecommunications and information management services and equipment within a user group located in discrete private premises in building complexes, campuses, or high-rise buildings, by a commercial shared services provider or by a user association, through privately owned customer premises equipment and associated data processing and information management services and includes the provision of connections to the facilities of a local exchange and to interexchange telecommunications companies.

(21) "Private switch automatic location identification service" means a service that enables automatic location identification to be provided to a public safety answering point for 911 calls originating from station lines served by a private switch system.

(22)(a) "Private telecommunications system" means a telecommunications system controlled by a person or entity for the sole and exclusive use of such person, entity, or affiliate thereof, including the provision of private shared telecommunications services by such person or entity.

(b) "Private telecommunications system" does not include a system offered for hire, sale, or resale to the general public.

(23) "Public service company" includes every gas company, electrical company, telecommunications company, wastewater company, and water company. Ownership or operation of a cogeneration facility does not, by itself, make a company or

person a public service company.

(24) "Radio communications service company" includes every corporation, company, association, joint stock association, partnership, and person, their lessees, trustees, or receivers appointed by any court, and every city or town making available facilities to provide radio communications service, radio paging, or cellular communications service for hire, sale, or resale.

(25) "Service" is used in this title in its broadest and most inclusive sense.

(26) "System of sewerage" means collection, treatment, and disposal facilities and services for sewerage, or storm or surface water runoff.

(27) "Telecommunications" is the transmission of information by wire, radio, optical cable, electromagnetic, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols.

(28) "Telecommunications company" includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, and every city or town owning, operating or managing any facilities used to provide telecommunications for hire, sale, or resale to the general public within this state.

(29) "Thermal energy" means piped noncombustible fluids used for transferring heat into and out of buildings for the purpose of either: (a) Eliminating any resultant on-site greenhouse gas emissions of all types of heating and cooling processes including, but not limited to, comfort heating and cooling, domestic hot water, and refrigeration; (b) improving energy efficiency; or (c) both (a) and (b) of this subsection.

(30)(a) "Thermal energy company" means any private person, company, association, partnership, joint venture, or corporation engaged in or proposing to engage in thermal energy services, and may additionally engage in developing and producing thermal energy.

(b) A thermal energy company does not include any gas company, electrical company, or public utility district that owns, controls, operates, or manages a thermal energy network.

(c) A thermal energy company does not include a homeowners' association providing service to units solely within its own buildings.

(d) A thermal energy company does not include a company that develops, produces, or provides thermal energy independently from the company involved in the thermal energy distribution system.

(31) "Thermal energy network" means all real estate, fixtures, and personal property operated, owned, used, or to be used for or in connection with or to facilitate a utility-scale distribution infrastructure project that supplies thermal energy. A thermal energy network may not rely on combustion to create thermal energy, except for emergency backup purposes.

(((~~(31)~~))) (32) "Thermal energy services" means transmitting, distributing, delivering, furnishing, or selling to or for the public thermal energy from a thermal energy system for any beneficial use other than electricity generation and includes such ancillary services as energy audits, metering, billing, maintenance, and repairs related to thermal energy.

(33) "Thermal energy system" means any system that provides thermal energy for space heating, space cooling, or process uses from a central plant, distributed plant, or combined heat and power facility, and that distributes the thermal energy to two or more buildings through a network of pipes. A thermal energy system includes, but is not limited to, a thermal energy network.

(34)(a) "Wastewater company" means a corporation, company, association, joint stock association, partnership and person, their lessees, trustees, or receivers that owns or proposes to develop and own a system of sewerage that is designed for a peak flow of 27,000 to 100,000 gallons per day if treatment is by a large on-site sewerage system, or to serve one hundred or more customers.

(b) For purposes of commission jurisdiction, wastewater company does not include: (i) Municipal, county, or other publicly owned systems of sewerage; or (ii) wastewater company service to customers outside of an urban growth area as defined in RCW 36.70A.030.

(((~~(32)~~))) (35)(a) "Water company" includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, and every city or town owning, controlling, operating, or managing any water system for hire within this state.

(b) For purposes of commission jurisdiction, "water company" does not include any water system serving less than 100 customers where the average annual gross revenue per customer does not exceed $300 per year, which revenue figure may be increased annually by the commission by rule adopted pursuant to chapter 34.05 RCW to reflect the rate of inflation as determined by the implicit price deflator of the United States department of commerce. The measurement of customers or revenues must include all portions of water companies having common ownership or control, regardless of location or corporate designation.

(c) "Control" is defined by the commission by rule and does not include management by a satellite agency as defined in chapter 70A.100 RCW if the satellite agency is not an owner of the water company.

(d) "Water company" also includes, for auditing purposes only, nonmunicipal water systems which are referred to the commission pursuant to an administrative order from the department, or the city or county as provided in RCW 80.04.110.

(e) Water companies exempt from commission regulation are subject to the provisions of chapter 19.86 RCW. A water company cannot be removed from regulation except with the approval of the commission. Water companies subject to regulation may petition the commission for removal from regulation if the number of customers falls below 100 or the average annual revenue per customer falls below $300. The commission is authorized to maintain continued regulation if it finds that the public interest so requires.

(((~~(33)~~))) (36) "Water system" includes all real estate, easements, fixtures, personal property, dams, dikes, head gates, weirs, canals, reservoirs, flumes or other structures or appliances operated, owned, used or to be used for or in connection with or to facilitate the supply, storage, distribution, sale, furnishing, diversion, carriage, apportionment or measurement of water for power, irrigation, reclamation, manufacturing, municipal, domestic or other beneficial uses for hire.

Sec. 2. RCW 80.04.550 and 2015 3rd sp.s. c 19 s 12 are each amended to read as follows:

(1) It is the intent of the legislature to exempt from commission regulation ((~~thermal energy services provided by~~)) thermal energy companies in operation or under development before July 1, 2025, and combined heat and power facilities that are not otherwise regulated under this title. Nothing in this section shall prevent the commission from issuing or enforcing any order affecting combined heat and power facilities owned or operated by an electrical company that are subsidized by a regulated service.

(2) Nothing in this title shall authorize the commission to make or enforce any order affecting rates, tolls, rentals, contracts or charges for service rendered, or the adequacy or sufficiency of the

facilities, equipment, instrumentalities, or buildings, or the reasonableness of rules or regulations made, furnished, used, supplied, or in force affecting any ((~~thermal energy system owned and operated by any thermal energy company or by a combined heat and power facility engaged in thermal energy services.~~

~~(3) For the purposes of this section:~~

~~(a) "Thermal energy company" means any private person, company, association, partnership, joint venture, or corporation engaged in or proposing to engage in developing, producing, transmitting, distributing, delivering, furnishing, or selling to or for the public thermal energy services for any beneficial use other than electricity generation;~~

~~(b) "Thermal energy system" means any system that provides thermal energy for space heating, space cooling, or process uses from a central plant or combined heat and power facility, and that distributes the thermal energy to two or more buildings through a network of pipes;~~

~~(c) "Thermal energy" means heat or cold in the form of steam, heated or chilled water, or any other heated or chilled fluid or gaseous medium; and~~

~~(d) "Thermal energy services" means the provision of thermal energy from a thermal energy system and includes such ancillary services as energy audits, metering, billing, maintenance, and repairs related to thermal energy~~)):

(a) Thermal energy company operating a thermal energy system that has less than five independent customers and less than 250 residential end users, unless the thermal energy company chooses to opt-in to commission regulation by providing the commission with a request to opt-in to regulation in writing.

(i) For the purposes of this section, "independent customer" means a unique direct customer receiving thermal energy for one or more buildings through one or more metered services.

(ii) For the purposes of this section, "residential end user" means a household in a dwelling unit that is not a direct customer of a thermal energy company but is located within a residential multifamily building or residential portion of a mixed-use building served by a thermal energy company.

(iii) If a thermal energy company's exempted thermal energy system grows to have five or more independent customers and 250 or more residential end users, the thermal energy company must submit the thermal energy system to the commission in a general rate case filing no later than 12 months after surpassing the exemption threshold so the commission can set the rates and charges of the thermal energy company;

(b) Thermal energy company owning and operating any thermal energy system in operation before July 1, 2025, unless the thermal energy company chooses to opt-in to commission regulation by providing the commission with a request to opt-in to regulation in writing;

(c) A combined heat and power facility engaged in thermal energy services, unless such a facility chooses to opt-in to commission regulation by providing the commission with a request to opt-in to regulation in writing.

(3) A thermal energy company that chooses to opt-in to commission regulation must remain under commission regulation and cannot subsequently opt-out of commission regulation.

(4) A thermal energy company that owns a thermal energy system that is under development but has not commenced operation as of July 1, 2025, is not subject to commission regulation if the thermal energy company notifies the commission in writing of the company's plans to operate the thermal energy system.

(5) The legislature finds that gas companies maintain their priority for developing thermal energy network pilot projects as provided in RCW 80.28.460.

Sec. 3. RCW 80.28.005 and 1994 c 268 s 1 are each amended to read as follows:

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

(1) "Bondable conservation investment" means all expenditures made by electrical, gas, or water companies with respect to energy or water conservation measures and services intended to improve the efficiency of electricity, gas, or water end use, including related carrying costs if:

(a) The conservation measures and services do not produce assets that would be bondable utility property under the general utility mortgage of the electrical, gas, or water company;

(b) The commission has determined that the expenditures were incurred in conformance with the terms and conditions of a conservation service tariff in effect with the commission at the time the costs were incurred, and at the time of such determination the commission finds that the company has proven that the costs were prudent, that the terms and conditions of the financing are reasonable, and that financing under this chapter is more favorable to the customer than other reasonably available alternatives;

(c) The commission has approved inclusion of the expenditures in rate base and has not ordered that they be currently expensed; and

(d) The commission has not required that the measures demonstrate that energy savings have persisted at a certain level for a certain period before approving the cost of these investments as bondable conservation investment.

(2) "Conservation bonds" means bonds, notes, certificates of beneficial interests in trusts, or other evidences of indebtedness or ownership that:

(a) The commission determines at or before the time of issuance are issued to finance or refinance bondable conservation investment by an electrical, gas or water company; and

(b) Rely partly or wholly for repayment on conservation investment assets and revenues arising with respect thereto.

(3) "Conservation investment assets" means the statutory right of an electrical, gas, or water company:

(a) To have included in rate base all of its bondable conservation investment and related carrying costs; and

(b) To receive through rates revenues sufficient to recover the bondable conservation investment and the costs of equity and debt capital associated with it, including, without limitation, the payment of principal, premium, if any, and interest on conservation bonds.

(4) "Finance subsidiary" means any corporation, company, association, joint stock association, or trust that is beneficially owned, directly or indirectly, by an electrical, gas, or water company, or in the case of a trust issuing conservation bonds consisting of beneficial interests, for which an electrical, gas, or water company or a subsidiary thereof is the grantor, or an unaffiliated entity formed for the purpose of financing or refinancing approved conservation investment, and that acquires conservation investment assets directly or indirectly from such company in a transaction approved by the commission.

(5) "Thermal energy" has the same definition as in RCW 80.04.010.

(6) "Thermal energy company" has the same definition as in RCW 80.04.010.

(7) "Thermal energy network" has the same definition as in RCW 80.04.010.

(8) "Thermal energy services" has the same definition as in RCW 80.04.010.

(9) "Thermal energy system" has the same definition as in RCW 80.04.010.

Sec. 4. RCW 80.28.010 and 2023 c 105 s 6 are each amended to read as follows:

(1) All charges made, demanded or received by any gas company, electrical company, wastewater company, ((~~or~~)) water company, or thermal energy company for gas, electricity ((~~or~~)), water, or thermal energy, or for any service rendered or to be rendered in connection therewith, shall be just, fair, reasonable and sufficient. Reasonable charges necessary to cover the cost of administering the collection of voluntary donations for the purposes of supporting the development and implementation of evergreen community management plans and ordinances under RCW 80.28.300 must be deemed as prudent and necessary for the operation of a utility.

(2) Every gas company, electrical company, wastewater company, ((~~and~~)) water company, and thermal energy company shall furnish and supply such service, instrumentalities and facilities as shall be safe, adequate and efficient, and in all respects just and reasonable.

(3) All rules and regulations issued by any gas company, electrical company, wastewater company, ((~~or~~)) water company, or thermal energy company, affecting or pertaining to the sale or distribution of its product or service, must be just and reasonable.

(4) Utility service for residential space heating shall not be terminated between November 15 through March 15 if the customer:

(a) Notifies the utility of the inability to pay the bill. This notice should be provided within five business days of receiving a payment overdue notice unless there are extenuating circumstances. If the customer fails to notify the utility within five business days and service is terminated, the customer can, by fulfilling the requirements of this section, receive the protections of this chapter;

(b) Provides self-certification of household income for the prior twelve months to a grantee of the department of commerce, which administers federally funded energy assistance programs. The grantee shall determine that the household income does not exceed the maximum allowed for eligibility under the state's plan for low-income energy assistance under 42 U.S.C. 8624 and shall provide a dollar figure that is seven percent of household income. The grantee may verify information provided in the self-certification;

(c) Has applied for home heating assistance from applicable government and private sector organizations and certifies that any assistance received will be applied to the current bill and future utility bills;

(d) Has applied for low-income weatherization assistance to the utility or other appropriate agency if such assistance is available for the dwelling;

(e) Agrees to a payment plan and agrees to maintain the payment plan. The plan will be designed both to pay the past due bill by the following October 15th and to pay for continued utility service. If the past due bill is not paid by the following October 15, the customer is not eligible for protections under this chapter until the past due bill is paid. The plan may not require monthly payments in excess of seven percent of the customer's monthly income plus one-twelfth of any arrearage accrued from the date application is made and thereafter during November 15 through March 15. A customer may agree to pay a higher percentage during this period, but shall not be in default unless payment during this period is less than seven percent of monthly income plus one-twelfth of any arrearage accrued from the date application is made and thereafter. If assistance payments are received by the customer subsequent to implementation of the plan, the customer shall contact the utility to reformulate the plan; and

(f) Agrees to pay the moneys owed even if the customer moves.

(5) The utility shall:

(a) Include in any notice that an account is delinquent and that service may be subject to termination, a description of the customer's duties in this section;

(b) Assist the customer in fulfilling the requirements under this section;

(c) Be authorized to transfer an account to a new residence when a customer who has established a plan under this section moves from one residence to another within the same utility service area;

(d) Be permitted to disconnect service if the customer fails to honor the payment program except on the days indicated in subsection (8) of this section. Utilities may continue to disconnect service for those practices authorized by law other than for nonpayment as provided for in this subsection. Customers who qualify for payment plans under this section who default on their payment plans and are disconnected can be reconnected and maintain the protections afforded under this chapter by paying all amounts that would have been due and owing under the terms of the applicable payment plan, absent default, on the date on which service is reconnected; and

(e) Advise the customer in writing at the time it disconnects service that it will restore service if the customer contacts the utility and fulfills the other requirements of this section.

(6) A payment plan implemented under this section is consistent with RCW 80.28.080.

(7) Every gas company ((~~and~~)), electrical company, and thermal energy company shall offer residential customers the option of a budget billing or equal payment plan. The budget billing or equal payment plan shall be offered low-income customers eligible under the state's plan for low-income energy assistance prepared in accordance with 42 U.S.C. 8624(C)(1) without limiting availability to certain months of the year, without regard to the length of time the customer has occupied the premises, and without regard to whether the customer is the tenant or owner of the premises occupied.

(8)(a) Every electrical company ((~~and~~)), water company, and thermal energy company must have and must abide by the terms of a tariff approved by the commission that prohibits the electrical company ((~~or~~)), water company, or thermal energy company from effecting, due to lack of payment, an involuntary termination of electric ((~~or~~)), water, or thermal energy utility service to any residential user, including tenants of metered apartment buildings and residents of mobile homes, on any day for which the national weather service has issued or has announced that it intends to issue a heat-related alert, such as an excessive heat warning, a heat advisory, an excessive heat watch, or a similar alert, for the area in which the residential user's address is located.

(b) Nothing in this subsection (8) limits the authority of the commission to prohibit an electrical company ((~~or~~)), water company, or thermal energy company from terminating electric ((~~or~~)), water, or thermal energy utility service in accordance with an approved tariff, rule, or order, in circumstances independent of the weather.

(9)(a) A residential user at whose dwelling electric ((~~or~~)), water, or thermal energy utility service has been disconnected for lack of payment may request that the utility reconnect service on any day for which the national weather service has issued or has announced that it intends to issue a heat-related alert, such as an excessive heat warning, a heat advisory, an excessive heat watch, or a similar alert, for the area in which the residential user's address is located. The utility shall, through a process approved by the commission, inform all customers in the notice of disconnection of the ability to seek reconnection and provide clear and specific information on how to make that request, including how to contact the utility.

(b) Upon receipt of a request made pursuant to (a) of this subsection, the utility shall promptly make a reasonable attempt to reconnect service to the dwelling. The utility, in connection with a request made pursuant to (a) of this subsection, may require the residential user to enter into a payment plan prior to reconnecting service to the dwelling. If the utility requires the residential user to enter into a repayment plan, the repayment plan must comply with subsection (10) of this section.

(10) A repayment plan required by a utility pursuant to subsection (9)(b) of this section will be designed both to pay the past due bill by the following May 15th, or as soon as possible after May 15th if needed to maintain monthly payments that are no greater than six percent of the customer's monthly income, and to pay for continued utility service. The plan may not require monthly payments in excess of six percent of the customer's monthly income. A customer may agree to pay a higher percentage during this period, but will not be in default unless payment during this period is less than six percent of the customer's monthly income. If assistance payments are received by the customer subsequent to implementation of the plan, the customer shall contact the utility to reformulate the plan.

(11) Every gas company, electrical company, wastewater company, ((~~and~~)) water company, and thermal energy company shall construct and maintain such facilities in connection with the manufacture and distribution of its product, or provision of its services, as will be efficient and safe to its employees and the public.

(12) An agreement between the customer and the utility, whether oral or written, does not waive the protections afforded under this chapter.

(13) In establishing rates or charges for water service, water companies as defined in RCW 80.04.010 may consider the achievement of water conservation goals and the discouragement of wasteful water use practices.

(14) On an annual basis, each utility must submit a report to the commission that includes the total number of electric ((~~or~~)), water, or thermal energy disconnections that occurred on each day for which the national weather service issued, or announced that it intended to issue, a heat-related alert.

Sec. 5. RCW 80.28.020 and 2011 c 214 s 12 are each amended to read as follows:

Whenever the commission shall find, after a hearing had upon its own motion, or upon complaint, that the rates or charges demanded, exacted, charged or collected by any gas company, electrical company, wastewater company, ((~~or~~)) water company, or thermal energy company, for gas, electricity, wastewater company services, ((~~or~~)) water, or thermal energy, or in connection therewith, or that the rules, regulations, practices or contracts affecting such rates or charges are unjust, unreasonable, unjustly discriminatory or unduly preferential, or in any wise in violation of the provisions of the law, or that such rates or charges are insufficient to yield a reasonable compensation for the service rendered, the commission shall determine the just, reasonable, or sufficient rates, charges, regulations, practices or contracts to be thereafter observed and in force, and shall fix the same by order.

Sec. 6. RCW 80.28.030 and 2021 c 65 s 96 are each amended to read as follows:

(1) Whenever the commission finds, after such hearing, that the illuminating or heating power, purity or pressure of gas, the efficiency of electric lamp supply, the voltage of the current supplied for light, heat or power, the quality of wastewater company services, ((~~or~~)) the purity, quality, volume, and pressure of water, or the quality or quantity of thermal energy, supplied by any gas company, electrical company, wastewater company, ((~~or~~)) water company, or thermal energy company, as the case may be, is insufficient, impure, inadequate or inefficient, it shall order such improvement in the manufacture, distribution or supply of gas, in the manufacture, transmission or supply of electricity, in the operation of the services and facilities of wastewater companies, or in the storage, distribution or supply of water, or in the quality or quantity of thermal energy, or in the methods employed by such gas company, electrical company, wastewater company, ((~~or~~)) water company, or thermal energy company, as will in its judgment be efficient, adequate, just and reasonable. Failure of a water company to comply with state board of health standards adopted under RCW 43.20.050(2)(a) or department standards adopted under chapter 70A.100 RCW for purity, volume, and pressure is prima facie evidence that the water supplied is insufficient, impure, inadequate, or inefficient. Failure of a wastewater company to comply with standards and permit conditions adopted and implemented under chapter 70A.115 or 90.48 RCW for treatment and disposal of sewerage, is prima facie evidence that the system of sewerage is insufficient, inadequate, or inefficient.

(2) In ordering improvements in the storage, distribution, or supply of water, the commission shall consult and coordinate with the department of health. In the event that a water company fails to comply with an order of the commission within the deadline specified in the order, the commission may request that the department petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

(3) In ordering improvements to the system of sewerage, the commission shall consult and coordinate with the department of health or the department of ecology, as appropriate to the agencies' jurisdiction. In the event that a wastewater company fails to comply with an order of the commission within the deadline specified in the order, the commission may petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

Sec. 7. RCW 80.28.040 and 2011 c 214 s 14 are each amended to read as follows:

(1) Whenever the commission finds, after hearing, that any rules, regulations, measurements or the standard thereof, practices, acts or services of any such gas company, electrical company, wastewater company, ((~~or~~)) water company, or thermal energy company are unjust, unreasonable, improper, insufficient, inefficient or inadequate, or that any service which may be reasonably demanded is not furnished, the commission shall fix the reasonable rules, regulations, measurements or the standard thereof, practices, acts or service to be thereafter furnished, imposed, observed and followed, and shall fix the same by order or rule.

(2) In ordering improvements to the service of any water company, the commission shall consult and coordinate with the department of health. In the event that a water company fails to comply with an order of the commission within the deadline specified in the order, the commission may request that the department petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

(3) In ordering improvements to the service of any system of sewerage, the commission shall consult and coordinate with the department of health or the department of ecology, as appropriate to the agencies' jurisdiction. In the event that a wastewater company fails to comply with an order of the commission within the deadline specified in the order, the commission may petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

Sec. 8. RCW 80.28.050 and 2011 c 214 s 15 are each amended to read as follows:

Every gas company, electrical company, wastewater company, ((~~and~~)) water company, and thermal energy company shall file with the commission and shall print and keep open to public

inspection schedules in such form as the commission may prescribe, showing all rates and charges made, established or enforced, or to be charged or enforced, all forms of contract or agreement, all rules and regulations relating to rates, charges or service, used or to be used, and all general privileges and facilities granted or allowed by such gas company, electrical company, wastewater company, ((~~or~~)) water company, or thermal energy company.

Sec. 9. RCW 80.28.060 and 2011 c 214 s 16 are each amended to read as follows:

(1) Unless the commission otherwise orders, no change may be made in any rate or charge or in any form of contract or agreement or in any rule or regulation relating to any rate, charge or service, or in any general privilege or facility which shall have been filed and published by a gas company, electrical company, wastewater company, ((~~or~~)) water company, or thermal energy company in compliance with the requirements of RCW 80.28.050 except after thirty days' notice to the commission and publication for thirty days, which notice must plainly state the changes proposed to be made in the schedule then in force and the time when the change will go into effect and all proposed changes must be shown by printing, filing and publishing new schedules, or shall be plainly indicated upon the schedules in force at the time and kept open to public inspection. Proposed changes may be suspended by the commission within thirty days or before the stated effective date of the proposed change, whichever is later. The commission, for good cause shown, may allow changes without requiring the thirty days' notice by duly filing, in such manner as it may direct, an order specifying the changes so to be made and the time when it takes effect. All such changes must be immediately indicated upon its schedules by the company affected. When any change is made in any rate or charge, form of contract or agreement, or any rule or regulation relating to any rate or charge or service, or in any general privilege or facility, the effect of which is to increase any rate or charge, then in existence, attention must be directed on the copy filed with the commission to such increase by some character immediately preceding or following the item in such schedule, such character to be in form as designated by the commission.

(2) During a state of emergency declared under RCW 43.06.010(12), the governor may waive or suspend the operation or enforcement of this section or any portion of this section or under any administrative rule, and issue any orders to facilitate the operation of state or local government or to promote and secure the safety and protection of the civilian population.

Sec. 10. RCW 80.28.065 and 1993 c 245 s 2 are each amended to read as follows:

(1) Upon request by an electrical ((~~or~~)), gas, or thermal energy company, the commission may approve a tariff schedule that contains rates or charges for energy conservation measures, services, or payments provided to individual property owners or customers. The tariff schedule shall require the electrical ((~~or~~)), gas, or thermal energy company to enter into an agreement with the property owner or customer receiving services at the time the conservation measures, services, or payments are initially provided. The tariff schedule may allow for the payment of the rates or charges over a period of time and for the application of the payment obligation to successive property owners or customers at the premises where the conservation measures or services were installed or performed or with respect to which the conservation payments were made.

(2) The electrical ((~~or~~)), gas, or thermal energy company shall record a notice of a payment obligation, containing a legal description, resulting from an agreement under this section with the county auditor or recording officer as provided in RCW 65.04.030.

(3) The commission may prescribe by rule other methods by which an electrical ((~~or~~)), gas, or thermal energy company shall notify property owners or customers of any such payment obligation.

Sec. 11. RCW 80.28.068 and 2021 c 188 s 3 are each amended to read as follows:

(1) Upon its own motion, or upon request by an electrical ((~~or~~)), gas, or thermal energy company, or other party to a general rate case hearing, or other proceeding to set rates, the commission may approve rates, charges, services, and/or physical facilities at a discount, or through grants, for low-income senior customers and low-income customers. Expenses and lost revenues as a result of these discounts, grants, or other low-income assistance programs shall be included in the company's cost of service and recovered in rates to other customers. Each gas ((~~or~~)), electrical, or thermal energy company must propose a low-income assistance program comprised of a discount rate for low-income senior customers and low-income customers as well as grants and other low-income assistance programs. The commission shall approve, disapprove, or approve with modifications each gas ((~~or~~)), electrical, or thermal energy company's low-income assistance discount rate and grant program. The gas ((~~or~~)), electrical, or thermal energy company must use reasonable and good faith efforts to seek approval for low-income program design, eligibility, operation, outreach, and funding proposals from its low-income and equity advisory groups in advance of filing such proposals with the commission. In order to remove barriers and to expedite assistance, low-income discounts or grants approved under this section must be provided in coordination with community-based organizations in the gas ((~~or~~)), electrical, or thermal energy company's service territory including, but not limited to, grantees of the department of commerce, community action agencies, and community-based nonprofit organizations. Nothing in this section may be construed as limiting the commission's authority to approve or modify tariffs authorizing low-income discounts or grants.

(2) Eligibility for a low-income discount rate or grant established in this section may be established upon verification of a low-income customer's receipt of any means-tested public benefit, or verification of eligibility for the low-income home energy assistance program, or its successor program, for which eligibility does not exceed the low-income definition set by the commission pursuant to RCW 19.405.020. The public benefits may include, but are not limited to, assistance that provides cash, housing, food, or medical care including, but not limited to, temporary assistance for needy families, supplemental security income, emergency assistance to elders, disabled, and children, supplemental nutrition assistance program benefits, public housing, federally subsidized or state-subsidized housing, the low-income home energy assistance program, veterans' benefits, and similar benefits.

(3) Each gas ((~~or~~)), electrical, or thermal energy company shall conduct substantial outreach efforts to make the low-income discounts or grants available to eligible customers and must provide annual reports to the commission as to the gas ((~~or~~)), electrical, or thermal energy company's outreach activities and results. Such outreach: (a) Shall be made at least semiannually to inform customers of available rebates, discounts, credits, and other cost-saving mechanisms that can help them lower their monthly bills for gas ((~~or~~)), electrical, or thermal energy service; and (b) may be in the form of any customary and usual methods of communication or distribution including, without limitation, widely broadcast communications with customers, direct mailing, telephone calls, electronic communications, social media

postings, in-person contacts, websites of the gas ((~~or~~)), electrical, or thermal energy company, press releases, and print and electronic media, that are designed to increase access to and participation in bill assistance programs.

(4) Outreach may include establishing an automated program of matching customer accounts with lists of recipients of the means-tested public benefit programs and, based on the results of the matching program, to presumptively offer a low-income discount rate or grant to eligible customers so identified. However, the gas ((~~or~~)), electrical, or thermal energy company must within 60 days of the presumptive enrollment inform such a low-income customer of the presumptive enrollment and all rights and obligations of a customer under the program, including the right to withdraw from the program without penalty.

(5) A residential customer eligible for a low-income discount rate must receive the service on demand.

(6) A residential customer may not be charged for initiating or terminating low-income discount rates, grants, or any other form of energy assistance.

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

(a) "Energy burden" has the same meaning as defined in RCW 19.405.020.

(b) "Low-income" has the same meaning as defined in RCW 19.405.020.

(c) "Physical facilities" includes, but may not be limited to, a community solar project as defined in RCW 80.28.370.

Sec. 12. RCW 80.28.070 and 1961 c 14 s 80.28.070 are each amended to read as follows:

Nothing in this chapter shall be taken to prohibit a gas company, electrical company ((~~or~~)), water company, or thermal energy company from establishing a sliding scale of charges, whereby a greater charge is made per unit for a lesser than a greater quantity for gas, electricity ((~~or~~)), water, or thermal energy, or any service rendered or to be rendered.

Sec. 13. RCW 80.28.075 and 1988 c 166 s 2 are each amended to read as follows:

Upon request by a natural gas company ((~~or~~)), an electrical company, or a thermal energy company, the commission may approve a tariff that includes banded rates for any nonresidential natural gas ((~~or~~)), electric, or thermal energy service that is subject to effective competition from energy suppliers not regulated by the utilities and transportation commission. "Banded rate" means a rate that has a minimum and maximum rate. Rates may be changed within the rate band upon such notice as the commission may order.

Sec. 14. RCW 80.28.080 and 2011 c 214 s 17 are each amended to read as follows:

(1)(a) Except as provided otherwise in this subsection, no gas company, electrical company, wastewater company, ((~~or~~)) water company, or thermal energy company may charge, demand, collect or receive a greater or less or different compensation for any service rendered or to be rendered than the rates and charges applicable to such service as specified in its schedule filed and in effect at the time, nor may any such company directly or indirectly refund or remit in any manner or by any device any portion of the rates or charges so specified, or furnish its product at free or reduced rates except to its employees and their families, and its officers, attorneys, and agents; to hospitals, charitable and eleemosynary institutions and persons engaged in charitable and eleemosynary work; to indigent and destitute persons; to national homes or state homes for disabled volunteer soldiers and soldiers' and sailors' homes.

For the purposes of this subsection (1):

(i) "Employees" includes furloughed, pensioned and superannuated employees, persons who have become disabled or infirm in the service of any such company; and

(ii) "Families" includes the families of those persons named in this proviso, the families of persons killed or dying in the service, also the families of persons killed, and the surviving spouse prior to remarriage, and the minor children during minority of persons who died while in the service of any of the companies named in this subsection (1).

(b) Water companies may furnish free or at reduced rates water for the use of the state, or for any project in which the state is interested.

(c) Gas companies, electrical companies, wastewater companies, ((~~and~~)) water companies, and thermal energy companies may charge the defendant for treble damages awarded in lawsuits successfully litigated under RCW 80.28.240.

(2) No gas company, electrical company, wastewater company, ((~~or~~)) water company, or thermal energy company may extend to any person or corporation any form of contract or agreement or any rule or regulation or any privilege or facility except such as are regularly and uniformly extended to all persons and corporations under like circumstances.

Sec. 15. RCW 80.28.090 and 2011 c 214 s 18 are each amended to read as follows:

No gas company, electrical company, wastewater company, ((~~or~~)) water company, or thermal energy company may make or grant any undue or unreasonable preference or advantage to any person, corporation, or locality, or to any particular description of service in any respect whatsoever, or subject any particular person, corporation or locality or any particular description of service to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Sec. 16. RCW 80.28.100 and 2011 c 214 s 19 are each amended to read as follows:

No gas company, electrical company, wastewater company, ((~~or~~)) water company, or thermal energy company may, directly or indirectly, or by any special rate, rebate, drawback or other device or method, charge, demand, collect or receive from any person or corporation a greater or less compensation for gas, electricity, wastewater company services, ((~~or~~)) water, or thermal energy, or for any service rendered or to be rendered, or in connection therewith, except as authorized in this chapter, than it charges, demands, collects or receives from any other person or corporation for doing a like or contemporaneous service with respect thereto under the same or substantially similar circumstances or conditions. If the commission finds any instance of a thermal energy resource provider injecting thermal energy into a thermal energy system that exceeds system needs and creates system imbalance, the commission may issue rules to address such an issue to ensure ratepayers are not charged for energy that does not provide a benefit.

Sec. 17. RCW 80.28.120 and 2011 c 214 s 21 are each amended to read as follows:

Every gas, water, wastewater, ((~~or~~)) electrical, or thermal energy company owning, operating or managing a plant or system for the distribution and sale of gas, water ((~~or~~)), electricity, or thermal energy, or the provision of wastewater company services to the public for hire is, and is held to be, a public service company as to such plant or system and as to all gas, water, wastewater company services, ((~~or~~)) electricity, or thermal energy distributed or furnished therefrom, whether such gas, water, wastewater company services, ((~~or~~)) electricity, or thermal energy be sold wholesale or retail or be distributed wholly to the general public or in part as surplus gas, water, wastewater company services, ((~~or~~)) electricity, or thermal energy to manufacturing or industrial concerns or to other public service companies or municipalities for redistribution. Nothing in this title may be construed to prevent any gas company, electrical company ((~~or~~)),

water company, or thermal energy company from continuing to furnish its product or the use of its lines, equipment or service under any contract or contracts in force on June 7, 1911, at the rates fixed in such contract or contracts. However, the commission has power, in its discretion, to direct by order that such contract or contracts be terminated by the company party thereto and thereupon such contract or contracts must be terminated by such company as and when directed by such order.

Sec. 18. RCW 80.28.130 and 2024 c 351 s 15 are each amended to read as follows:

Whenever the commission finds, after hearing had upon its own motion or upon complaint, that repairs or improvements, to, or changes in, any gas plant, electrical plant, system of sewerage, ((~~or~~)) water system, or thermal energy system ought to be made, or that any additions or extensions should reasonably be made thereto, in order to promote the security or convenience of the public or employees, or in order to secure adequate service or facilities for manufacturing, distributing or supplying gas, electricity, wastewater company services, ((~~or~~)) water, or thermal energy, the commission may enter an order directing that such reasonable repairs, improvements, changes, additions or extensions of such gas plant, electrical plant, system of sewerage, ((~~or~~)) water system, or thermal energy system be made. The commission may require a large combination utility as defined in RCW 80.86.010 to incorporate any existing pipeline safety and replacement plans under this section into an integrated system plan established under RCW 80.86.020.

NEW SECTION. **Sec. 19.** A new section is added to chapter 80.28 RCW to read as follows:

The commission may appoint inspectors of thermal energy meters who shall, when required by the commission, inspect, examine, prove, and ascertain the accuracy of any and all thermal energy meters used or intended to be used for measuring and ascertaining the quantity of thermal energy, and inspect, examine, and ascertain the accuracy of all apparatus for testing and proving the accuracy of thermal energy meters, and when found to be or made to be correct, stamp or mark all such meters and apparatus with some suitable device to be prescribed by the commission. No thermal energy company may furnish, set, or put in use any thermal energy meters which have not been approved by the commission.

Sec. 20. RCW 80.28.160 and 1961 c 14 s 80.28.160 are each amended to read as follows:

Every gas company, electrical company ((~~and~~)), water company, and thermal energy company shall prepare and maintain such suitable premises, apparatus and facilities as may be required and approved by the commission for testing and proving the accuracy of gas, electric ((~~or~~)), water, or thermal energy meters furnished for use by it by which apparatus every meter may be tested.

Sec. 21. RCW 80.28.170 and 1961 c 14 s 80.28.170 are each amended to read as follows:

If any consumer to whom a meter has been furnished shall request the commission in writing to inspect such meter, the commission shall have the same inspected and tested, and if the same, on being so tested, shall be found to be more than four percent if an electric meter, ((~~or~~)) more than two percent if a gas meter, ((~~or~~)) more than two percent if a water meter, or more than two percent if a thermal energy meter, defective or incorrect to the prejudice of the consumer, the expense of such inspection and test shall be borne by the gas company, electrical company ((~~or~~)), water company, or thermal energy company, and if the same, on being so tested shall be found to be correct within the limits of error prescribed by the provisions of this section, the expense of such inspection and test shall be borne by the consumer.

Sec. 22. RCW 80.28.240 and 2011 c 214 s 24 are each amended to read as follows:

(1) A utility may bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts to:

(a) Divert, or cause to be diverted, utility services by any means whatsoever;

(b) Make, or cause to be made, any connection or reconnection with property owned or used by the utility to provide utility service without the authorization or consent of the utility;

(c) Prevent any utility meter or other device used in determining the charge for utility services from accurately performing its measuring function by tampering or by any other means;

(d) Tamper with any property owned or used by the utility to provide utility services; or

(e) Use or receive the direct benefit of all or a portion of the utility service with knowledge of, or reason to believe that, the diversion, tampering, or unauthorized connection existed at the time of the use or that the use or receipt was without the authorization or consent of the utility.

(2) In any civil action brought under this section, the utility may recover from the defendant as damages three times the amount of actual damages, if any, plus the cost of the suit and reasonable attorney's fees, plus the costs incurred on account of the bypassing, tampering, or unauthorized reconnection, including but not limited to costs and expenses for investigation, disconnection, reconnection, service calls, and expert witnesses.

(3) Any damages recovered under this section in excess of the actual damages sustained by the utility may be taken into account by the utilities and transportation commission or other applicable rate-making agency in establishing utility rates.

(4) As used in this section:

(a) "Customer" means the person in whose name a utility service is provided;

(b) "Divert" means to change the intended course or path of electricity, gas, ((~~or~~)) water, or thermal energy without the authorization or consent of the utility;

(c) "Person" means any individual, partnership, firm, association, or corporation or government agency;

(d) "Reconnection" means the commencement of utility service to a customer or other person after service has been lawfully disconnected by the utility;

(e) "Tamper" means to rearrange, injure, alter, interfere with, or otherwise prevent from performing the normal or customary function;

(f) "Utility" means any electrical company, gas company, wastewater company, ((~~or~~)) water company, or thermal energy company, as those terms are defined in RCW 80.04.010, and includes any electrical, gas, system of sewerage, ((~~or~~)) water system, or thermal energy system operated by any public agency; and

(g) "Utility service" means the provision of electricity, gas, water, wastewater company services, thermal energy, or any other service or commodity furnished by the utility for compensation.

Sec. 23. RCW 80.28.430 and 2021 c 188 s 4 are each amended to read as follows:

(1) A gas company ((~~or~~)), electrical company, or thermal energy company shall, upon request, enter into one or more written agreements with organizations that represent broad customer interests in regulatory proceedings conducted by the commission, subject to commission approval in accordance with subsection (2) of this section, including but not limited to organizations representing low-income, commercial, and industrial customers, vulnerable populations, or highly impacted

communities. The agreement must govern the manner in which financial assistance may be provided to the organization. More than one gas company, electrical company, thermal energy company, or organization representing customer interests may join in a single agreement. Any agreement entered into under this section must be approved, approved with modifications, or rejected by the commission. The commission must consider whether the agreement is consistent with a reasonable allocation of financial assistance provided to organizations pursuant to this section among classes of customers of the gas or electrical company.

(2) Before administering an agreement entered into under subsection (1) of this section, the commission shall, by rule or order, determine:

(a) The amount of financial assistance, if any, that may be provided to any organization;

(b) The manner in which the financial assistance is distributed;

(c) The manner in which the financial assistance is recovered in the rates of the gas company ((~~or~~)), electrical company, or thermal energy company under subsection (3) of this section; and

(d) Other matters necessary to administer the agreement.

(3) The commission shall allow a gas company ((~~or~~)), electrical company, or thermal energy company that provides financial assistance under this section to recover the amounts provided in rates. The commission shall allow a gas company ((~~or~~)), electrical company, or thermal energy company to defer inclusion of those amounts in rates if the gas company ((~~or~~)), electrical company, or thermal energy company so elects. An agreement under this section may not provide for payment of any amounts to the commission.

(4) Organizations representing vulnerable populations or highly impacted communities must be prioritized for funding under this section.

NEW SECTION. **Sec. 24.** A new section is added to chapter 80.28 RCW to read as follows:

(1) Upon its own motion, or upon request by an electrical company or a thermal energy company, or other party to a general rate case hearing, or other proceeding to set rates, the commission may authorize an electrical company to provide discounted rates to a company operating a thermal energy network in the electrical company's service area.

(2) The commission may authorize an electrical company to provide such discounted rates if the thermal energy network operates in a way that allows the electrical company to deliver electricity more efficiently than an electrical company's standard electric service, including if the thermal energy network shifts load off of peak demand.

(3) If the commission approves discounted rates as described in this section, the commission must consider the benefits of reduced input costs to operate thermal energy networks in future proceedings to set rates for thermal energy networks.

NEW SECTION. **Sec. 25.** A new section is added to chapter 80.04 RCW to read as follows:

The commission must follow the national and international development of interoperability standards for thermal energy networks and report to the appropriate committees of the legislature by December 1, 2027, on the maturity and readiness for adoption of these standards.

NEW SECTION. **Sec. 26.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void."

On page 1, line 2 of the title, after "networks;" strike the remainder of the title and insert "amending RCW 80.04.010, 80.04.550, 80.28.005, 80.28.010, 80.28.020, 80.28.030, 80.28.040, 80.28.050, 80.28.060, 80.28.065, 80.28.068, 80.28.070, 80.28.075, 80.28.080, 80.28.090, 80.28.100, 80.28.120, 80.28.130, 80.28.160, 80.28.170, 80.28.240, and 80.28.430; adding new sections to chapter 80.28 RCW; adding a new section to chapter 80.04 RCW; and creating a new section."

Senators Shewmake and Boehnke spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Environment, Energy & Technology to Second Substitute House Bill No. 1514.

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

MOTION

On motion of Senator Shewmake, the rules were suspended, Second Substitute House Bill No. 1514 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 Shewmake and Boehnke spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1514 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1514 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 Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

SECOND SUBSTITUTE HOUSE BILL NO. 1514 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.

INTRODUCTION OF SPECIAL GUESTS

The President welcomed and introduced members of the students from Roosevelt Elementary School, Olympia who were seated in the gallery. The students were guests of Senator Bateman.

SECOND READING

HOUSE BILL NO. 1731, by Representative Waters

Regarding unclaimed property held by a museum or historical society.

The measure was read the second time.

MOTION

Senator Holy 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 63.26.040 and 1988 c 226 s 6 are each amended to read as follows:

(1) When a museum or historical society is required to give notice of abandonment of property or of termination of a loan, the museum or historical society shall ((~~mail such~~)) send an initial notice by certified mail, return receipt requested, to the last known owner at the most recent address of such owner as shown on the museum's or society's records. If the museum or society has no address on record, or the museum or society does not receive written proof of receipt of the mailed notice within ((~~thirty~~)) 30 days of the date the notice was mailed, the museum or society shall ((~~publish~~)) provide notice, at least once each week for ((~~two~~)) three consecutive weeks, ((~~in a newspaper of general circulation in both the county in which the museum is located and the county in which the last known address, if available, of the owner is located~~)) using one or more of the following methods:

(a) Posting on a publicly accessible page on its official website;

(b) Sending an email from an organizational email address to any known email addresses of the owner or any publicized email lists;

(c) Posting on the official social media accounts of the museum or society;

(d) Physically posting a notice in a public space at the museum's or society's primary location, such as a lobby or other area accessible to visitors;

(e) Documenting a phone call attempt to any known phone numbers of the owner; or

(f) Any other electronic communication methods reasonably expected to reach the owner or interested parties.

(2) The ((~~published~~)) notice, whether digital or printed, shall contain the following:

(a) A description of the unclaimed property;

(b) The name and last known address of the owner;

(c) A request that all persons who may have any knowledge of the whereabouts of the owner provide written notice to the museum or society; and

(d) A statement that if written assertion of title is not presented by the owner to the museum or society within ninety days from the date of the second ((~~published~~)) notice, the property shall be deemed abandoned or donated and shall become the property of the museum or society.

(3) For purposes of this chapter, if the loan of property was made to a branch of a museum or society, the museum or society is deemed to be located in the county in which the branch is located. Otherwise the museum or society is located in the county in which it has its principal place of business.

(4)(a) When property is found in the collection of a museum or historical society without donor documentation or when property is abandoned at a museum or historical society without the donor's identity being provided, the museum or historical society shall follow a process to establish ownership of the property. The process must include an unknown donor notification, where notice is given to the public through at least one of the following methods:

(i) Posting on a publicly accessible page on the museum's or society's official website; or

(ii) Physically posting a notice in a public space at the museum's or society's primary location, such as a lobby or other area accessible to visitors.

(b) The unknown donor notification shall contain the following:

(i) A general description of the property;

(ii) A statement requesting that any person claiming ownership or having information about the possible donor contact the museum or society in writing;

(iii) Contact information for the museum or society, including an address and email address where claims or inquiries may be sent; and

(iv) A statement that if no claim or information establishing ownership is received by the museum or society within 90 days from the date of the notice, the property shall be deemed donated and shall become the property of the museum or society.

(c) Any person claiming ownership of the property must provide proof of ownership in writing to the museum or historical society.

Sec. 2. RCW 63.26.020 and 1988 c 226 s 4 are each amended to read as follows:

Any property held by a museum or historical society within the state, other than by terms of a loan agreement, that has been held for five years or more and has remained unclaimed shall be deemed to be abandoned. Such property shall become the property of the museum or historical society if the museum or society has given notice pursuant to RCW 63.26.040 and no assertion of title has been filed for the property within ((~~ninety~~)) 90 days from the date of the ((~~second published~~)) third notice provided.

Sec. 3. RCW 63.26.030 and 1988 c 226 s 5 are each amended to read as follows:

(1) Property subject to a loan agreement which is on loan to a museum or historical society shall be deemed to be donated to the museum or society if no claim is made or action filed to recover the property after termination or expiration of the loan and if the museum or society has given notice pursuant to RCW 63.26.040 and no assertion of title has been filed within ((~~ninety~~)) 90 days from the date of the ((~~second published~~)) third notice provided.

(2) A museum or society may terminate a loan of property if the property was loaned to the museum or society for an indefinite term and the property has been held by the museum or society for five years or more. Property on "permanent loan" shall be deemed to be loaned for an indefinite term.

(3) If property was loaned to the museum or society for a specified term, the museum or society may give notice of termination of the loan at any time after expiration of the specified term.

(4) It is the responsibility of the owner of property on loan to a museum or society to notify the museum or society promptly in writing of any change of address or change in ownership of the property.

(5) When a museum or society accepts a loan of property, the museum or society shall inform the owner in writing of the provisions of this chapter.

Sec. 4. RCW 63.26.050 and 1988 c 226 s 7 are each amended to read as follows:

(1) If no written assertion of title has been presented by the owner to the museum or society within ((~~ninety~~)) 90 days from the date of the ((~~second published~~)) third notice provided, title to the property shall vest in the museum or historical society, free of all claims of the owner and of all persons claiming under the owner.

(2) One who purchases or otherwise acquires property from a museum or historical society acquires good title to the property if the museum or society has acquired title to the property under this chapter."

On page 1, line 2 of the title, after "society;" strike the remainder of the title and insert "and amending RCW 63.26.040,

63.26.020, 63.26.030, and 63.26.050."

Senator Holy spoke in favor of adoption of the committee striking amendment.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Law & Justice to House Bill No. 1731.

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

MOTION

On motion of Senator Holy, the rules were suspended, House Bill No. 1731 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 Holy and Dhingra spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 1731 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1731 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 Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

HOUSE BILL NO. 1731 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. 1270, by Representatives Bronoske, Ryu, Mena, Reed, Jacobsen, Paul, Duerr, Kloba, Macri, and Simmons

Concerning automatic deferred compensation enrollment for county, municipal, and other political subdivision employees.

The measure was read the second time.

MOTION

On motion of Senator Stanford, the rules were suspended, House Bill No. 1270 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Stanford and Gildon spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 1270.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1270 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

HOUSE BILL NO. 1270, 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.

Senator Riccelli announced a meeting of the Committee on Rules at the Rostrum immediately upon going at ease.

Senator Hasegawa announced a meeting of the Democratic Caucus.

Senator Warnick announced a meeting of the Republican Caucus.

MOTION

At 10:48 a.m., on motion of Senator Riccelli, the Senate was declared to be at ease subject to the call of the President for the purpose of a meeting of the Committee on Rules and for caucuses.

The Senate was called to order at 2:03 p.m. by President Heck.

SECOND READING

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1131, by House Committee on Appropriations (originally sponsored by Goodman, Hackney, Simmons, Wylie, Ormsby, and Hill)

Concerning clemency and pardons.

The measure was read the second time.

MOTION

Senator Wilson, C. 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 9.94A.501 and 2024 c 63 s 3 are each amended to read as follows:

(1) The department shall supervise the following ((~~offenders~~)) individuals who are sentenced to probation in superior court, pursuant to RCW 9.92.060, 9.95.204, or 9.95.210:

(a) ((~~Offenders~~)) Individuals convicted of:

(i) Sexual misconduct with a minor second degree;

(ii) Custodial sexual misconduct second degree;

(iii) Communication with a minor for immoral purposes; and

(iv) Violation of RCW 9A.44.132(2) (failure to register); and

(b) ((~~Offenders~~)) Individuals who have:

(i) A current conviction for a repetitive domestic violence offense after August 1, 2011; and

(ii) A prior conviction for a repetitive domestic violence offense or domestic violence felony offense after August 1, 2011.

(2) ((~~Misdemeanor~~)) Individuals convicted of misdemeanor and gross misdemeanor ((~~offenders~~)) offenses supervised by the department pursuant to this section shall be placed on community custody.

(3) The department shall supervise every individual convicted of a felony ((~~offender~~)) and sentenced to community custody pursuant to RCW 9.94A.701 or 9.94A.702 whose risk assessment classifies the ((~~offender~~)) individual as one who is at a high risk to reoffend.

(4) Notwithstanding any other provision of this section, the department shall supervise an ((~~offender~~)) individual sentenced to community custody regardless of risk classification if the ((~~offender~~)) individual:

(a) Has a current conviction for a sex offense or a serious violent offense and was sentenced to a term of community custody pursuant to RCW 9.94A.701, 9.94A.702, or 9.94A.507;

(b) Has been identified by the department as a dangerous mentally ill offender pursuant to RCW 72.09.370;

(c) Has an indeterminate sentence and is subject to parole pursuant to RCW 9.95.017;

(d) Has a current conviction for violating RCW 9A.44.132(1) (failure to register) and was sentenced to a term of community custody pursuant to RCW 9.94A.701;

(e)(i) Has a current conviction for a domestic violence felony offense after August 1, 2011, and a prior conviction for a repetitive domestic violence offense or domestic violence felony offense after August 1, 2011. This subsection (4)(e)(i) applies only to offenses committed prior to July 24, 2015;

(ii) Has a current conviction for a domestic violence felony offense. The state and its officers, agents, and employees shall not be held criminally or civilly liable for its supervision of an ((~~offender~~)) individual under this subsection (4)(e)(ii) unless the state and its officers, agents, and employees acted with gross negligence;

(f) Was sentenced under RCW 9.94A.650, 9.94A.655, 9.94A.660, 9.94A.670, 9.94A.711, or 9.94A.695;

(g) Is subject to supervision pursuant to RCW 9.94A.745; or

(h) Was convicted and sentenced under RCW 46.61.520 (vehicular homicide), RCW 46.61.522 (vehicular assault), RCW 46.61.502(6) (felony DUI), or RCW 46.61.504(6) (felony physical control).

(5) The department shall supervise any ((~~offender who is~~)) individual released by the indeterminate sentence review board ((~~and~~)) who was sentenced to community custody or subject to community custody under the terms of release.

(6) The department shall supervise any individual granted conditional commutation pursuant to RCW 9.94A.885 if the governor includes a term of community custody as a condition of commutation.

(7) The department is not authorized to, and may not, supervise any ((~~offender~~)) individual sentenced to a term of community custody or any probationer unless the ((~~offender~~)) individual or probationer is one for whom supervision is required under this section ((~~or RCW 9.94A.5011~~)).

(((~~(7)~~))) (8) The department shall conduct a risk assessment for every individual convicted of a felony ((~~offender~~)) and sentenced to a term of community custody who may be subject to supervision under this section ((~~or RCW 9.94A.5011~~)).

(((~~(8)~~))) (9) The period of time the department is authorized to supervise an ((~~offender~~)) individual under this section may not exceed the duration of community custody specified under RCW 9.94B.050, 9.94A.701 (1) through (9), or 9.94A.702, except in cases where the court has imposed an exceptional term of community custody under RCW 9.94A.535 and where the governor imposes a term of community custody as a condition of conditional commutation or imposes an additional term of community custody due to a violation of conditional commutation.

(((~~(9)~~))) (10) The period of time the department is authorized to supervise an ((~~offender~~)) individual under this section may be reduced by the earned award of supervision compliance credit pursuant to RCW 9.94A.717.

Sec. 2. RCW 9.94A.501 and 2024 c 306 s 4 and 2024 c 63 s 3 are each reenacted and amended to read as follows:

(1) The department shall supervise the following ((~~offenders~~)) individuals who are sentenced to probation in superior court, pursuant to RCW 9.92.060, 9.95.204, or 9.95.210:

(a) ((~~Offenders~~)) Individuals convicted of:

(i) Sexual misconduct with a minor second degree;

(ii) Custodial sexual misconduct second degree;

(iii) Communication with a minor for immoral purposes; and

(iv) Violation of RCW 9A.44.132(2) (failure to register); and

(b) ((~~Offenders~~)) Individuals who have:

(i) A current conviction for a repetitive domestic violence offense after August 1, 2011; and

(ii) A prior conviction for a repetitive domestic violence offense or domestic violence felony offense after August 1, 2011.

(2) ((~~Misdemeanor~~)) Individuals convicted of misdemeanor and gross misdemeanor ((~~offenders~~)) offenses supervised by the department pursuant to this section shall be placed on community custody.

(3) The department shall supervise every individual convicted of a felony ((~~offender~~)) and sentenced to community custody pursuant to RCW 9.94A.701 or 9.94A.702 whose risk assessment classifies the ((~~offender~~)) individual as one who is at a high risk to reoffend.

(4) Notwithstanding any other provision of this section, the department shall supervise an ((~~offender~~)) individual sentenced to community custody regardless of risk classification if the ((~~offender~~)) individual:

(a) Has a current conviction for a sex offense or a serious violent offense and was sentenced to a term of community custody pursuant to RCW 9.94A.701, 9.94A.702, or 9.94A.507;

(b) Has been identified by the department as a dangerous mentally ill offender pursuant to RCW 72.09.370;

(c) Has an indeterminate sentence and is subject to parole pursuant to RCW 9.95.017;

(d) Has a current conviction for violating RCW 9A.44.132(1) (failure to register) and was sentenced to a term of community custody pursuant to RCW 9.94A.701;

(e)(i) Has a current conviction for a domestic violence felony offense after August 1, 2011, and a prior conviction for a repetitive domestic violence offense or domestic violence felony offense after August 1, 2011. This subsection (4)(e)(i) applies only to offenses committed prior to July 24, 2015;

(ii) Has a current conviction for a domestic violence felony offense. The state and its officers, agents, and employees shall not be held criminally or civilly liable for its supervision of an ((~~offender~~)) individual under this subsection (4)(e)(ii) unless the state and its officers, agents, and employees acted with gross negligence;

(f) Was sentenced under RCW 9.94A.650, 9.94A.655, 9.94A.660, 9.94A.670, 9.94A.711, 9.94A.695, or 9.94A.661;

(g) Is subject to supervision pursuant to RCW 9.94A.745; or

(h) Was convicted and sentenced under RCW 46.61.520 (vehicular homicide), RCW 46.61.522 (vehicular assault), RCW 46.61.502(6) (felony DUI), or RCW 46.61.504(6) (felony physical control).

(5) The department shall supervise any ((~~offender who is~~)) individual released by the indeterminate sentence review board ((~~and~~)) who was sentenced to community custody or subject to community custody under the terms of release.

(6) The department shall supervise any individual granted conditional commutation pursuant to RCW 9.94A.885.

(7) The department is not authorized to, and may not, supervise any ((~~offender~~)) individual sentenced to a term of community custody or any probationer unless the ((~~offender~~)) individual or probationer is one for whom supervision is required under this section ((~~or RCW 9.94A.5011~~)).

(((~~(7)~~))) (8) The department shall conduct a risk assessment for every individual convicted of a felony ((~~offender~~)) and sentenced to a term of community custody who may be subject to supervision under this section ((~~or RCW 9.94A.5011~~)).

(((~~(8)~~))) (9) The period of time the department is authorized to supervise an ((~~offender~~)) individual under this section may not exceed the duration of community custody specified under RCW 9.94B.050, 9.94A.701 (1) through (9), or 9.94A.702, except in cases where the court has imposed an exceptional term of community custody under RCW 9.94A.535 and where the governor imposes a term of community custody as a condition of conditional commutation or imposes an additional term of community custody due to a violation of conditional commutation.

(((~~(9)~~))) (10) The period of time the department is authorized to supervise an ((~~offender~~)) individual under this section may be reduced by the earned award of supervision compliance credit pursuant to RCW 9.94A.717.

Sec. 3. RCW 9.94A.565 and 1994 c 1 s 5 are each amended to read as follows:

(1) Nothing in chapter 1, Laws of 1994 or chapter 10.95 RCW shall ever be interpreted or construed as to reduce or eliminate the power of the governor to grant a pardon or clemency to any ((~~offender~~)) individual on an individual case-by-case basis. However, the people recommend that ((~~any offender~~)):

(a) Any incarcerated individual subject to total confinement for life without the possibility of parole not be considered for release until the ((~~offender~~)) incarcerated individual has ((~~reached the age of at least sixty years old and has~~)) been judged to ((~~be~~)) no longer be a threat to society((~~. The people further recommend that sex offenders~~));

(b) Incarcerated individuals who have been convicted of a sex offense be held to the utmost scrutiny under this subsection regardless of age; and

(c) Release take the form of a commutation that includes a period of law-abiding behavior in the community.

(2) Nothing in this section shall ever be interpreted or construed to grant any release for the purpose of reducing prison overcrowding. Furthermore, the governor shall provide twice yearly reports on the activities and progress of ((~~offenders~~)) individuals subject to total confinement for life without the possibility of parole who are released through executive action during his or her tenure. These reports shall continue for not less than ((~~ten~~)) 10 years after the release of the ((~~offender~~)) individual or upon the death of the released ((~~offender~~)) individual.

Sec. 4. RCW 9.94A.633 and 2021 c 242 s 4 are each amended to read as follows:

(1)(a) An ((~~offender~~)) individual who violates any condition or requirement of a sentence may be sanctioned by the court with up to ((~~sixty~~)) 60 days' confinement for each violation or by the department with up to ((~~thirty~~)) 30 days' confinement as provided in RCW 9.94A.737.

(b) In lieu of confinement, an ((~~offender~~)) individual may be sanctioned with work release, home detention with electronic monitoring, work crew, community restitution, inpatient treatment, daily reporting, curfew, educational or counseling sessions, supervision enhanced through electronic monitoring, or any other community-based sanctions.

(2) If an ((~~offender~~)) individual was under community custody pursuant to one of the following statutes, the ((~~offender~~)) individual may be sanctioned as follows:

(a) If the ((~~offender~~)) individual was transferred to community custody in lieu of earned early release in accordance with RCW 9.94A.728, the ((~~offender~~)) individual may be transferred to a more restrictive confinement status to serve up to the remaining portion of the sentence, less credit for any period actually spent in community custody or in detention awaiting disposition of an alleged violation.

(b) If the ((~~offender~~)) individual was sentenced under the drug offender sentencing alternative set out in RCW 9.94A.660, the ((~~offender~~)) individual may be sanctioned in accordance with that section.

(c) If the ((~~offender~~)) individual was sentenced under the parenting sentencing alternative set out in RCW 9.94A.655, the ((~~offender~~)) individual may be sanctioned in accordance with that section.

(d) If the ((~~offender~~)) individual was sentenced under the special sex offender sentencing alternative set out in RCW 9.94A.670, the suspended sentence may be revoked and the ((~~offender~~)) individual committed to serve the original sentence of confinement.

(e) If the ((~~offender~~)) individual was sentenced under the mental health sentencing alternative set out in RCW 9.94A.695, the ((~~offender~~)) individual may be sanctioned in accordance with that section.

(f) If the ((~~offender~~)) individual was sentenced to a work ethic camp pursuant to RCW 9.94A.690, the ((~~offender~~)) individual may be reclassified to serve the unexpired term of his or her sentence in total confinement.

(g) If ((~~a sex offender~~)) an individual convicted of a sex offense was sentenced pursuant to RCW 9.94A.507, the ((~~offender~~)) individual may be transferred to a more restrictive confinement status to serve up to the remaining portion of the sentence, less credit for any period actually spent in community custody or in detention awaiting disposition of an alleged violation.

(h) If the individual was granted conditional commutation pursuant to RCW 9.94A.885, the individual may be transferred to a more restrictive confinement status to serve up to the remaining portion of the sentence, less credit for any period actually spent in community custody or in detention awaiting disposition of an alleged violation.

(3) If a probationer is being supervised by the department pursuant to RCW 9.92.060, 9.95.204, or 9.95.210, the probationer may be sanctioned pursuant to subsection (1) of this section. The department shall have authority to issue a warrant for the arrest of an ((~~offender~~)) individual who violates a condition of community custody, as provided in RCW 9.94A.716. Any sanctions shall be imposed by the department pursuant to RCW 9.94A.737. Nothing in this subsection is intended to limit the power of the sentencing court to respond to a probationer's violation of conditions.

(4) The parole or probation of an ((~~offender~~)) individual who is charged with a new felony offense may be suspended and the ((~~offender~~)) individual placed in total confinement pending disposition of the new criminal charges if:

(a) The ((~~offender~~)) individual is on parole pursuant to RCW 9.95.110(1); or

(b) The ((~~offender~~)) individual is being supervised pursuant to RCW 9.94A.745 and is on parole or probation pursuant to the laws of another state.

Sec. 5. RCW 9.94A.633 and 2024 c 306 s 7 are each amended to read as follows:

(1)(a) An ((~~offender~~)) individual who violates any condition or requirement of a sentence may be sanctioned by the court with up to 60 days' confinement for each violation or by the department with up to 30 days' confinement as provided in RCW 9.94A.737.

(b) In lieu of confinement, an ((~~offender~~)) individual may be sanctioned with work release, home detention with electronic monitoring, work crew, community restitution, inpatient treatment, daily reporting, curfew, educational or counseling sessions, supervision enhanced through electronic monitoring, or any other community-based sanctions.

(2) If an ((~~offender~~)) individual was under community custody pursuant to one of the following statutes, the ((~~offender~~)) individual may be sanctioned as follows:

(a) If the ((~~offender~~)) individual was transferred to community custody in lieu of earned early release in accordance with RCW 9.94A.728, the ((~~offender~~)) individual may be transferred to a more restrictive confinement status to serve up to the remaining portion of the sentence, less credit for any period actually spent in community custody or in detention awaiting disposition of an alleged violation.

(b) If the ((~~offender~~)) individual was sentenced under the drug offender sentencing alternative set out in RCW 9.94A.660, the ((~~offender~~)) individual may be sanctioned in accordance with that section.

(c) If the ((~~offender~~)) individual was sentenced under the drug offender sentencing alternative for driving under the influence set out in RCW 9.94A.661, the ((~~offender~~)) individual may be sanctioned in accordance with that section.

(d) If the ((~~offender~~)) individual was sentenced under the parenting sentencing alternative set out in RCW 9.94A.655, the ((~~offender~~)) individual may be sanctioned in accordance with that section.

(e) If the ((~~offender~~)) individual was sentenced under the special sex offender sentencing alternative set out in RCW 9.94A.670, the suspended sentence may be revoked and the ((~~offender~~)) individual committed to serve the original sentence of confinement.

(f) If the ((~~offender~~)) individual was sentenced under the mental health sentencing alternative set out in RCW 9.94A.695, the ((~~offender~~)) individual may be sanctioned in accordance with that section.

(g) If the ((~~offender~~)) individual was sentenced to a work ethic camp pursuant to RCW 9.94A.690, the ((~~offender~~)) individual may be reclassified to serve the unexpired term of his or her sentence in total confinement.

(h) If ((~~a sex offender~~)) an individual convicted of a sex offense was sentenced pursuant to RCW 9.94A.507, the ((~~offender~~)) individual may be transferred to a more restrictive confinement status to serve up to the remaining portion of the sentence, less credit for any period actually spent in community custody or in detention awaiting disposition of an alleged violation.

(i) If the individual was granted conditional commutation pursuant to RCW 9.94A.885, the individual may be transferred to a more restrictive confinement status to serve up to the remaining portion of the sentence, less credit for any period actually spent in community custody or in detention awaiting disposition of an alleged violation.

(3) If a probationer is being supervised by the department pursuant to RCW 9.92.060, 9.95.204, or 9.95.210, the probationer may be sanctioned pursuant to subsection (1) of this section. The department shall have authority to issue a warrant for the arrest of an ((~~offender~~)) individual who violates a condition of community custody, as provided in RCW 9.94A.716. Any sanctions shall be imposed by the department pursuant to RCW 9.94A.737. Nothing in this subsection is intended to limit the power of the sentencing court to respond to a probationer's violation of conditions.

(4) The parole or probation of an ((~~offender~~)) individual who is charged with a new felony offense may be suspended and the ((~~offender~~)) individual placed in total confinement pending disposition of the new criminal charges if:

(a) The ((~~offender~~)) individual is on parole pursuant to RCW 9.95.110(1); or

(b) The ((~~offender~~)) individual is being supervised pursuant to RCW 9.94A.745 and is on parole or probation pursuant to the laws of another state.

Sec. 6. RCW 9.94A.728 and 2023 c 358 s 1 are each amended to read as follows:

(1) No incarcerated individual serving a sentence imposed pursuant to this chapter and committed to the custody of the department shall leave the confines of the correctional facility or be released prior to the expiration of the sentence except as follows:

(a) An incarcerated individual may earn early release time as authorized by RCW 9.94A.729;

(b) An incarcerated individual may leave a correctional facility pursuant to an authorized furlough or leave of absence. In addition, incarcerated individuals may leave a correctional facility when in the custody of a corrections officer or officers;

(c)(i) The secretary may authorize an extraordinary medical placement for an incarcerated individual when all of the following conditions exist:

(A) The incarcerated individual has been assessed by two physicians and is determined to be one of the following:

(I) Affected by a permanent or degenerative medical condition to such a degree that the individual does not presently, and likely will not in the future, pose a threat to public safety; or

(II) In ill health and is expected to die within six months and does not presently, and likely will not in the future, pose a threat to public safety;

(B) The incarcerated individual has been assessed as low risk to the community at the time of release; and

(C) It is expected that granting the extraordinary medical placement will result in a cost savings to the state.

(ii) An incarcerated individual sentenced to death or to life imprisonment without the possibility of release or parole is not eligible for an extraordinary medical placement.

(iii) The secretary shall require electronic monitoring for all individuals in extraordinary medical placement unless the electronic monitoring equipment is detrimental to the individual's health, interferes with the function of the individual's medical equipment, or results in the loss of funding for the individual's medical care, in which case, an alternative type of monitoring shall be utilized. The secretary shall specify who shall provide the monitoring services and the terms under which the monitoring shall be performed.

(iv) The secretary may revoke an extraordinary medical placement under this subsection (1)(c) at any time.

(v) Persistent offenders are not eligible for extraordinary medical placement;

(d) The governor, upon recommendation from the clemency and pardons board, may grant an extraordinary release ((~~for~~)):

(i) For reasons of serious health problems, senility, advanced age, extraordinary meritorious acts, or other extraordinary circumstances; or

(ii) Pursuant to RCW 9.94A.885;

(e) No more than the final 12 months of the incarcerated individual's term of confinement may be served in partial confinement for aiding the incarcerated individual with: Finding work as part of the work release program under chapter 72.65 RCW; or reestablishing himself or herself in the community as

part of the parenting program in RCW 9.94A.6551. This is in addition to that period of earned early release time that may be exchanged for partial confinement pursuant to RCW 9.94A.729(5)(d);

(f)(i) No more than the final five months of the incarcerated individual's term of confinement may be served in partial confinement as home detention as part of the graduated reentry program developed by the department under RCW 9.94A.733(1)(a);

(ii) For eligible incarcerated individuals under RCW 9.94A.733(1)(b), after serving at least four months in total confinement in a state correctional facility, an incarcerated individual may serve no more than the final 18 months of the incarcerated individual's term of confinement in partial confinement as home detention as part of the graduated reentry program developed by the department;

(g) The governor may pardon any incarcerated individual;

(h) The department may release an incarcerated individual from confinement any time within 10 days before a release date calculated under this section;

(i) An incarcerated individual may leave a correctional facility prior to completion of his or her sentence if the sentence has been reduced as provided in RCW 9.94A.870;

(j) Notwithstanding any other provisions of this section, an incarcerated individual sentenced for a felony crime listed in RCW 9.94A.540 as subject to a mandatory minimum sentence of total confinement shall not be released from total confinement before the completion of the listed mandatory minimum sentence for that felony crime of conviction unless allowed under RCW 9.94A.540; and

(k) Any individual convicted of one or more crimes committed prior to the individual's 18th birthday may be released from confinement pursuant to RCW 9.94A.730.

(2) Notwithstanding any other provision of this section, an incarcerated individual entitled to vacation of a conviction or the recalculation of his or her offender score pursuant to *State v. Blake*, No. 96873-0 (Feb. 25, 2021), may be released from confinement pursuant to a court order if the incarcerated individual has already served a period of confinement that exceeds his or her new standard range. This provision does not create an independent right to release from confinement prior to resentencing.

(3) Individuals residing in a juvenile correctional facility placement pursuant to RCW 72.01.410(1)(a) are not subject to the limitations in this section.

Sec. 7. RCW 9.94A.880 and 2011 c 336 s 335 are each amended to read as follows:

(1) The clemency and pardons board is established as a board within the office of the governor. The board consists of ((~~five~~)) 10 members appointed by the governor, subject to confirmation by the senate.

(2) In making appointments to the board, the governor shall strive to ensure racial, ethnic, geographic, gender, sexual identity, and age diversity. The board membership must include the following:

(a) A person from an underrepresented population with direct lived experience;

(b) A person with lived experience as an incarcerated individual or who has worked with the formerly incarcerated or successful community reentry;

(c) A representative of a faith-based organization or church with interest or experience in successful community reentry;

(d) A person with experience and interest in tribal affairs; and

(e) Two representatives of crime victims.

(3) Board members must attend training related to the principles of racial equity, racism, and restorative justice at least every two years.

(4) Members of the board ((~~shall~~)) may serve up to two terms of ((~~four~~)) five years and may continue to serve until their successors are appointed and confirmed. ((~~However, the~~)) The governor shall stagger the initial terms ((~~by appointing one of the initial members for a term of one year, one for a term of two years, one for a term of three years, and two for terms of four years~~)) so that no more than three members are up for appointment in any given year. Board members as of the effective date of this section may serve the member's remaining term.

(((~~(3)~~))) (5) The board shall elect a chair from among its members and shall adopt bylaws governing the operation of the board. The chair shall approve training and each member's hearing preparation time as duties authorized for compensation under subsection (6) of this section.

(((~~(4)~~))) (6) Members of the board shall ((~~receive no compensation but shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060 as now existing or hereafter amended~~)) each receive compensation in accordance with the provisions of RCW 43.03.250, unless waived by the member. All members shall receive travel expenses incurred in the discharge of their official duties in accordance with RCW 43.03.050 and 43.03.060.

(((~~(5)~~))) (7) The attorney general shall provide a staff as needed for the operation of the board.

(8) Each petition for commutation or pardon shall be reviewed by a panel of five board members. The panel membership shall be selected by a random drawing conducted by board staff.

(9) For purposes of this section, "direct lived experience" and "underrepresented population" have the meanings provided for in RCW 43.18A.010.

Sec. 8. RCW 9.94A.885 and 2009 c 325 s 6 and 2009 c 138 s 4 are each reenacted and amended to read as follows:

(1) The clemency and pardons board shall receive petitions from individuals, organizations, and the department and make recommendations to the governor for ((~~review and commutation~~)):

(a) Commutation of sentences of incarcerated individuals when the sentence no longer serves the interest of justice; and ((~~pardoning~~))

(b) Pardoning of ((~~offenders~~)) individuals in extraordinary cases((~~, and shall make recommendations thereon to the governor~~)).

(2) If a petitioner indicates in the petition an urgent need for the pardon or commutation including, but not limited to, a pending deportation order or deportation proceeding, the board shall consider expedited review of the application.

(3) The board shall receive petitions from individuals or organizations for the restoration of civil rights lost by operation of state law as a result of convictions for federal offenses or out-of-state felonies. The board may issue certificates of restoration limited to engaging in political office. Any certifications granted by the board must be filed with the secretary of state to be effective. In all other cases, the board shall make recommendations to the governor.

(((~~(3)~~))) (4) The board shall not recommend that the governor grant clemency under subsection (1) of this section until a public hearing has been held on the petition. The prosecuting attorney of the county where the conviction was obtained shall be notified at least ((~~thirty~~)) 90 days prior to the scheduled hearing that a petition has been filed and the date and place at which the hearing on the petition will be held. The board may waive the ((~~thirty-day~~)) 90-day notice requirement in cases where it determines that waiver is necessary to permit timely action on the petition. A copy of the petition shall be sent to the prosecuting attorney. The prosecuting attorney shall make reasonable efforts to notify

victims, survivors of victims, witnesses, and the law enforcement agency or agencies that conducted the investigation, of the date and place of the hearing. Information regarding victims, survivors of victims, or witnesses receiving this notice are confidential and shall not be available to the ((~~offender~~)) incarcerated individual seeking clemency. The board shall consider statements presented as set forth in RCW 7.69.032. This subsection is intended solely for the guidance of the board. Nothing in this section is intended or may be relied upon to create a right or benefit, substantive or procedural, enforceable at law by any person.

(5) An applicant is eligible for a pardon, commutation, or restoration of civil rights without regard to his or her immigration status.

NEW SECTION. **Sec. 9.** A new section is added to chapter 9.94A RCW to read as follows:

The clemency and pardons board shall transmit to the governor and the legislature, at least annually, a report of its work, in which shall be given such information as may be relevant. The information must include the names of any individuals granted commutation or a pardon in the previous calendar year, the crimes of which those individuals were convicted, and any known acts of recidivism during the preceding calendar year by any individual listed in any report submitted under this section.

NEW SECTION. **Sec. 10.** Sections 1 and 4 of this act expire January 1, 2026.

NEW SECTION. **Sec. 11.** Sections 2 and 5 of this act take effect January 1, 2026.

NEW SECTION. **Sec. 12.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void."

On page 1, line 1 of the title, after "pardons;" strike the remainder of the title and insert "amending RCW 9.94A.501, 9.94A.565, 9.94A.633, 9.94A.633, 9.94A.728, and 9.94A.880; reenacting and amending RCW 9.94A.501 and 9.94A.885; adding a new section to chapter 9.94A RCW; creating a new section; providing an effective date; and providing an expiration date."

MOTION

Senator Christian moved that the following floor amendment no. 0400 by Senator Christian be adopted:

On page 12, beginning on line 33, after "the" strike all material through "years" on line 35 and insert "evidence-based practices including trauma-informed care, actuarial risk assessments, and the structured decision-making framework"

Senator Christian spoke in favor of adoption of the committee striking amendment.

Senator Dhingra spoke against adoption of the committee striking amendment.

POINT OF ORDER

Senator Muzzall: "Thank you Mr. President. Our Rule 27 requires that we do not read from the floor unless we have received permission to do that. You have offered several different, or you have offered one finding on that. There is another one as well. At this point in time I would like you to comment on that."

RULING BY THE PRESIDENT

President Heck: "Senator Muzzall, my first comment would be that Senator Dhingra asked if she could read, and I gave her permission to do so as I have virtually every member on this floor of the Senate. I will share with you my earlier reading, my earlier ruling on this as a matter of context, which I gave several years ago. 'Before we begin today, the President would like to offer a gentle reminder. Rule 27, combined with longstanding and deep tradition of the Washington State Senate combined with language in Mason's Manual, which is on occasion used as a backstop to our Reed's Rules, specifically do not allow for the reading of speeches on the floor. This is true whether the speeches are given remotely or while physically present here. This does not mean members cannot use notes, of course they can. The language specifically in Mason's Manual, for example, says *Members do not have the right to read their own written speeches without permission of the body. Members are entitled to speak from notes.* The President would respectfully request your acknowledgement and cooperation in this regard, and I thank you.'

It is also the long-standing practice of the President when asked for permission to allow a brief reading of notes, a brief reading of material. As long as I have observed the Washington State Legislature either body, this one in particular, that has always been allowed.

Now, if you will allow the President a little bit of latitude. The rules, whether they are the rules you adopt, or Reed's Rules, or the back up of Mason's Manual, are really designed for the purposes of maintaining order and facilitating the efficient enabling of reaching majority conclusion while protecting the rights of the minority. Those are the purposes of the rules. And the President will confess to you, that racking his brain, nonetheless, it is difficult to come up with a rationale for why reading of papers somehow serves those purposes. But the rule is the rule. Frankly, the President would hope that when you consider your rules going forward you would reexamine this issue.

That is not the President's bigger point. The President's bigger point, frankly, is brought from his chief strategic advisor. And I have to admit, Senator Robinson when you were moving confirmation of your friend, the former middle school principal, that I am reminded of the President's chief strategic advisor who is a retired middle school principal and to whom I will have the privilege to be married to for 49 years, day after tomorrow. She says, and has said often over the decades, how difficult it is to enforce dress codes in middle school because of the incredible gray areas that keep getting pushed back and forth, back and forth.

And frankly, enforcing a rule against reading presents many of the same problems. How is the President to know that when you're looking down you're not looking at notes instead of reading. Perhaps you just speak in a manner without ums and ares and are fairly robotic. The President has had lots of private conversations with members in which they are fairly robotic in their speech pattern. It is simply a very difficult rule to enforce.

And that is why the President has extended enormous latitude to members on both sides of the aisle throughout the tenure that I have been privileged to serve here. Nonetheless, the rule is the rule and I would ask each and every member to extend considerable grace and forbearance to one another as you attempt to deal with the difficult remaining 13 days of this Legislative session.

Senator Dhingra, Senator Muzzall, was granted permission explicitly to read as I have all of you on occasion. So, in that regard, your point is not well taken. Senator Dhingra, please proceed."

The President declared the question before the Senate to be the

adoption of floor amendment no. 0400 by Senator Christian on page 12, line 33 to Engrossed Second Substitute House Bill No. 1131.

The motion by Senator Christian did not carry and floor amendment no. 0400 was not adopted by voice vote.

MOTION

Senator Christian moved that the following floor amendment no. 0401 by Senator Christian be adopted:

On page 15, after line 3, insert the following:

"NEW SECTION. **Sec. 10.** A new section is added to chapter 9.94A RCW to read as follows:

The clemency and pardons board, through the office of the governor, shall maintain a web page archive of petitions, documents considered for a petition, and any decision rendered by the board, that shall also include the following information:

(1) Date of clemency and pardons board hearing on the petition;

(2) Website address link to the TVW hearing of testimony on the petition;

(3) Website address link to any documents considered at the hearing on the petition; and

(4) Information on any outcome on the hearing."

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

On page 15, line 15, after "adding" strike "a new section" and insert "new sections"

Senator Christian spoke in favor of adoption of the amendment.

Senator Wilson, C. spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0401 by Senator Christian on page 15, after line 3 to Engrossed Second Substitute House Bill No. 1131.

The motion by Senator Christian did not carry and floor amendment no. 0401 was not adopted by voice vote.

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 Second Substitute House Bill No. 1131.

The motion by Senator Wilson, C. carried and the committee striking amendment was adopted by voice vote.

MOTION

On motion of Senator Wilson, C., the rules were suspended, Engrossed Second Substitute House Bill No. 1131 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Wilson, C. spoke in favor of passage of the bill.

Senator Christian spoke against passage of the bill.

MOTION

On motion of Senator Wagoner, Senators Boehnke and Braun were excused.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1131.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1131 and the bill passed the Senate by the following vote: Yeas, 28; Nays, 19; Absent, 0; Excused, 2.

Voting yea: Senators Alvarado, Bateman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Chapman, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senators Braun and Slatter

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1131, 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. 1264, by House Committee on Transportation (originally sponsored by Fey, Macri, Fitzgibbon, Lekanoff, Berry, Bronoske, Leavitt, Callan, Ryu, Ramel, Reed, Paul, Parshley, Nance, and Alvarado)

Concerning the salaries of ferry system collective bargaining units.

The measure was read the second time.

MOTION

Senator Liias moved that the following committee striking amendment by the Committee on Transportation be not adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 47.64.006 and 1989 c 327 s 1 are each amended to read as follows:

The legislature declares that it is the public policy of the state of Washington to: (1) Provide continuous operation of the Washington state ferry system at reasonable cost to users; (2) efficiently provide levels of ferry service consistent with trends and forecasts of ferry usage; (3) promote harmonious and cooperative relationships between the ferry system and its employees by permitting ferry employees to organize and bargain collectively; (4) protect the citizens of this state by assuring effective and orderly operation of the ferry system in providing for their health, safety, and welfare; (5) prohibit and prevent all strikes or work stoppages by ferry employees; (6) protect the rights of ferry employees with respect to employee organizations; and (7) promote just and fair compensation, benefits, and working conditions for ferry system employees as compared with public and private sector employees ((~~in states along the west coast of the United States, including Alaska, and in British Columbia~~)) in directly comparable but not necessarily identical positions.

Sec. 2. RCW 47.64.170 and 2015 3rd sp.s. c 1 s 305 are each amended to read as follows:

(1) Any ferry employee organization certified as the bargaining representative shall be the exclusive representative of all ferry employees in the bargaining unit and shall represent all such employees fairly.

(2) A ferry employee organization or organizations and the governor may each designate any individual as its representative

to engage in collective bargaining negotiations.

(3) Negotiating sessions, including strategy meetings of the employer or employee organizations, mediation, and the deliberative process of arbitrators are exempt from the provisions of chapter 42.30 RCW. Hearings conducted by arbitrators may be open to the public by mutual consent of the parties.

(4) Terms of any collective bargaining agreement may be enforced by civil action in Thurston county superior court upon the initiative of either party.

(5) Ferry system employees or any employee organization shall not negotiate or attempt to negotiate directly with anyone other than the person who has been appointed or authorized a bargaining representative for the purpose of bargaining with the ferry employees or their representative.

(6)(a) Within ((~~ten~~)) 10 working days after the first Monday in September of every odd-numbered year, the parties shall attempt to agree on an interest arbitrator to be used if the parties are not successful in negotiating a comprehensive collective bargaining agreement. If the parties cannot agree on an arbitrator within the ((~~ten~~)) 10-day period, either party may request a list of seven arbitrators from the federal mediation and conciliation service. The parties shall select an interest arbitrator using the coin toss/alternate strike method within ((~~thirty~~)) 30 calendar days of receipt of the list. Immediately upon selecting an interest arbitrator, the parties shall cooperate to reserve dates with the arbitrator for potential arbitration between August 1st and September 15th of the following even-numbered year. The parties shall also prepare a schedule of at least five negotiation dates for the following year, absent an agreement to the contrary. The parties shall execute a written agreement before November 1st of each odd-numbered year setting forth the name of the arbitrator and the dates reserved for bargaining and arbitration. This subsection (6)(a) imposes minimum obligations only and is not intended to define or limit a party's full, good faith bargaining obligation under other sections of this chapter.

(b) The negotiation of a proposed collective bargaining agreement by representatives of the employer and a ferry employee organization shall commence on or about February 1st of every even-numbered year.

(c) For negotiations covering the 2009-2011 biennium and subsequent biennia, the time periods specified in this section, and in RCW 47.64.210 and 47.64.300 through 47.64.320, must ensure conclusion of all agreements on or before October 1st of the even-numbered year next preceding the biennial budget period during which the agreement should take effect. These time periods may only be altered by mutual agreement of the parties in writing. Any such agreement and any impasse procedures agreed to by the parties under RCW 47.64.200 must include an agreement regarding the new time periods that will allow final resolution by negotiations or arbitration by October 1st of each even-numbered year.

(7) It is the intent of this section that the collective bargaining agreement or arbitrator's award shall commence on July 1st of each odd-numbered year and shall terminate on June 30th of the next odd-numbered year to coincide with the ensuing biennial budget year, as defined by RCW 43.88.020((~~(7)~~)) (9), to the extent practical. It is further the intent of this section that all collective bargaining agreements be concluded by October 1st of the even-numbered year before the commencement of the biennial budget year during which the agreements are to be in effect. After the expiration date of a collective bargaining agreement negotiated under this chapter, except to the extent provided in ((~~subsection (11) of this section and~~)) RCW 47.64.270(4), all of the terms and conditions specified in the collective bargaining agreement remain in effect until the effective date of a subsequently negotiated agreement, not to exceed one year from the expiration date stated in the agreement. Thereafter, the employer may unilaterally implement according to law.

(8) ((~~The office of financial management shall conduct a salary survey, for use in collective bargaining and arbitration~~)) (a) The salary and fringe benefits paid to ferry employees must be competitive with those in the applicable category of external public and private sector employees described in (b)(i) through (v) of this subsection that is appropriate for each work group, guided by the results of a survey undertaken in the collective bargaining process during each biennium. Salary and fringe benefits include direct wage compensation, vacation, holidays and other paid excused time, pensions, insurance, and benefits received.

(b) The office of financial management shall conduct a comprehensive salary and fringe benefit survey, for maritime employees for use in collective bargaining and arbitration, by contracting with a nationally recognized firm that has expertise in conducting compensation surveys that involve comparisons of wages, hours, benefits, and conditions of employment. The salary survey must be conducted as follows:

(i) The salary survey for the deck department and terminal department employees must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved;

(ii) The salary survey for the masters and mates must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees, including business entities whose operations include the movement of unlimited tonnage vessels, in the designated pilotage waters of the states along the west coast of the United States, including Alaska, doing directly comparable but not necessarily identical work. When considering whether work is directly comparable but not necessarily identical, consideration must be given to factors peculiar to the area and the classifications involved and whether there are United States coast guard licensing requirements, including the holding of first-class pilot endorsements as described in 46 U.S.C. Sec. 8502;

(iii) The salary survey for the engine room employees must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of private sector shipping employees and public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia, and public sector employers on the east coast who operate double-ended vessels with similar horsepower that carry more than 2,000 passengers, doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved;

(iv) The salary survey for the trades employees at the Eagle Harbor shipyard facility must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees in the Puget Sound region and must include the Port of Seattle maintenance facility, the Port of Tacoma maintenance facility, the King county maintenance facility, and the state prevailing wage rates for shipyard employees and building trades employees, doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area

and the classifications involved;

(v) The salary survey for all other covered employees must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved. Salary and fringe benefit survey information collected from private employers, which identifies a specific employer with the salary and fringe benefit rates, which that employer pays to its employees, is not subject to public disclosure under chapter 42.56 RCW.

(9) The entity contracted to complete the survey shall seek the input of the employee organizations in gathering information.

(10) The office of financial management shall make the final salary survey available to all bargaining parties by April 1st of the even-numbered year.

(((~~(9) Except as provided in subsection (11) of this section:~~))

(11)(a) The governor shall submit a request either for funds necessary to implement the collective bargaining agreements including, but not limited to, the compensation and fringe benefit provisions or for legislation necessary to implement the agreement, or both. Requests for funds necessary to implement the collective bargaining agreements shall not be submitted to the legislature by the governor unless such requests:

(i) Have been submitted to the director of the office of financial management by October 1st before the legislative session at which the requests are to be considered; and

(ii) Have been certified by the director of the office of financial management as being feasible financially for the state.

(b) The governor shall submit a request either for funds necessary to implement the arbitration awards or for legislation necessary to implement the arbitration awards, or both. Requests for funds necessary to implement the arbitration awards shall not be submitted to the legislature by the governor unless such requests:

(i) Have been submitted to the director of the office of financial management by October 1st before the legislative session at which the requests are to be considered; and

(ii) Have been certified by the director of the office of financial management as being feasible financially for the state.

(c) The legislature shall approve or reject the submission of the request for funds necessary to implement the collective bargaining agreements or arbitration awards as a whole for each agreement or award. The legislature shall not consider a request for funds to implement a collective bargaining agreement or arbitration award unless the request is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060. If the legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement and award or the exclusive bargaining representative may seek to implement the procedures provided for in RCW 47.64.210 and 47.64.300.

(((~~(10)~~))) (12) If, after the compensation and fringe benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.

(((~~(11)(a) For the collective bargaining agreements negotiated for the 2011-2013 fiscal biennium, the legislature may consider a request for funds to implement a collective bargaining agreement even if the request for funds was not received by the office of financial management by October 1st and was not transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060.~~

~~(b) For the 2013-2015 fiscal biennium, a collective bargaining agreement related to employee health care benefits negotiated between the employer and coalition pursuant to RCW 41.80.020(3) regarding the dollar amount expended on behalf of each employee must be a separate agreement for which the governor may request funds necessary to implement the agreement. The legislature may act upon a 2013-2015 collective bargaining agreement related to employee health care benefits if an agreement is reached and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature.~~

~~(c) For the collective bargaining agreements negotiated for the 2013-2015 fiscal biennium, the legislature may consider a request for funds to implement a collective bargaining agreement reached after October 1st after a determination of financial infeasibility by the director of the office of financial management if the request for funds is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060.~~))

Sec. 3. RCW 47.64.320 and 2010 c 283 s 15 are each amended to read as follows:

(1) The mediator, arbitrator, or arbitration panel may consider only matters that are subject to bargaining under this chapter, except that health care benefits are not subject to interest arbitration.

(2) The decision of an arbitrator or arbitration panel is not binding on the legislature and, if the legislature does not approve the funds necessary to implement provisions pertaining to compensation and fringe benefit provisions of an arbitrated collective bargaining agreement, is not binding on the state, the department of transportation, or the ferry employee organization.

(3) In making its determination, the arbitrator or arbitration panel shall be mindful of the legislative purpose under RCW 47.64.005 and 47.64.006 and, as additional standards or guidelines to aid it in reaching a decision, shall take into consideration the following factors:

(a) The financial ability of the department to pay for the compensation and fringe benefit provisions of a collective bargaining agreement;

(b) Past collective bargaining contracts between the parties including the bargaining that led up to the contracts;

(c) The constitutional and statutory authority of the employer;

(d) Stipulations of the parties;

(e) The results of the salary survey as required in RCW 47.64.170(8);

(f) Comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with ((~~those of public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved~~)) the appropriate public and private sector employees in the described geographical areas, as specified under RCW 47.64.170(8)(b) (i) through (v);

(g) Changes in any of the foregoing circumstances during the pendency of the proceedings;

(h) The limitations on ferry toll increases and operating subsidies as may be imposed by the legislature;

(i) The ability of the state to retain ferry employees;

(j) The overall compensation presently received by the ferry employees, including direct wage compensation, vacations, holidays and other paid excused time, pensions, insurance benefits, and all other direct or indirect monetary benefits

received; and

(k) Other factors that are normally or traditionally taken into consideration in the determination of matters that are subject to bargaining under this chapter.

(4) This section applies to any matter before the respective mediator, arbitrator, or arbitration panel."

On page 1, line 2 of the title, after "comparisons;" strike the remainder of the title and insert "and amending RCW 47.64.006, 47.64.170, and 47.64.320."

Senator Liias spoke in favor of not adopting the committee striking amendment.

The President declared the question before the Senate to be to not adopt the committee striking amendment by the Committee on Transportation to Substitute House Bill No. 1264.

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

MOTION

Senator Liias moved that the following striking floor amendment no. 0377 by Senator Liias be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 47.64.006 and 1989 c 327 s 1 are each amended to read as follows:

The legislature declares that it is the public policy of the state of Washington to: (1) Provide continuous operation of the Washington state ferry system at reasonable cost to users; (2) efficiently provide levels of ferry service consistent with trends and forecasts of ferry usage; (3) promote harmonious and cooperative relationships between the ferry system and its employees by permitting ferry employees to organize and bargain collectively; (4) protect the citizens of this state by assuring effective and orderly operation of the ferry system in providing for their health, safety, and welfare; (5) prohibit and prevent all strikes or work stoppages by ferry employees; (6) protect the rights of ferry employees with respect to employee organizations; and (7) promote just and fair compensation, benefits, and working conditions for ferry system employees as compared with public and private sector employees ((~~in states along the west coast of the United States, including Alaska, and in British Columbia~~)) in directly comparable but not necessarily identical positions.

Sec. 2. RCW 47.64.170 and 2015 3rd sp.s. c 1 s 305 are each amended to read as follows:

(1) Any ferry employee organization certified as the bargaining representative shall be the exclusive representative of all ferry employees in the bargaining unit and shall represent all such employees fairly.

(2) A ferry employee organization or organizations and the governor may each designate any individual as its representative to engage in collective bargaining negotiations.

(3) Negotiating sessions, including strategy meetings of the employer or employee organizations, mediation, and the deliberative process of arbitrators are exempt from the provisions of chapter 42.30 RCW. Hearings conducted by arbitrators may be open to the public by mutual consent of the parties.

(4) Terms of any collective bargaining agreement may be enforced by civil action in Thurston county superior court upon the initiative of either party.

(5) Ferry system employees or any employee organization shall not negotiate or attempt to negotiate directly with anyone other than the person who has been appointed or authorized a bargaining representative for the purpose of bargaining with the ferry employees or their representative.

(6)(a) Within ((~~ten~~)) 10 working days after the first Monday in September of every odd-numbered year, the parties shall attempt to agree on an interest arbitrator to be used if the parties are not successful in negotiating a comprehensive collective bargaining agreement. If the parties cannot agree on an arbitrator within the ((~~ten~~)) 10-day period, either party may request a list of seven arbitrators from the federal mediation and conciliation service. The parties shall select an interest arbitrator using the coin toss/alternate strike method within ((~~thirty~~)) 30 calendar days of receipt of the list. Immediately upon selecting an interest arbitrator, the parties shall cooperate to reserve dates with the arbitrator for potential arbitration between August 1st and September 15th of the following even-numbered year. The parties shall also prepare a schedule of at least five negotiation dates for the following year, absent an agreement to the contrary. The parties shall execute a written agreement before November 1st of each odd-numbered year setting forth the name of the arbitrator and the dates reserved for bargaining and arbitration. This subsection (6)(a) imposes minimum obligations only and is not intended to define or limit a party's full, good faith bargaining obligation under other sections of this chapter.

(b) The negotiation of a proposed collective bargaining agreement by representatives of the employer and a ferry employee organization shall commence on or about February 1st of every even-numbered year.

(c) For negotiations covering the 2009-2011 biennium and subsequent biennia, the time periods specified in this section, and in RCW 47.64.210 and 47.64.300 through 47.64.320, must ensure conclusion of all agreements on or before October 1st of the even-numbered year next preceding the biennial budget period during which the agreement should take effect. These time periods may only be altered by mutual agreement of the parties in writing. Any such agreement and any impasse procedures agreed to by the parties under RCW 47.64.200 must include an agreement regarding the new time periods that will allow final resolution by negotiations or arbitration by October 1st of each even-numbered year.

(7) It is the intent of this section that the collective bargaining agreement or arbitrator's award shall commence on July 1st of each odd-numbered year and shall terminate on June 30th of the next odd-numbered year to coincide with the ensuing biennial budget year, as defined by RCW 43.88.020((~~(7)~~)) (9), to the extent practical. It is further the intent of this section that all collective bargaining agreements be concluded by October 1st of the even-numbered year before the commencement of the biennial budget year during which the agreements are to be in effect. After the expiration date of a collective bargaining agreement negotiated under this chapter, except to the extent provided in ((~~subsection (11) of this section and~~)) RCW 47.64.270(4), all of the terms and conditions specified in the collective bargaining agreement remain in effect until the effective date of a subsequently negotiated agreement, not to exceed one year from the expiration date stated in the agreement. Thereafter, the employer may unilaterally implement according to law.

(8) ((~~The office of financial management shall conduct a salary survey, for use in collective bargaining and arbitration~~)) (a) The salary and fringe benefits paid to ferry employees must be competitive with those in the applicable category of external public and private sector employees described in (b)(i) through (v) of this subsection that is appropriate for each work group, guided by the results of a survey undertaken in the collective bargaining process during each biennium. Salary and fringe benefits include direct wage compensation, vacation, holidays

and other paid excused time, pensions, insurance, and benefits received.

(b) The office of financial management shall conduct a comprehensive salary and fringe benefit survey, for maritime employees for use in collective bargaining and arbitration, by contracting with a nationally recognized firm that has expertise in conducting compensation surveys that involve comparisons of wages, hours, benefits, and conditions of employment. To accomplish this, the office of financial management may pursue a sole source contract under RCW 39.26.140. Salary and fringe benefit survey information collected from private employers, which identifies a specific employer with the salary and fringe benefit rates, which that employer pays to its employees, is not subject to public disclosure under chapter 42.56 RCW. The salary survey must be conducted as follows:

(i) The salary survey for the deck department and terminal department employees must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved;

(ii) The salary survey for the masters and mates must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees, including business entities whose operations include the movement of unlimited tonnage vessels, in the designated pilotage waters of the states along the west coast of the United States, including Alaska, doing directly comparable but not necessarily identical work. When considering whether work is directly comparable but not necessarily identical, consideration must be given to factors peculiar to the area and the classifications involved and whether there are United States coast guard licensing requirements, including the holding of first-class pilot endorsements as described in 46 U.S.C. Sec. 8502;

(iii) The salary survey for the engine room employees must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of private sector shipping employees and public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia, and public sector employers on the east coast who operate double-ended vessels with similar horsepower that carry more than 2,000 passengers, doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved;

(iv) The salary survey for the trades employees at the Eagle Harbor shipyard facility must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees in the Puget Sound region and must include the Port of Seattle maintenance facility, the Port of Tacoma maintenance facility, the King county maintenance facility, rates required to be paid under chapter 39.12 RCW to workers performing construction, maintenance, and repair on vessels and structures under publicly funded projects within King, Pierce, Snohomish, Skagit, San Juan, and Kitsap counties, doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved;

(v) The salary survey for all other covered employees must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved.

(9) The entity contracted to complete the survey shall seek the input of the employee organizations in gathering information.

(10) The office of financial management shall make the final salary survey available to all bargaining parties by April 1st of the even-numbered year. For 2026 only, should the office of financial management not be able to complete the survey by April 1st, the parties shall agree to a new completion date.

(((~~(9) Except as provided in subsection (11) of this section:~~)))

(11)(a) The governor shall submit a request either for funds necessary to implement the collective bargaining agreements including, but not limited to, the compensation and fringe benefit provisions or for legislation necessary to implement the agreement, or both. Requests for funds necessary to implement the collective bargaining agreements shall not be submitted to the legislature by the governor unless such requests:

(i) Have been submitted to the director of the office of financial management by October 1st before the legislative session at which the requests are to be considered; and

(ii) Have been certified by the director of the office of financial management as being feasible financially for the state.

(b) The governor shall submit a request either for funds necessary to implement the arbitration awards or for legislation necessary to implement the arbitration awards, or both. Requests for funds necessary to implement the arbitration awards shall not be submitted to the legislature by the governor unless such requests:

(i) Have been submitted to the director of the office of financial management by October 1st before the legislative session at which the requests are to be considered; and

(ii) Have been certified by the director of the office of financial management as being feasible financially for the state.

(c) The legislature shall approve or reject the submission of the request for funds necessary to implement the collective bargaining agreements or arbitration awards as a whole for each agreement or award. The legislature shall not consider a request for funds to implement a collective bargaining agreement or arbitration award unless the request is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060. If the legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement and award or the exclusive bargaining representative may seek to implement the procedures provided for in RCW 47.64.210 and 47.64.300.

(((~~(10)~~))) (12) If, after the compensation and fringe benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.

(((~~(11)(a) For the collective bargaining agreements negotiated for the 2011-2013 fiscal biennium, the legislature may consider a request for funds to implement a collective bargaining agreement even if the request for funds was not received by the office of financial management by October 1st and was not transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060.~~

~~(b) For the 2013-2015 fiscal biennium, a collective bargaining agreement related to employee health care benefits negotiated between the employer and coalition pursuant to RCW 41.80.020(3) regarding the dollar amount expended on behalf of each employee must be a separate agreement for which the governor may request funds necessary to implement the~~

~~agreement. The legislature may act upon a 2013-2015 collective bargaining agreement related to employee health care benefits if an agreement is reached and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature.~~

~~(c) For the collective bargaining agreements negotiated for the 2013-2015 fiscal biennium, the legislature may consider a request for funds to implement a collective bargaining agreement reached after October 1st after a determination of financial infeasibility by the director of the office of financial management if the request for funds is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060.~~))

Sec. 3. RCW 47.64.320 and 2010 c 283 s 15 are each amended to read as follows:

(1) The mediator, arbitrator, or arbitration panel may consider only matters that are subject to bargaining under this chapter, except that health care benefits are not subject to interest arbitration.

(2) The decision of an arbitrator or arbitration panel is not binding on the legislature and, if the legislature does not approve the funds necessary to implement provisions pertaining to compensation and fringe benefit provisions of an arbitrated collective bargaining agreement, is not binding on the state, the department of transportation, or the ferry employee organization.

(3) In making its determination, the arbitrator or arbitration panel shall be mindful of the legislative purpose under RCW 47.64.005 and 47.64.006 and, as additional standards or guidelines to aid it in reaching a decision, shall take into consideration the following factors:

(a) The financial ability of the department to pay for the compensation and fringe benefit provisions of a collective bargaining agreement;

(b) Past collective bargaining contracts between the parties including the bargaining that led up to the contracts;

(c) The constitutional and statutory authority of the employer;

(d) Stipulations of the parties;

(e) The results of the salary survey as required in RCW 47.64.170(8);

(f) Comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with ((~~those of public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved~~)) the appropriate public and private sector employees in the described geographical areas, as specified under RCW 47.64.170(8)(b) (i) through (v);

(g) Changes in any of the foregoing circumstances during the pendency of the proceedings;

(h) The limitations on ferry toll increases and operating subsidies as may be imposed by the legislature;

(i) The ability of the state to retain ferry employees;

(j) The overall compensation presently received by the ferry employees, including direct wage compensation, vacations, holidays and other paid excused time, pensions, insurance benefits, and all other direct or indirect monetary benefits received; and

(k) Other factors that are normally or traditionally taken into consideration in the determination of matters that are subject to bargaining under this chapter.

(4) This section applies to any matter before the respective mediator, arbitrator, or arbitration panel."

On page 1, line 2 of the title, after "comparisons;" strike the remainder of the title and insert "and amending RCW 47.64.006, 47.64.170, and 47.64.320."

Senators Liias and King spoke in favor of adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of striking floor amendment no. 0377 by Senator Liias to Substitute House Bill No. 1264.

The motion by Senator Liias carried and striking floor amendment no. 0377 was adopted by voice vote.

MOTION

On motion of Senator Liias, the rules were suspended, Substitute House Bill No. 1264 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 Liias spoke in favor of passage of the bill.

Senator King spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1264 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1264 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 29; Nays, 19; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Slatter

SUBSTITUTE HOUSE BILL NO. 1264 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. 1509, by House Committee on Appropriations (originally sponsored by Taylor, Dent, Davis, Reed, and Hill)

Concerning family reconciliation services.

The measure was read the second time.

MOTION

On motion of Senator Wilson, C., the rules were suspended, Substitute House Bill No. 1509 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Wilson, C. and Christian spoke in favor of passage of the bill.

The President declared the question before the Senate to be the

final passage of Substitute House Bill No. 1509.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1509 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

SUBSTITUTE HOUSE BILL NO. 1509, 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. 1213, by House Committee on Appropriations (originally sponsored by Berry, Fosse, Reed, Obras, Fitzgibbon, Alvarado, Mena, Macri, Ryu, Farivar, Doglio, Simmons, Peterson, Street, Wylie, Pollet, Ormsby, Lekanoff, Salahuddin, and Hill)

Expanding protections for workers in the state paid family and medical leave program.

The measure was read the second time.

MOTION

Senator Saldaña 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 50A.05.020 and 2019 c 13 s 30 are each amended to read as follows:

(1) The department shall establish and administer the family and medical leave program and pay family and medical leave benefits as specified in this title. The department shall adopt government efficiencies to improve administration and reduce costs. These efficiencies shall include, to the extent feasible, combined reporting and payment, with a single return, of premiums under this title and contributions under chapter 50.24 RCW.

(2) The department shall establish procedures and forms for filing applications for benefits under this title. The department shall notify the employer within five business days of an application being filed.

(3) The department shall use information sharing and integration technology to facilitate the disclosure of relevant information or records by the department, so long as an employee consents to the disclosure as required under RCW 50A.15.040.

(4) Information contained in the files and records pertaining to an employee under this chapter are confidential and not open to public inspection, other than to public employees in the performance of their official duties, except as provided in chapter 50A.25 RCW.

(5) The department shall develop and implement an outreach program to ensure that employees who may be qualified to receive family and medical leave benefits under this title are made aware of these benefits. Outreach information shall explain, in an easy to understand format, eligibility requirements, the application process, weekly benefit amounts, maximum benefits payable, notice and certification requirements, reinstatement and nondiscrimination rights, confidentiality, voluntary plans, and the relationship between employment protection, leave from employment, and wage replacement benefits under this title and other laws, collective bargaining agreements, and employer policies. Outreach information shall be available in English and other primary languages as defined in RCW 74.04.025.

(6)(a) The department shall conduct regular outreach to employers regarding employer responsibilities under this title, which must include but is not limited to providing information on premium collection under chapter 50A.10 RCW, notice requirements under chapter 50A.20 RCW, employment protection under chapter 50A.35 RCW, and the availability of grants to certain employers under RCW 50A.24.010 and section 9 of this act.

(b) The department is authorized to inspect and audit employer files and records relating to the family and medical leave program, including employer voluntary plans. The department may conduct periodic audits of employer files and records for the purposes of assisting with and otherwise enforcing compliance with this title.

Sec. 2. RCW 50A.05.050 and 2022 c 233 s 7 are each amended to read as follows:

(1) Beginning December 1, 2020, and annually thereafter, the department shall report to the legislature on the entire program, including:

(a) Projected and actual program participation;

(b) Premium rates;

(c) Fund balances;

(d) Benefits paid;

(e) Demographic information on program participants, including income, gender, race, ethnicity, geographic distribution by county and legislative district, and employment sector;

(f) Costs of providing benefits;

(g) Elective coverage participation;

(h) Voluntary plan participation;

(i) Outreach efforts; and

(j) Small business assistance.

(2)(a) Beginning January 1, 2023, the office of actuarial services ((~~created~~)) in RCW 50A.05.130 must annually report, by November 1st, to the advisory committee in RCW 50A.05.030 on the experience and financial condition of the family and medical leave insurance account, and the lowest future premium rates necessary to maintain solvency of the family and medical leave insurance account in the next four years while limiting fluctuation in premium rates.

(b) For calendar years 2023 through 2028, the annual reports in (a) of this subsection must be submitted to the appropriate committees of the legislature in compliance with RCW 43.01.036.

(c) Beginning the effective date of this section, the office of actuarial services in RCW 50A.05.130 shall submit a report within 10 business days to the advisory committee in RCW 50A.05.030 and the appropriate committees of the legislature in compliance with RCW 43.01.036 if the office projects that a deficit in the family and medical leave insurance account will not be recovered through the next quarterly premium collections.

(3) Beginning October 1, 2023, the department must report quarterly to the advisory committee in RCW 50A.05.030 on premium collections, benefit payments, the family and medical leave insurance account balance, and other program expenditures.

Sec. 3. RCW 50A.10.030 and 2023 c 116 s 1 are each amended to read as follows:

(1) The department shall assess for each individual in employment with an employer and for each individual electing coverage a premium based on the amount of the individual's wages subject to subsection (4) of this section.

(2) The commissioner shall determine the percentage of paid claims related to family leave benefits and the percentage of paid claims related to medical leave benefits and set the family leave premium and the medical leave premium by applying the proportional share of paid claims for each type of leave to the total premium rate set in subsection (6) of this section.

(3)(a) For family leave premiums, an employer may deduct from the wages of each employee up to the full amount of the premium required.

(b) For medical leave premiums, an employer may deduct from the wages of each employee up to 45 percent of the full amount of the premium required.

(c) An employer may elect to pay all or any portion of the employee's share of the premium for family leave or medical leave benefits, or both.

(4) The commissioner must annually set a maximum limit on the amount of wages that is subject to a premium assessment under this section that is equal to the maximum wages subject to taxation for social security as determined by the social security administration.

(5)(a) Employers with fewer than 50 employees employed in the state are not required to pay the employer portion of premiums for family and medical leave.

(b) If an employer with fewer than 50 employees elects to pay the premiums, the employer is then eligible for assistance under ((~~RCW 50A.24.010~~)) section 9 of this act.

(6)(a) On or around October 20th of each year, the commissioner must calculate the total premium rate as follows:

(i) Calculate an amount that equals 140 percent of the prior fiscal year's expenses, including the total amount of benefits paid and the department's administrative costs;

(ii) Subtract the balance of the family and medical leave insurance account created in RCW 50A.05.070 as of September 30th from the amount determined in (a)(i) of this subsection (6); and

(iii) Divide the difference in (a)(ii) of this subsection (6) by the prior fiscal year's taxable wages. The quotient must be carried to the fourth decimal place and then rounded up to the nearest one hundredth of one percent.

(b) The commissioner must set the total premium rate at the rate calculated in (a) of this subsection (6) subject to the following conditions:

(i) If the commissioner determines the total premium rate calculated in (a) of this subsection exceeds a rate necessary to maintain a three-month reserve at the end of the following rate collection year, the commissioner must set the total premium rate at the minimum rate necessary to close the rate collection year with a three-month reserve; and

(ii) The total premium rate must not exceed 1.20 percent.

(c) For the purposes of this subsection (6):

(i) "Taxable wages" means the total amount of wages subject to a premium assessment under this section for all individuals in employment with an employer and all individuals electing coverage.

(ii) "Three-month reserve" means the average monthly expenses, including the total amount of benefits paid and the department's administrative costs, in the prior 12 calendar months from the date of the calculation in this subsection multiplied by three.

(7)(a) The employer must collect from the employees the premiums provided under this section through payroll deductions and remit the amounts collected to the department.

(b) In collecting employee premiums through payroll deductions, the employer shall act as the agent of the employees and shall remit the amounts to the department as required by this title.

(c) On September 30th of each year, the department shall average the number of employees reported by an employer on the last day of each quarter over the last four completed calendar quarters to determine the size of the employer for the next calendar year for the purposes of this section ((~~and~~)), RCW 50A.24.010, and section 9 of this act.

(8) Premiums shall be collected in the manner and at such intervals as provided in this title and directed by the department.

(9) Premiums collected under this section are placed in trust for the employees and employers that the program is intended to assist.

(10) A city, code city, town, county, or political subdivision may not enact a charter, ordinance, regulation, rule, or resolution:

(a) Creating a paid family or medical leave insurance program that alters or amends the requirements of this title for any private employer;

(b) Providing for local enforcement of the provisions of this title; or

(c) Requiring private employers to supplement duration of leave or amount of wage replacement benefits provided under this title.

Sec. 4. RCW 50A.15.020 and 2022 c 233 s 3 are each amended to read as follows:

(1) Beginning January 1, 2020, family and medical leave are available and benefits are payable to a qualified employee under this section.

(a) Following a waiting period consisting of the first seven consecutive calendar days, benefits are payable when family or medical leave is required. However, no waiting period is required for leave for the birth or placement of a child, or for leave because of any qualifying exigency as defined under RCW 50A.05.010(10)(c). The waiting period begins the previous Sunday of the week when an otherwise eligible employee takes leave for the minimum claim duration under subsection (2)(c) of this section. Eligible employees may satisfy the waiting period requirement while simultaneously receiving paid time off for any part of the waiting period.

(b) Benefits may continue during the continuance of the need for family or medical leave, subject to the maximum and minimum weekly benefits, duration, and other conditions and limitations established in this title.

(2) The weekly benefit shall be prorated by the percentage of hours on leave compared to the number of hours provided as the typical workweek hours as defined in RCW 50A.05.010.

(a) The benefits in this section, if not a multiple of one dollar, shall be reduced to the next lower multiple of one dollar.

(b) Hours on leave claimed for benefits under this title, if not a multiple of one hour, shall be reduced to the next lower multiple of one hour.

(c) The minimum claim duration payment is for ((~~eight~~)) four consecutive hours of leave.

(3)(a) The maximum duration of paid family leave may not exceed ((~~twelve~~)) 12 times the typical workweek hours during a period of ((~~fifty-two~~)) 52 consecutive calendar weeks.

(b) The maximum duration of paid medical leave may not exceed ((~~twelve~~)) 12 times the typical workweek hours during a period of ((~~fifty-two~~)) 52 consecutive calendar weeks. This leave may be extended an additional two times the typical workweek

hours if the employee experiences a serious health condition with a pregnancy that results in incapacity.

(c) An employee is not entitled to paid family and medical leave benefits under this title that exceeds a combined total of ((~~sixteen~~)) 16 times the typical workweek hours. The combined total of family and medical leave may be extended to ((~~eighteen~~)) 18 times the typical workweek hours if the employee experiences a serious health condition with a pregnancy that results in incapacity.

(4)(a) Any paid leave benefits under this chapter used in the postnatal period by an employee eligible for benefits under RCW 50A.05.010(23)(a)(ii)(B) must be medical leave, subject to the maximum and minimum weekly benefits, duration, and other conditions and limitations established in this title, unless the employee chooses to use family leave during the postnatal period.

(b) Certification of a serious health condition is not required for paid leave benefits used in the postnatal period by an employee eligible for benefits under RCW 50A.05.010(23)(a)(ii)(B).

(5) The weekly benefit for family and medical leave shall be determined as follows: If the employee's average weekly wage is: (a) Equal to or less than one-half of the state average weekly wage, then the benefit amount is equal to ((~~ninety~~)) 90 percent of the employee's average weekly wage; or (b) greater than one-half of the state average weekly wage, then the benefit amount is the sum of: (i) Ninety percent of one-half of the state average weekly wage; and (ii) ((~~fifty~~)) 50 percent of the difference of the employee's average weekly wage and one-half of the state average weekly wage.

(6)(a) The maximum weekly benefit for family and medical leave that occurs on or after January 1, 2020, shall be ((~~one thousand dollars~~)) $1,000. By September 30, 2020, and by each subsequent September 30th, the commissioner shall adjust the maximum weekly benefit amount to ((~~ninety~~)) 90 percent of the state average weekly wage. The adjusted maximum weekly benefit amount takes effect on the following January 1st.

(b) The minimum weekly benefit shall not be less than ((~~one hundred dollars~~)) $100 per week except that if the employee's average weekly wage at the time of family or medical leave is less than ((~~one hundred dollars~~)) $100 per week, the weekly benefit shall be the employee's full wage.

Sec. 5. RCW 50A.20.010 and 2019 c 13 s 12 are each amended to read as follows:

(1) Whenever an employee of an employer who is qualified for benefits under this title is absent from work to provide family leave, or take medical leave for more than seven consecutive days, the employer shall provide the employee with a written statement of the employee's rights under this title in a form prescribed by the commissioner. The statement must be provided to the employee within five business days after the employee's seventh consecutive day of absence due to family or medical leave, or within five business days after the employer has received notice that the employee's absence is due to family or medical leave, whichever is later.

(2) The commissioner shall develop the written statement of employee rights to be distributed by an employer under this section. At a minimum, the statement must explain, in an easy to understand format, eligibility requirements, possible weekly benefits, application processes, employment protection rights, and nondiscrimination rights, and direct the employee to appropriate contacts and portals for more information.

Sec. 6. RCW 50A.20.020 and 2019 c 13 s 13 are each amended to read as follows:

Each employer shall post and keep posted, in conspicuous places on the premises of the employer where notices to employees and applicants for employment are customarily posted, a notice, to be prepared or approved by the commissioner, setting forth excerpts from, or summaries of, the pertinent provisions of this title, including, but not limited to: Eligibility requirements, possible weekly benefits, application processes, employment protection rights, nondiscrimination rights, and other protections, and information pertaining to the filing of a complaint. Any employer that willfully violates this section may be subject to a civil penalty of not more than ((~~one hundred dollars~~)) $100 for each separate offense. Any penalties collected by the department under this section shall be deposited into the family and medical leave enforcement account.

Sec. 7. RCW 50A.30.010 and 2020 c 125 s 9 are each amended to read as follows:

(1) An employer may apply to the commissioner for approval of a voluntary plan for the payment of either family leave benefits or medical leave benefits, or both. The application must be submitted on a form and in the manner as prescribed by the commissioner in rule. The fee for the department's review of each application for approval of a voluntary plan is ((~~two hundred fifty dollars~~)) $250.

(2) The benefits payable as indemnification for loss of wages under any voluntary plan must be separately stated and designated separately and distinctly in the plan from other benefits, if any.

(3) Neither an employee nor his or her employer are liable for any premiums for benefits covered by an approved voluntary plan.

(4) An employee may only receive payment of benefits for family leave, medical leave, or both from one approved plan at a time. An employee who qualifies for benefits and is simultaneously covered by more than one plan under this title will receive benefits under the plan for which the employee has worked the most hours during the employee's qualifying period. The commissioner must adopt rules to allow benefits or prevent duplication of benefits to employees simultaneously covered by one or more approved voluntary plans and the state program.

(5) The commissioner must approve any voluntary plan as to which the commissioner finds that there is at least one employee in employment and all of the following exist:

(a) The benefits afforded to the employees must be at least equivalent to the benefits the employees are entitled to as part of the state's family and medical leave program, including but not limited to the duration of leave. The employer must offer at least one-half of the length of leave as provided in RCW 50A.15.020(3) with pay and provide a monetary payment in an amount equal to or higher than the total amount of monetary benefits the employee would be entitled to receive as part of the state-run program. The employer may offer the same duration of leave and monetary benefits as offered under the state program.

(b) The sick leave an employee is entitled to under RCW 49.46.210 is in addition to the employer's provided benefits and is in addition to any family or medical leave benefits.

(c) The plan is available to all of the eligible employees of the employer employed in this state, including future employees.

(d) The employer has agreed to make all required payroll deductions, including that:

(i) In the case of plan termination or withdrawal, the employer must remit to the department all required moneys under RCW 50A.30.045 and 50A.30.065(3); and

(ii) If the employer has an approved voluntary plan for either medical leave or family leave but not both, the employer is still obligated to remit to the department premiums owed to the state plan for the portions not covered by the employer's approved voluntary plan.

(e) The plan will be in effect for a period of not less than one year and, thereafter, continuously unless the commissioner finds that the employer has given notice of withdrawal from the plan in a manner specified by the commissioner in rule. The plan may be

withdrawn by the employer on the date of any law increasing the benefit amounts or the date of any change in the rate of employee premiums, if notice of the withdrawal from the plan is transmitted to the commissioner not less than ((~~thirty~~)) 30 days prior to the date of that law or change. If the plan is not withdrawn, it must be amended to conform to provide the increased benefit amount or change in the rate of the employee's premium on the date of the increase or change.

(f) The amount of payroll deductions from the wages of an employee in effect for any voluntary plan may not exceed the maximum payroll deduction for that employee as authorized under RCW 50A.10.030. The deductions may not be increased on other than an anniversary of the effective date of the plan, except to the extent that any increase in the deductions from the wages of an employee do not exceed the maximum rate authorized under the state program.

(g) The voluntary plan provides that an employee of an employer with a voluntary plan for either family leave or medical leave, or both, is eligible for the plan benefits if the employee meets the requirements of RCW 50A.15.010 and has worked at least ((~~three hundred forty~~)) 340 hours for the employer during the ((~~twelve~~)) 12 months immediately preceding the date leave will commence.

(h) The voluntary plan provides that an employee of an employer with a voluntary plan for either family leave or medical leave, or both, who takes leave under the voluntary plan is entitled to ((~~the~~)) employment protection ((~~provisions~~)) in accordance with the requirements contained in RCW 50A.35.010 ((~~if the employee has worked for the employer for at least nine months and nine hundred sixty-five hours during the twelve months immediately preceding the date leave will commence~~)).

(i) The voluntary plan provides that the employer maintains the employee's existing health benefits as provided under RCW 50A.35.020.

(6)(a) The department must conduct a review of the expenses incurred in association with the administration of the voluntary plans during the first three years after implementation and report its findings to the legislature.

(b) The review must include an analysis of the adequacy of the fee in subsection (1) of this section to cover the department's administrative expenses related to reviewing and approving or denying the applications and administering appeals related to voluntary plans. The review must include an estimate of the next year's projected administrative costs related to the voluntary plans. The legislature shall adjust the fee in subsection (1) of this section as needed to ensure the department's administrative expenses related to the voluntary plans are covered by the fee.

(c) If the current receipts from the fee in subsection (1) of this section are inadequate to cover the department's administrative expenses related to the voluntary plans, the department may use funds from the family and medical leave insurance account under RCW 50A.05.070 to pay for these expenses.

Sec. 8. RCW 50A.24.010 and 2019 c 13 s 36 are each amended to read as follows:

(1) The legislature recognizes that while family leave and medical leave benefit both employees and employers, there may be costs that disproportionately impact small businesses. To equitably balance the risks among employers, the legislature intends to assist small businesses with the costs of an employee's use of family or medical leave as provided in this chapter.

(2) Employers with ((~~one hundred fifty or fewer~~)) 50 to 150 employees ((~~and employers with fifty or fewer employees who are assessed all premiums under RCW 50A.10.030(5)(b)~~)) may apply to the department for ((~~a grant~~)) grants under this section, subject to the requirements of this section.

(3)(a) An employer may receive a grant of three thousand dollars if the employer hires a temporary worker to replace an employee on family or medical leave for a period of seven days or more.

(b) For an employee's family or medical leave, an employer may receive a grant of up to one thousand dollars as reimbursement for significant additional wage-related costs due to the employee's leave.

(c) An employer may receive a grant under (a) or (b) of this subsection, but not both, except that an employer who received a grant under (b) of this subsection may receive a grant of the difference between the grant awarded under (b) of this subsection and three thousand dollars if the employee on leave extended the leave beyond the leave initially planned and the employer hired a temporary worker for the employee on leave.

(4) An employer may ((~~apply for~~)) receive a grant under this section no more than ten times per calendar year and no more than once for each employee on leave.

(5) To be eligible for a grant, the employer must provide the department written documentation showing the temporary worker hired or significant wage-related costs incurred are due to an employee's use of family or medical leave.

(6) ((~~The department must assess an employer with fewer than fifty employees who receives a grant under this section for all premiums for three years from the date of receipt of a grant.~~

~~(7) The grants under this section shall be funded from the family and medical leave insurance account.~~

~~(8) The commissioner shall adopt rules as necessary to implement this section.~~

~~(9)~~)) For the purposes of this section, the number of employees must be calculated as provided in RCW 50A.10.030.

(((~~(10)~~)) (7) An employer who has an approved voluntary plan is not eligible to receive a grant under this section.

NEW SECTION. **Sec. 9.** A new section is added to chapter 50A.24 RCW to read as follows:

(1) Employers with fewer than 50 employees may apply to the department for grants under this section, subject to the requirements of this section.

(2)(a) An employer may receive a grant of $3,000 if the employer hires a temporary worker to replace an employee on family or medical leave for a period of seven days or more, or if the employer incurs significant additional wage-related costs due to the employee's leave. To be eligible for a grant, the employer must provide the department a written statement attesting that the employer hired a temporary worker or incurred other significant wage-related costs due to an employee's use of family or medical leave.

(b) An employer may receive a grant under this subsection no more than 10 times per calendar year and no more than once for each employee on leave.

(3) The department must assess any employer who receives a grant under this section for all premiums for three years from the date of receipt of a grant.

(4) For the purposes of this section, the number of employees must be calculated as provided in RCW 50A.10.030.

(5) An employer who has an approved voluntary plan is not eligible to receive a grant under this section.

NEW SECTION. **Sec. 10.** A new section is added to chapter 50A.24 RCW to read as follows:

(1) The grants under this chapter must be funded from the family and medical leave insurance account.

(2) An application for a grant under this chapter must be submitted no later than 12 months after the employee's first day of leave under this title. A third-party administrator or other agent authorized by the employer may submit an application on the

employer's behalf.

(3) The department shall submit payment to the employer within 14 calendar days after the qualifying employer's completed application is received by the department.

(4) The department shall:

(a) Promptly notify an employer with fewer than 50 employees of the grants under this chapter if one or more of its employees receives benefits under this title;

(b) Make available on its website information on the grants under this chapter and include a link to grant applications within the existing website portal; and

(c) Include information on the grants under this chapter when notifying employers and employees of changes to the premium rate under RCW 50A.10.030.

(5) The commissioner shall adopt rules as necessary to implement this chapter.

Sec. 11. RCW 50A.35.010 and 2019 c 13 s 4 are each amended to read as follows:

(1)(a) Except as provided in RCW 50A.30.010(5) and subsections (6) and (7) of this section, ((~~any~~)) an employee ((~~who takes family~~)) is entitled to employment restoration upon returning from:

(i) Family or medical leave under this title, regardless of whether the employee also qualifies for and receives concurrent leave under the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section), as provided under RCW 50A.15.110; or

(ii) Unpaid leave protected by the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section) during a period in which the employee was eligible for benefits under this title but did not apply for and receive those benefits, excluding unpaid sick leave or temporary disability taken for pregnancy or childbirth under chapter 49.60 RCW or as an accommodation under RCW 43.10.005, subject to the notice requirements in subsection (8) of this section.

(b) For purposes of this section, "employment restoration" and "employment protection" mean that the employee is entitled, on return from the leave:

((~~(a)~~)) (i) To be restored by the employer to the position of employment held by the employee when the leave commenced; or

((~~(b)~~)) (ii) To be restored by the employer to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

(2) The taking of leave under this title may not result in the loss of any employment benefits accrued before the date on which the leave commenced.

(3) Nothing in this section shall be construed to entitle any restored employee to:

(a) The accrual of any seniority or employment benefits during any period of leave; or

(b) Any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave.

(4) As a condition of restoration under subsection (1) of this section for an employee who has taken medical leave, the employer may have a uniformly applied practice or policy that requires each such employee to receive certification from the employee's health care provider that the employee is able to resume work.

(5) Nothing in this section shall be construed to prohibit an employer from requiring an employee on leave to report periodically to the employer on the status and intention of the employee to return to work.

(6)(a) This section does not apply unless the employee:

(i) Works for an employer with ((~~fifty or more employees; (ii) has been employed by the current employer for twelve months or more; and (iii) has worked for the current employer for at least one thousand two hundred fifty hours during the twelve months immediately preceding the date on which leave will commence. For the purposes of this subsection, an employer shall be considered to employ fifty or more employees if the employer employs fifty or more employees for each working day during each of twenty or more calendar workweeks in the current or preceding calendar year~~)) the following number of employees:

(A) 25 or more employees beginning January 1, 2026, until December 31, 2026;

(B) 15 or more employees beginning January 1, 2027, until December 31, 2027; and

(C) Eight or more employees beginning January 1, 2028, and thereafter; and

(ii) Began employment with the current employer at least 180 calendar days before taking the leave.

(b) An employer may deny restoration under this section to any salaried employee who is among the highest paid ((~~ten~~)) 10 percent of the employees employed by the employer within ((~~seventy-five~~)) 75 miles of the facility at which the employee is employed if:

(i) Denial is necessary to prevent substantial and grievous economic injury to the operations of the employer;

(ii) The employer notifies the employee of the intent of the employer to deny restoration on such basis at the time the employer determines that the injury would occur; and

(iii) The leave has commenced and the employee elects not to return to employment after receiving the notice.

(7)(a) Except by written agreement between the employer and employee or between the employer and an employee bargaining unit, the employee forfeits the right to employment restoration under this section if the employee does not exercise it upon the earlier of:

(i) The first scheduled work day following the period of leave under subsection (1)(a) of this section; or

(ii) The first scheduled work day following a continuous period of, or combined intermittent periods of a total of, 16 typical workweeks of leave under subsection (1)(a) of this section taken during a period of 52 consecutive calendar weeks, except this period is extended to 18 typical workweeks of leave under subsection (1)(a) of this section taken during a period of 52 consecutive calendar weeks if any of the leave was taken as a result of a serious health condition with a pregnancy resulting in incapacity.

(b) For any continuous period of leave exceeding two typical workweeks or any combined intermittent periods of leave exceeding 14 typical work days, the employer must provide at least five business days advance written notice to the employee, in a language understood by the employee and transmitted by a method reasonably certain to be received promptly by the employee, regarding the estimated expiration of the right of employment restoration and the date of the employee's first scheduled work day under this subsection. For combined intermittent periods of leave, the employer may estimate the expiration of the right of employment restoration based on information provided to the employer by the department and employee.

(c) The expiration of the periods under (a)(ii) of this subsection does not affect an employee's eligibility for paid family and medical leave benefits under this title.

(8)(a) In order for unpaid leave under subsection (1)(a)(ii) of this section to qualify for employment restoration rights under this section and count towards the maximum periods in subsection (7)(a)(ii) of this section, the employer must provide

written notice to the employee, in a language understood by the employee and transmitted by a method reasonably certain to be received promptly by the employee, of the following:

(i) That the employer is designating and counting the employee's unpaid leave against the employee's entitlement under the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section), including specifying the amount of the entitlement used and remaining, as estimated by the employer based on information provided by the department and employee;

(ii) The start and end dates of the employer's designated 12-month leave year under the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section);

(iii) Since the employee is eligible for paid family or medical leave under this title but is not applying for and receiving benefits, that the employer is counting the unpaid leave towards the maximum periods in subsection (7)(a)(ii) of this section, including specifying the start and end dates of the unpaid leave, and the total amount of the unpaid leave counting toward those maximum periods, as estimated by the employer based on information provided by the department and employee; and

(iv) That the use of unpaid leave counting against the periods in subsection (7)(a)(ii) of this section does not affect the employee's eligibility for paid family or medical leave benefits under this title.

(b) The employer must provide the written notice required by this subsection:

(i) Within five business days of the earlier of either the employee's initial request for or use of unpaid leave protected by the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section); and

(ii) At least monthly for the remainder of the employer's designated 12-month leave year.

(9) For purposes of auditing compliance or otherwise enforcing this chapter, the department may require the employer to collect and report information on the exercise of employment restoration rights under this section.

(10) This section does not alter or limit the rights and protections available to employees under other state or federal laws, including but not limited to sick leave or temporary disability taken for pregnancy or childbirth under chapter 49.60 RCW or as an accommodation under RCW 43.10.005, sick leave taken under RCW 49.46.210, or leave protected by the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section).

Sec. 12. RCW 50A.35.020 and 2019 c 13 s 39 are each amended to read as follows:

((~~If required by the federal family and medical leave act, as it existed on October 19, 2017~~)) (1) Except as provided under subsection (2) of this section, during any period of family or medical leave taken under this title, the employer shall maintain any existing health benefits of the employee in force for the duration of such leave as if the employee had continued to work from the date the employee commenced family or medical leave until the date the employee returns to employment. If the employer and employee share the cost of the existing health benefits, the employee remains responsible for the employee's share of the cost.

(2) This section does not apply ((~~to an~~)) if:

(a) An employee ((~~who~~)) is not ((~~in employment for an~~)) employed by the employer at the time of filing an application for benefits;

(b) An employee is not entitled to employment protection under RCW 50A.35.010; or

(c) The employee did not exercise the right to employment protection within the time periods provided under RCW 50A.35.010(7).

NEW SECTION. **Sec. 13.** This act takes effect January 1, 2026.

NEW SECTION. **Sec. 14.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void."

On page 1, line 2 of the title, after "program;" strike the remainder of the title and insert "amending RCW 50A.05.020, 50A.05.050, 50A.10.030, 50A.15.020, 50A.20.010, 50A.20.020, 50A.30.010, 50A.24.010, 50A.35.010, and 50A.35.020; adding new sections to chapter 50A.24 RCW; creating a new section; and providing an effective date."

WITHDRAWAL OF AMENDMENT

On motion of Senator Saldaña and without objection, floor amendment no. 0416 by Senator Saldaña on page 4, line 3 to Engrossed Second Substitute House Bill No. 1213 was withdrawn.

WITHDRAWAL OF AMENDMENT

On motion of Senator King and without objection, floor amendment no. 0413 by Senator King on page 12, line 28 to Engrossed Second Substitute House Bill No. 1213 was withdrawn.

WITHDRAWAL OF AMENDMENT

On motion of Senator King and without objection, floor amendment no. 0412 by Senator King on page 17, line 17 to Engrossed Second Substitute House Bill No. 1213 was withdrawn.

Senator Saldaña spoke in favor of adoption of the committee striking amendment.

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 Second Substitute House Bill No. 1213.

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

MOTION

On motion of Senator Alvarado, the rules were suspended, Engrossed Second Substitute House Bill No. 1213 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Alvarado, Conway, and Frame spoke in favor of passage of the bill.

Senators King, Warnick, and Braun spoke against passage of the bill.

POINT OF ORDER

Senator Braun: “Thank you Mr. President. It seems like those of us who ran a business prior to this law are being disparaged by the previous comment by the speaker.”

RULING BY THE PRESIDENT

President Heck: "Senator Braun, the President wishes it were within his purview to ask all 49 members to take a deep breath. It's not. But the President does want to remind everyone, be careful of how their words might be heard and perceived by others while simultaneously remembering we all approach this job doing the best we can to represent our communities from different perspectives. Senator Frame, please proceed but keep these thoughts in mind please."

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1213.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1213 and the bill passed the Senate by the following vote: Yeas, 28; Nays, 20; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Chapman, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Slatter

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1213, 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. 1068, by Representatives Doglio, Bronoske, Reeves, Tharinger, Street, Scott, Nance, Goodman, Fosse, Ryu, Leavitt, Ramel, Berry, Reed, Obras, Timmons, Davis, Ormsby, Lekanoff, Salahuddin, and Hill

Removing the exclusion from interest arbitration of Washington management service employees at the department of corrections.

The measure was read the second time.

MOTION

On motion of Senator Conway, the rules were suspended, House Bill No. 1068 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.

The President declared the question before the Senate to be the final passage of House Bill No. 1068.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1068 and the bill passed the Senate by the following vote: Yeas, 36; Nays, 12; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Dozier, Frame, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wagoner, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Christian, Fortunato, Gildon, Goehner, McCune, Schoesler, Short, Torres, Warnick and Wilson, J.

Excused: Senator Slatter

HOUSE BILL NO. 1068, 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. 1460, by House Committee on Appropriations (originally sponsored by Griffey, Davis, Nance, Eslick, and Pollet)

Concerning protection order hope cards.

The measure was read the second time.

MOTION

Senator Holy 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 7.105.352 and 2023 c 308 s 2 are each amended to read as follows:

(1) The administrative office of the courts shall develop a program for the issuance of protection order hope cards ((~~in scannable electronic format by superior and district courts~~)). The administrative office of the courts shall develop and implement the program in collaboration with the Washington state superior court judges' association, the Washington state district and municipal court judges' association, the Washington state association of county clerks, association of Washington superior court administrators, district and municipal court management association, ((~~and~~)) the Washington association of sheriffs and police chiefs, ((~~and shall make reasonably feasible efforts to solicit and incorporate input from appropriate stakeholder groups, including representatives from victim advocacy groups,~~)) the Washington supreme court gender and justice commission, representatives from gender-based violence survivor advocacy and legal assistance organizations, law enforcement agencies, and the department of licensing. The card design and program implementation must use a trauma-informed approach and prioritize protection from harm.

(2)(a) A hope card must be in a scannable electronic format including, but not limited to, a barcode, data matrix code, or a quick response code, and must contain, without limitations, the following:

(i) The restrained person's name((~~,~~)) and date of birth((~~, sex, race, eye color, hair color, height, weight, and other distinguishing features~~));

(ii) The protected person's or persons' name and date of birth and the names and dates of birth of any minor children protected under the order; ((~~and~~))

(iii) Information about the protection order including, but not limited to, the issuing court, the case number, and the date of issuance and date of expiration of the order((~~, and the relevant details of the order, including any locations from which the~~

~~person is restrained~~)); and

(iv) To reduce risk of lethality and other harm for the petitioner, any other protected persons, and responding law enforcement officers, information about any orders prohibiting the restrained person from accessing, having custody or control, possessing, purchasing, receiving, or attempting to purchase or receive any firearms, other dangerous weapons, or concealed pistol license, including any orders to surrender and prohibit weapons or extreme risk protection orders. The information shall include, but is not limited to, the issuing court, case number, date of issuance, date of expiration, and status of compliance for each order.

(b) ((~~If feasible, the~~)) The information stored in a scannable electronic format and accessible through a barcode, data matrix code, or a quick response code must include a digital record of the protection order as entered and provide access to the entire case history, including the petition for protection order, petition attachments, petitioner statement, declaration, temporary order, hearing notice, ((~~and~~)) protections and restraints ordered, including firearm prohibitions, proof of service, proof of compliance with any order to relinquish firearms, and any violations of the order.

(3) Commencing on January 1, 2025, a person who has been issued a valid full protection order may request a hope card from the clerk of the issuing court at the time the order is entered ((~~or~~)), so that there is not a waiting period to receive the card, there are not additional steps the petitioner must later take, and so that the petitioner may be assisted by an interpreter if one was assisting the petitioner at the hearing. If a card is not requested at that time, one may be requested at any time prior to the expiration of the order from the administrative office of the courts.

(4) A person requesting a hope card may not be charged a fee for the issuance of ((~~an original and one duplicate~~)) a hope card.

(5) A hope card has the same effect as the underlying protection order.

(6) For the purposes of this section, "full protection order" ((~~means~~)) has the meaning defined in RCW 7.105.010, and includes a domestic violence protection order, a sexual assault protection order, a stalking protection order, a vulnerable adult protection order, ((~~or~~)) an antiharassment protection order, or an extreme risk protection order, as defined in this chapter.

NEW SECTION. **Sec. 2.** A new section is added to chapter 2.56 RCW to read as follows:

The administrative office of the courts shall ensure that the information required in RCW 7.105.352 is provided by each court, including through use of consistent court codes, reporting mechanisms, and database entry."

On page 1, line 1 of the title, after "cards;" strike the remainder of the title and insert "amending RCW 7.105.352; and adding a new section to chapter 2.56 RCW."

Senators Holy and Dhingra spoke in favor of adoption of the committee striking amendment.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Law & Justice to Substitute House Bill No. 1460.

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

MOTION

On motion of Senator Holy, the rules were suspended, Substitute House Bill No. 1460 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Holy spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1460.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1460 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

SUBSTITUTE HOUSE BILL NO. 1460, 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. 1177, by House Committee on Early Learning & Human Services (originally sponsored by Ortiz-Self, Callan, Alvarado, Macri, and Simmons)

Concerning the child welfare housing assistance program.

The measure was read the second time.

MOTION

On motion of Senator Wilson, C., the rules were suspended, Substitute House Bill No. 1177 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Wilson, C. spoke in favor of passage of the bill.

Senator Christian spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1177.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1177 and the bill passed the Senate by the following vote: Yeas, 30; Nays, 18; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Slatter

SUBSTITUTE HOUSE BILL NO. 1177, 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. 1562, by House Committee on Local Government (originally sponsored by Hunt, Griffey, Parshley, Duerr, Berry, Davis, Callan, Leavitt, Ramel, Bernbaum, Zahn, Ormsby, Scott, Doglio, Hill, and Fosse)

Increasing the availability of baby diaper changing stations.

The measure was read the second time.

MOTION

Senator Lovelett moved that the following committee striking amendment by the Committee on Local Government be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A new section is added to chapter 70.54 RCW to read as follows:

(1) A public building in which a public restroom is required must provide a baby diaper changing station in at least one restroom that is accessible to women and one restroom that is accessible to men, or in one gender-neutral restroom. If multiple restrooms accessible to women, restrooms accessible to men, or gender-neutral restrooms exist, each restroom that does not include a baby diaper changing station must contain clear and conspicuous signage indicating where a restroom with a baby diaper changing station is located.

(2)(a) Except as provided in (b) and (c) of this subsection, the requirements in subsection (1) of this section apply to any public building constructed after the effective date of this section, and to any existing public building upon the issuance of a permit for a remodel or renovation of a public restroom within the building with an estimated cost of $15,000 or more.

(b) The requirements in subsection (1) of this section do not apply to an existing public building at the time of the issuance of a permit for the remodel or renovation of a public restroom if the local government issuing the permit or a building inspector determine that the installation of a baby diaper changing station in the building is not feasible or would result in a failure to comply with applicable building standards governing the right of access for persons with disabilities.

(c) The requirements in subsection (1) of this section do not apply to a restroom located in a health care facility if the restroom is intended for the use of one patient or resident at a time and is not available for public use.

(3) For a first violation of this section, the city or county attorney shall issue a warning letter to the owner or operator of the public building. An owner or operator of a public building that violates this section after receiving a warning letter is guilty of a class 2 civil infraction under chapter 7.80 RCW, except when the baby diaper changing station has been removed in compliance with subsection (4) of this section, in which case no penalty may be issued.

(4) A building owner or operator that has installed a baby diaper changing station in compliance with this section that is not used consistent with the standards established by the manufacturer may remove the baby diaper changing station.

(5) For the purposes of this section:

(a) "Baby diaper changing station" means a table or other device suitable for changing the diaper of a child weighing less than 50 pounds that is in compliance with the international building code standards as amended and adopted by the state building code council.

(b) "Gender-neutral restroom" means a restroom that is not restricted by gender including, but not limited to, restrooms available for use by families.

(c) "Health care facility" has the same meaning as in RCW 70.02.010.

(d) "Public building" is any building required to have a public restroom by the state building code or local regulations. "Public building" does not include an industrial building or commercial building that does not permit anyone who is under 18 years of age to enter the premises."

On page 1, line 2 of the title, after "stations;" strike the remainder of the title and insert "adding a new section to chapter 70.54 RCW; and prescribing penalties."

Senators Lovelett and Torres spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Local Government to Engrossed Substitute House Bill No. 1562.

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

MOTION

On motion of Senator Lovelett, the rules were suspended, Engrossed Substitute House Bill No. 1562 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Lovelett, Braun, Harris and Riccelli spoke in favor of passage of the bill.

Senator Torres spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1562.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1562 and the bill passed the Senate by the following vote: Yeas, 40; Nays, 8; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Cleveland, Conway, Cortes, Dhingra, Dozier, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Christian, Fortunato, McCune, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Slatter

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1562, 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. 1491, by House Committee on Appropriations (originally sponsored by Reed, Richards, Berry, Duerr, Cortes, Doglio, Ryu, Fitzgibbon, Alvarado, Davis, Ramel, Parshley, Mena, Peterson, Nance, Macri, Fosse, Kloba, Ormsby, Scott, Pollet, Hill, Obras, and Simmons)

Promoting transit-oriented housing development.

The measure was read the second time.

MOTION

Senator Bateman 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 legislature finds that the state has made groundbreaking investments in state-of-the-art mass transit and intermodal infrastructure. The legislature finds that to maximize the state's return on these investments, land use policies and practices must allow housing development to keep pace with progress being implemented in transportation infrastructure development. The legislature also intends new development to reflect the state's commitment to affordable housing and vibrant, walkable, accessible urban environments that improve health, expand multimodal transportation options, and include varied community facilities, parks, and green spaces that are open to people of all income levels.

The legislature recognizes that cities planning under chapter 36.70A RCW require direction and technical assistance to ensure the benefits of state transportation investments are maximized and shared equitably while avoiding unnecessary programmatic and cost burdens to local governments in their comprehensive planning, code enactment, and permit processing workloads. The legislature further recognizes that regulatory flexibility and local control are also important features of optimal planning outcomes.

Sec. 2. RCW 36.70A.030 and 2024 c 152 s 1 are each amended to read as follows:

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

(1) "Active transportation" means forms of pedestrian mobility including walking or running, the use of a mobility assistive device such as a wheelchair, bicycling and cycling irrespective of the number of wheels, and the use of small personal devices such as foot scooters or skateboards. Active transportation includes both traditional and electric assist bicycles and other devices. Planning for active transportation must consider and address accommodation pursuant to the Americans with disabilities act and the distinct needs of each form of active transportation.

(2) "Active transportation facilities" means facilities provided for the safety and mobility of active transportation users including, but not limited to, trails, as defined in RCW 47.30.005, sidewalks, bike lanes, shared-use paths, and other facilities in the public right-of-way.

(3) "Administrative design review" means a development permit process whereby an application is reviewed, approved, or denied by the planning director or the planning director's designee based solely on objective design and development standards without a public predecision hearing, unless such review is otherwise required by state or federal law, or the structure is a designated landmark or historic district established under a local preservation ordinance. A city may utilize public meetings, hearings, or voluntary review boards to consider, recommend, or approve requests for variances from locally established design review standards.

(4) "Adopt a comprehensive land use plan" means to enact a new comprehensive land use plan or to update an existing comprehensive land use plan.

(5) "Affordable housing" means, unless the context clearly indicates otherwise, residential housing whose monthly costs, including utilities other than telephone, do not exceed ((~~thirty~~)) 30 percent of the monthly income of a household whose income is:

(a) For rental housing, 60 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development; or

(b) For owner-occupied housing, 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(6) "Agricultural land" means land primarily devoted to the commercial production of horticultural, viticultural, floricultural, dairy, apiary, vegetable, or animal products or of berries, grain, hay, straw, turf, seed, Christmas trees not subject to the excise tax imposed by RCW 84.33.100 through 84.33.140, finfish in upland hatcheries, or livestock, and that has long-term commercial significance for agricultural production.

(7) "City" means any city or town, including a code city.

(8) "Comprehensive land use plan," "comprehensive plan," or "plan" means a generalized coordinated land use policy statement of the governing body of a county or city that is adopted pursuant to this chapter.

(9) "Cottage housing" means residential units on a lot with a common open space that either: (a) Is owned in common; or (b) has units owned as condominium units with property owned in common and a minimum of 20 percent of the lot size as open space.

(10) "Courtyard apartments" means attached dwelling units arranged on two or three sides of a yard or court.

(11) "Critical areas" include the following areas and ecosystems: (a) Wetlands; (b) areas with a critical recharging effect on aquifers used for potable water; (c) fish and wildlife habitat conservation areas; (d) frequently flooded areas; and (e) geologically hazardous areas. "Fish and wildlife habitat conservation areas" does not include such artificial features or constructs as irrigation delivery systems, irrigation infrastructure, irrigation canals, or drainage ditches that lie within the boundaries of and are maintained by a port district or an irrigation district or company.

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

(13) "Development regulations" or "regulation" means the controls placed on development or land use activities by a county or city, including, but not limited to, zoning ordinances, critical areas ordinances, shoreline master programs, official controls, planned unit development ordinances, subdivision ordinances, and binding site plan ordinances together with any amendments thereto. A development regulation does not include a decision to approve a project permit application, as defined in RCW 36.70B.020, even though the decision may be expressed in a resolution or ordinance of the legislative body of the county or city.

(14) "Emergency housing" means temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families. Emergency housing may or may not require occupants to enter into a lease or an occupancy agreement.

(15) "Emergency shelter" means a facility that provides a temporary shelter for individuals or families who are currently homeless. Emergency shelter may not require occupants to enter into a lease or an occupancy agreement. Emergency shelter facilities may include day and warming centers that do not provide overnight accommodations.

(16) "Environmental justice" means the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to development, implementation, and enforcement of environmental laws, regulations, and policies. Environmental justice includes addressing disproportionate environmental and health impacts in all laws, rules, and policies with environmental impacts by prioritizing vulnerable populations and overburdened communities and the equitable distribution of resources and benefits.

(17) "Extremely low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((~~thirty~~)) 30 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(18) "Forestland" means land primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, including Christmas trees subject to the excise tax imposed under RCW 84.33.100 through 84.33.140, and that has long-term commercial significance. In determining whether forestland is primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, the following factors shall be considered: (a) The proximity of the land to urban, suburban, and rural settlements; (b) surrounding parcel size and the compatibility and intensity of adjacent and nearby land uses; (c) long-term local economic conditions that affect the ability to manage for timber production; and (d) the availability of public facilities and services conducive to conversion of forestland to other uses.

(19) "Freight rail dependent uses" means buildings and other infrastructure that are used in the fabrication, processing, storage, and transport of goods where the use is dependent on and makes use of an adjacent short line railroad. Such facilities are both urban and rural development for purposes of this chapter. "Freight rail dependent uses" does not include buildings and other infrastructure that are used in the fabrication, processing, storage, and transport of coal, liquefied natural gas, or "crude oil" as defined in RCW 90.56.010.

(20) "Geologically hazardous areas" means areas that because of their susceptibility to erosion, sliding, earthquake, or other geological events, are not suited to the siting of commercial, residential, or industrial development consistent with public health or safety concerns.

(21) "Green infrastructure" means a wide array of natural assets and built structures within an urban growth area boundary, including parks and other areas with protected tree canopy, and management practices at multiple scales that manage wet weather and that maintain and restore natural hydrology by storing, infiltrating, evapotranspiring, and harvesting and using stormwater.

(22) "Green space" means an area of land, vegetated by natural features such as grass, trees, or shrubs, within an urban context and less than one acre in size that creates public value through one or more of the following attributes:

(a) Is accessible to the public;

(b) Promotes physical and mental health of residents;

(c) Provides relief from the urban heat island effects;

(d) Promotes recreational and aesthetic values;

(e) Protects streams or water supply; or

(f) Preserves visual quality along highway, road, or street corridors.

(23) "Long-term commercial significance" includes the growing capacity, productivity, and soil composition of the land for long-term commercial production, in consideration with the land's proximity to population areas, and the possibility of more intense uses of the land.

(24) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((~~eighty~~)) 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(25) "Major transit stop" means:

(a) A stop on a high capacity transportation system funded or expanded under the provisions of chapter 81.104 RCW, except for any stop that solely serves express bus service or serves express bus service and other bus services not otherwise meeting the definition of major transit stop;

(b) Commuter rail stops;

(c) Stops on rail or fixed guideway systems; or

(d) Stops on bus rapid transit routes, including those stops that are under construction.

(26) "Middle housing" means buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked, or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing.

(27) "Minerals" include gravel, sand, and valuable metallic substances.

(28) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below 120 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(29) "Overburdened community" means a geographic area where vulnerable populations face combined, multiple environmental harms and health impacts, and includes, but is not limited to, highly impacted communities as defined in RCW 19.405.020.

(30) "Per capita vehicle miles traveled" means the number of miles traveled using cars and light trucks in a calendar year divided by the number of residents in Washington. The calculation of this value excludes vehicle miles driven conveying freight.

(31) "Permanent supportive housing" is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services. Permanent supportive housing is subject to all of the rights and responsibilities defined in chapter 59.18 RCW.

(32) "Public facilities" include streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, domestic water systems, storm and sanitary sewer systems, parks and recreational facilities, and schools.

(33) "Public services" include fire protection and suppression, law enforcement, public health, education, recreation,

environmental protection, and other governmental services.

(34) "Recreational land" means land so designated under RCW 36.70A.1701 and that, immediately prior to this designation, was designated as agricultural land of long-term commercial significance under RCW 36.70A.170. Recreational land must have playing fields and supporting facilities existing before July 1, 2004, for sports played on grass playing fields.

(35) "Rural character" refers to the patterns of land use and development established by a county in the rural element of its comprehensive plan:

(a) In which open space, the natural landscape, and vegetation predominate over the built environment;

(b) That foster traditional rural lifestyles, rural-based economies, and opportunities to both live and work in rural areas;

(c) That provide visual landscapes that are traditionally found in rural areas and communities;

(d) That are compatible with the use of the land by wildlife and for fish and wildlife habitat;

(e) That reduce the inappropriate conversion of undeveloped land into sprawling, low-density development;

(f) That generally do not require the extension of urban governmental services; and

(g) That are consistent with the protection of natural surface water flows and groundwater and surface water recharge and discharge areas.

(36) "Rural development" refers to development outside the urban growth area and outside agricultural, forest, and mineral resource lands designated pursuant to RCW 36.70A.170. Rural development can consist of a variety of uses and residential densities, including clustered residential development, at levels that are consistent with the preservation of rural character and the requirements of the rural element. Rural development does not refer to agriculture or forestry activities that may be conducted in rural areas.

(37) "Rural governmental services" or "rural services" include those public services and public facilities historically and typically delivered at an intensity usually found in rural areas, and may include domestic water systems and fire and police protection services associated with rural development and normally not associated with urban areas. Rural services do not include storm or sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

(38) "Short line railroad" means those railroad lines designated class II or class III by the United States surface transportation board.

(39) "Single-family zones" means those zones where single-family detached housing is the predominant land use.

(40) "Stacked flat" means dwelling units in a residential building of no more than three stories on a residential zoned lot in which each floor may be separately rented or owned.

(41) "Townhouses" means buildings that contain three or more attached single-family dwelling units that extend from foundation to roof and that have a yard or public way on not less than two sides.

(42) "Transportation system" means all infrastructure and services for all forms of transportation within a geographical area, irrespective of the responsible jurisdiction or transportation provider.

(43) "Urban governmental services" or "urban services" include those public services and public facilities at an intensity historically and typically provided in cities, specifically including storm and sanitary sewer systems, domestic water systems, street cleaning services, fire and police protection services, public transit services, and other public utilities associated with urban areas and normally not associated with rural areas.

(44) "Urban growth" refers to growth that makes intensive use of land for the location of buildings, structures, and impermeable surfaces to such a degree as to be incompatible with the primary use of land for the production of food, other agricultural products, or fiber, or the extraction of mineral resources, rural uses, rural development, and natural resource lands designated pursuant to RCW 36.70A.170. A pattern of more intensive rural development, as provided in RCW 36.70A.070(5)(d), is not urban growth. When allowed to spread over wide areas, urban growth typically requires urban governmental services. "Characterized by urban growth" refers to land having urban growth located on it, or to land located in relationship to an area with urban growth on it as to be appropriate for urban growth.

(45) "Urban growth areas" means those areas designated by a county pursuant to RCW 36.70A.110.

(46) "Very low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((~~fifty~~)) 50 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(47)(a) "Vulnerable populations" means population groups that are more likely to be at higher risk for poor health outcomes in response to environmental harms, due to: (i) Adverse socioeconomic factors, such as unemployment, high housing and transportation costs relative to income, limited access to nutritious food and adequate health care, linguistic isolation, and other factors that negatively affect health outcomes and increase vulnerability to the effects of environmental harms; and (ii) sensitivity factors, such as low birth weight and higher rates of hospitalization.

(b) "Vulnerable populations" includes, but is not limited to:

(i) Racial or ethnic minorities;

(ii) Low-income populations; and

(iii) Populations disproportionately impacted by environmental harms.

(48) "Wetland" or "wetlands" means areas that are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs, and similar areas. Wetlands do not include those artificial wetlands intentionally created from nonwetland sites, including, but not limited to, irrigation and drainage ditches, grass-lined swales, canals, detention facilities, wastewater treatment facilities, farm ponds, and landscape amenities, or those wetlands created after July 1, 1990, that were unintentionally created as a result of the construction of a road, street, or highway. Wetlands may include those artificial wetlands intentionally created from nonwetland areas created to mitigate conversion of wetlands.

(49) "Wildland urban interface" means the geographical area where structures and other human development meets or intermingles with wildland vegetative fuels.

(50) "Floor area ratio" means a measure of development intensity equal to building square footage divided by the developable property square footage. Developable property excludes public facilities and portions of lots with critical areas and critical area buffers as designated in RCW 36.70A.060, except for critical aquifer recharge areas where a single-family detached house is an allowed use provided that any requirements to maintain aquifer recharge are met.

(51) "Rail station area" means all lots fully within an urban growth area that are:

(a) Fully or partially within one-half mile walking distance of

an entrance to a train station with a stop on a light rail system, a commuter rail stop in a city with a population greater than 15,000, or a stop on a rail trolley operated west of the crest of the Cascade mountains; or

(b) Fully or partially within one-quarter mile walking distance of an entrance to a train station with a commuter rail stop in a city with a population no greater than 15,000.

(52) "Bus station area" means all lots that are:

(a) Fully within an urban growth area; and

(b) Fully or partially within one-quarter mile walking distance of a stop on a fixed route bus system that is designated as a bus rapid transit stop in the transit development plan as required in RCW 35.58.2795, for which an environmental determination has been issued as required under chapter 43.21C RCW, and that features fixed transit assets that indicate permanent, high capacity service including, but not limited to, elevated platforms or enhanced stations, off-board fare collection, dedicated lanes, busways, or transit signal priority.

(53) "Station area" means a bus station area or a rail station area.

NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A RCW to read as follows:

(1) Cities planning under RCW 36.70A.040 may not enact or enforce any development regulation within a station area that would prohibit the siting of multifamily residential housing on lots where any other residential use is permissible.

(2)(a) Cities planning under RCW 36.70A.040 must allow new residential and mixed-use development within any station area at the transit-oriented development density of:

(i) At least 3.5 floor area ratio, on average, within a rail station area; and

(ii) At least 2.5 floor area ratio, on average, or at least a 3.0 floor area ratio, on average if a city exempts up to 25 percent of bus station areas, within a bus station area.

(A) Cities must adopt regulations that allow for greater building height and increased density in all bus station areas for developments built with all mass timber products.

(B) For the purposes of this subsection, "mass timber products" has the same meaning as in RCW 19.27.570.

(b) A city planning under RCW 36.70A.040 may adopt a modification to a station area designation, but only after consultation with and approval by the department.

(c) Cities planning under RCW 36.70A.040 may not enact or enforce any development regulation that imposes:

(i) A maximum floor area ratio of less than the transit-oriented development density in this subsection for any residential or mixed-use development within a station area, unless a city has adopted an exemption for the station area under (a)(ii) of this subsection; or

(ii) A maximum residential density, measured in residential units per acre or other metric of land area within a station area.

(3) For the purposes of this section:

(a) "Mixed-use development" means a building subject to a regulation specifying allowable residential proportions within mixed-use areas.

(b) "Workforce housing" means rental housing with monthly costs that do not exceed 30 percent of the monthly income of a household whose income is at or below 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(4) Within any station area, any building in which all units are affordable or workforce housing for at least 50 years or are dedicated to permanent supportive housing, an additional 1.5 floor area ratio in excess of the transit-oriented development density required under subsection (2)(a) of this section must be permitted.

(5) Any floor area within a building located in a station area that is reserved for residential units in multifamily housing that includes at least three bedrooms must not be counted toward applicable floor area ratio limits. A city may require the residential units to comply with affordability requirements to be eligible for an exclusion from the applicable floor area ratio limits.

(6) Cities planning under RCW 36.70A.040 may by ordinance designate parts of a station area in which to enact or enforce floor area ratios for residential or mixed-use development that are more or less than the applicable transit-oriented development density, if the average maximum floor area ratio of all residential and mixed-use areas within a station area is no less than the applicable transit-oriented development density.

(7)(a) Buildings constructed within a station area must maintain for at least 50 years:

(i) At least 10 percent of all residential units as affordable housing;

(ii) At least 10 percent of all residential units as workforce housing if at least 10 percent of the units are family sized units with more than two bedrooms; or

(iii) At least 20 percent of all residential units as workforce housing.

(b) A building constructed within a station area is exempt from the affordability requirements in (a) of this subsection if:

(i) The building is constructed on a lot in which a density that meets or exceeds the transit-oriented development density in subsection (2) of this section was authorized prior to January 1, 2025;

(ii) The building is subject to affordability requirements with a lower income threshold or a greater amount of required affordable housing that were enacted by a city prior to January 1, 2025; or

(iii) A city has enacted or expands a mandatory program under RCW 36.70A.540 that requires a minimum amount of affordable housing that must be provided by residential development, either on-site or through an in-lieu payment as allowed by RCW 36.70A.540, in an area where development regulations must comply with this section. Such mandatory program may be enacted, modified, or expanded by a city in coordination with adopting regulations to comply with this act, and may require an amount of affordable housing that differs or exceeds the amount required. An optional program established under RCW 36.70A.540 does not meet the requirements of this subsection (7)(b)(iii).

(c) For each building that is exempt from the requirements for affordable or workforce housing under (b)(i) or (ii) of this subsection, the city must identify the density and affordability requirements that apply to the building or parcel in its comprehensive planning documents. For each building that is exempt from the requirements for affordable or workforce housing under (b)(iii) of this subsection, the city must identify the density and affordability requirements that apply to the building or parcel in its municipal code.

(8) A city must approve an exemption under RCW 84.14.020(1)(a)(ii)(D) for multifamily residential housing within a station area that meets the affordability requirements in subsection (7)(a) of this section and the requirements of chapter 84.14 RCW.

(9) A city that has enacted an incentive program prior to January 1, 2025, that requires public benefits, such as school capacity, greater amounts of affordable housing, green space, or green infrastructure, in return for additional development allowances, may continue to require such public benefits if the plan and implementing development regulations requiring those public benefits provides development capacity that is

substantially similar to that required in this section.

(10)(a) No later than the deadlines established in subsection (15) of this section, cities planning under RCW 36.70A.040 must act to modify or repeal any existing development regulations applicable in a station area that, alone or in combination, are inconsistent with this section, and may not enact any development regulations applicable in a station area that, alone or in combination with other development regulations, are inconsistent with this section.

(b) A city may apply any objective development regulations within a station area that are required for other multifamily residential uses in the same zone, including tree canopy and retention requirements.

(c) This subsection (10) does not apply to development regulations that are generally applicable health and safety standards, including building code standards and fire and life safety standards.

(11) Nothing in this section requires alteration, displacement, or limitation of industrial or agricultural uses or industrial, manufacturing, or agricultural areas within the urban growth area.

(12) Nothing in this section requires a city to issue a building permit if other federal, state, and local requirements for a building permit are not met.

(13) Cities planning under RCW 36.70A.040 may exclude from the requirements in this section any portion of a lot that is designated as a shoreline environment governed by a shoreline master program or as a critical area governed by a critical area ordinance, except for critical aquifer recharge areas where a single-family detached house is an allowed use provided that any requirements to maintain aquifer recharge are met, and any lot that:

(a) Is nonconforming with development regulations governing lot dimensions including, but not limited to, standards related to lot width, area, geometry, or street access, unless an applicant demonstrates that the nonconforming lot may be developed in compliance with the development regulations governing lot dimensions by obtaining any modification, deviation, variance, or similar code departure approval allowed under the development regulations;

(b) Contains a designated landmark or is located within a historic district established under a local preservation ordinance adopted prior to the effective date of this section;

(c) Has been designated as containing urban separators by countywide planning policies as of the effective date of this section;

(d) Is an industrial, manufacturing, or agricultural designated lot that either is limited to one dwelling unit per lot or only allows housing for individuals and their families responsible for caretaking, farm work, security, or maintenance; or

(e) Is in a tsunami inundation area as mapped by the department of natural resources.

(14) For cities subject to a growth target adopted under RCW 36.70A.210 that limits the maximum residential capacity of the jurisdiction, any additional residential capacity required by this section may not be considered an inconsistency with the countywide planning policies, multicounty planning policies, or growth targets adopted under RCW 36.70A.210.

(15)(a) Any city that is required to review its comprehensive plan by the deadlines specified in RCW 36.70A.130(5)(a) must comply with the requirements of this section by the earlier of December 31, 2029, or its first implementation progress report due after December 31, 2024 as specified in RCW 36.70A.130(9), and thereafter at each comprehensive plan update or implementation progress report following the completion or funding of any major transit stop that would create a new station area within the jurisdiction.

(b) Any city that is required to review its comprehensive plan by the deadlines specified in RCW 36.70A.130(5) (b), (c), or (d) must comply with the requirements of this section no later than six months after its first comprehensive plan update due after December 31, 2024, and thereafter at each comprehensive plan update or implementation progress report following the completion or funding of any transit stop that would create a new station area within the jurisdiction.

(c) A federally recognized Indian tribe may voluntarily choose to participate in the planning process to implement the requirements of this section in accordance with RCW 36.70A.040(8).

(16)(a) The department must publish a model transit-oriented development ordinance by June 30, 2027.

(b) In any city subject to this section that has not passed ordinances, regulations, or other official controls by the deadlines required under subsection (15) of this section, the model ordinance supersedes, preempts, and invalidates local development regulations until the city takes all actions necessary to implement this section.

(17) A city may seek an extension from the transit-oriented development density requirements of this section by applying to the department for an extension in any areas that are at high risk of displacement based on a city's antidisplacement analysis or an antidisplacement map. The department must review the city's analysis and certify a five-year extension from the requirements of this section for areas at high risk of displacement. The city must create an implementation plan that identifies the antidisplacement policies available to residents to mitigate displacement risk. During the extension, the city may delay implementation or enact alternative floor area ratio requirements within any areas at high risk of displacement. The department may recertify an extension for additional five-year periods based on evidence of ongoing displacement risk in the area.

(18)(a)(i) The department may approve actions under this subsection (18) for cities that have, by June 30, 2026, adopted a plan and implementing development regulations for a specific station area that are substantially similar to the requirements of this section for that station area. In determining whether a city's adopted plan and development regulations are substantially similar, the department's evaluation may include, but not be limited to, if:

(A) The regulations will provide a development capacity and allow the opportunity for creation of affordable housing that is at least equivalent to the amount of development capacity and affordable housing that would be allowed in that station area if the specific provisions of this section were adopted;

(B) The jurisdiction offers a way to achieve buildings that exceed 85 feet in height; and

(C) No lot within the station area is zoned exclusively for detached single-family residences.

(ii) The department must establish by rule any standards or procedures necessary to implement (a) of this subsection.

(b) Any local actions approved by the department pursuant to (a) of this subsection are exempt from appeals under this chapter and chapter 43.21C RCW.

(c) The department's final decision to approve or reject actions by cities under this subsection (18) may be appealed to the growth management hearings board by filing a petition as provided in RCW 36.70A.290.

NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70A RCW to read as follows:

Subject to appropriation, the department must establish and administer a grant program to assist cities in providing:

(1) The infrastructure necessary to accommodate development at transit-oriented development densities within station areas, including water, sewer, stormwater, and transportation infrastructure and parks and recreation facilities;

(2) Station area planning or other predevelopment costs necessary for implementation of station area plans; and

(3) The staffing necessary to implement transit-oriented development requirements.

NEW SECTION. **Sec. 5.** A new section is added to chapter 36.70A RCW to read as follows:

(1) To encourage transit-oriented development and transit use and resulting substantial environmental benefits, cities planning under RCW 36.70A.040 may not require off-street automobile parking as a condition of permitting residential or mixed-use development within a station area as defined in RCW 36.70A.030, except for off-street automobile parking that is permanently marked for the exclusive use of individuals with disabilities or parking that is permanently marked for the short-term exclusive use of delivery vehicles.

(2) If a project permit application within a station area, as defined in RCW 36.70B.020, does not provide parking in compliance with this section, the proposed absence of parking may not be treated as a basis for issuance of a determination of significance pursuant to chapter 43.21C RCW.

(3) The parking provisions of this section do not apply:

(a) If a local government submits to the department an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations under subsection (1) of this section will be significantly less safe for automobile drivers or passengers, pedestrians, or bicyclists than if the jurisdiction's parking requirements were applied to the same location. The department must develop guidance to assist cities and counties on items to include in the study; or

(b) To portions of cities within a one-mile radius of a commercial airport in Washington with at least 9,000,000 annual enplanements.

(4) If a residential or mixed-use development provides parking for residential uses in excess of what is required in subsection (1) of this section, cities planning under RCW 36.70A.040 may enact or enforce development regulations to:

(a) Require a share of any provided residential parking to be distributed between units designated as affordable housing and units offered at market rate; and

(b) Include all or a portion of the cost of unbundled parking charges into the monthly cost for rental units designated as affordable housing.

Sec. 6. RCW 43.21C.229 and 2023 c 368 s 1 are each amended to read as follows:

(1) The purpose of this section is to accommodate infill and housing development and thereby realize the goals and policies of comprehensive plans adopted according to chapter 36.70A RCW.

(2) A city or county planning under RCW 36.70A.040 is authorized by this section to establish categorical exemptions from the requirements of this chapter. An exemption may be adopted by a city or county under this subsection if it meets the following criteria:

(a) It categorically exempts government action related to development proposed to fill in an urban growth area, designated according to RCW 36.70A.110, where current density and intensity of use in the area is roughly equal to or lower than called for in the goals and policies of the applicable comprehensive plan and the development is either:

(i) Residential development;

(ii) Mixed-use development; or

(iii) Commercial development up to 65,000 square feet, excluding retail development;

(b) It does not exempt government action related to development that is inconsistent with the applicable comprehensive plan or would clearly exceed the density or intensity of use called for in the goals and policies of the applicable comprehensive plan;

(c) The local government considers the specific probable adverse environmental impacts of the proposed action and determines that these specific impacts are adequately addressed by the development regulations or other applicable requirements of the comprehensive plan, subarea plan element of the comprehensive plan, planned action ordinance, or other local, state, or federal rules or laws; and

(d)(i) The city or county's applicable comprehensive plan was previously subjected to environmental analysis through an environmental impact statement under the requirements of this chapter prior to adoption; or

(ii) The city or county has prepared an environmental impact statement that considers the proposed use or density and intensity of use in the area proposed for an exemption under this section.

(3) All project actions that propose to develop one or more residential housing units within the incorporated areas in an urban growth area designated pursuant to RCW 36.70A.110 or middle housing within the unincorporated areas in an urban growth area designated pursuant to RCW 36.70A.110, and that meet the criteria identified in (a) and (b) of this subsection, are categorically exempt from the requirements of this chapter. For purposes of this section, "middle housing" has the same meaning as in RCW 36.70A.030 as amended by chapter 332, Laws of 2023. Jurisdictions shall satisfy the following criteria prior to the adoption of the categorical exemption under this subsection (3):

(a) The city or county shall find that the proposed development is consistent with all development regulations implementing an applicable comprehensive plan adopted according to chapter 36.70A RCW by the jurisdiction in which the development is proposed, with the exception of any development regulation that is inconsistent with applicable provisions of chapter 36.70A RCW; and

(b) The city or county has prepared environmental analysis that considers the proposed use or density and intensity of use in the area proposed for an exemption under this section and analyzes multimodal transportation impacts, including impacts to neighboring jurisdictions, transit facilities, and the state transportation system.

(i) Such environmental analysis shall include documentation that the requirements for environmental analysis, protection, and mitigation for impacts to elements of the environment have been adequately addressed for the development exempted. The requirements may be addressed in locally adopted comprehensive plans, subarea plans, adopted development regulations, other applicable local ordinances and regulations, or applicable state and federal regulations. The city or county must document its consultation with the department of transportation on impacts to state-owned transportation facilities including consideration of whether mitigation is necessary for impacts to transportation facilities.

(ii) Before finalizing the environmental analysis pursuant to (b)(i) of this subsection (3), the city or county shall provide a minimum of 60 days' notice to affected tribes, relevant state agencies, other jurisdictions that may be impacted, and the public. If a city or county identifies that mitigation measures are necessary to address specific probable adverse impacts, the city or county must address those impacts by requiring mitigation identified in the environmental analysis pursuant to this subsection (3)(b) through locally adopted comprehensive plans,

subarea plans, development regulations, or other applicable local ordinances and regulations. Mitigation measures shall be detailed in an associated environmental determination.

(iii) The categorical exemption is effective 30 days following action by a city or county pursuant to (b)(ii) of this subsection (3).

(4) Until September 30, 2025, all project actions that propose to develop one or more residential housing or middle housing units within a city west of the crest of the Cascade mountains with a population of 700,000 or more are categorically exempt from the requirements of this chapter. After September 30, 2025, project actions that propose to develop one or more residential housing or middle housing units within the city may utilize the categorical exemption in subsection (3) of this section.

(5) All project actions that propose to develop residential or mixed-use development within a station area are categorically exempt from the requirements of this chapter, subject to the rules of the department adopted according to RCW 43.21C.110(1)(a) that provide exceptions to the use of categorical exemptions adopted by the department. For the purpose of this subsection:

(a) "Mixed-use development" has the same meaning as provided in section 3 of this act; and

(b) "Station area" has the same meaning as provided in RCW 36.70A.030.

(6) Any categorical exemption adopted by a city or county under this section applies even if it differs from the categorical exemptions adopted by rule of the department under RCW 43.21C.110(1)(a). Nothing in this section shall invalidate categorical exemptions or environmental review procedures adopted by a city or county under a planned action pursuant to RCW 43.21C.440. However, any categorical exemption adopted by a city or county under this section shall be subject to the rules of the department adopted according to RCW 43.21C.110(1)(a) that provide exceptions to the use of categorical exemptions adopted by the department.

NEW SECTION. **Sec. 7.** A new section is added to chapter 64.38 RCW to read as follows:

(1) Governing documents created after the effective date of this section and applicable to associations located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

(2) This section expires January 1, 2028.

NEW SECTION. **Sec. 8.** A new section is added to chapter 64.90 RCW to read as follows:

Declarations and governing documents created after the effective date of this section and applicable to a common interest community located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

NEW SECTION. **Sec. 9.** A new section is added to chapter 64.34 RCW to read as follows:

(1) A declaration created after the effective date of this section and applicable to an association located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

(2) This section expires January 1, 2028.

NEW SECTION. **Sec. 10.** A new section is added to chapter 64.32 RCW to read as follows:

(1) A declaration created after the effective date of this section and applicable to an association of apartment owners located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

(2) This section expires January 1, 2028.

Sec. 11. RCW 84.14.010 and 2024 c 332 s 17 are each amended to read as follows:

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

(1) "Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households.

(2) "Campus facilities master plan" means the area that is defined by the University of Washington as necessary for the future growth and development of its campus facilities for campuses authorized under RCW 28B.45.020.

(3) "City" means either (a) a city or town with a population of at least fifteen thousand, (b) the largest city or town, if there is no city or town with a population of at least fifteen thousand, located in a county planning under the growth management act, (c) a city or town with a population of at least five thousand located in a county subject to the provisions of RCW 36.70A.215, ((~~or~~)) (d) any city that otherwise does not meet the qualifications under (a) through (c) of this subsection, until December 31, 2031, that complies with RCW 84.14.020(1)(a)(iii) or 84.14.021(1)(b), or (e) for the exemption authorized in RCW 84.14.020(1)(a)(ii)(D), a city or town with a station area.

(4) "Conversion" means the conversion of a nonresidential building, in whole or in part, to multiple-unit housing under this chapter.

(5) "County" means a county with an unincorporated population of at least 170,000.

(6) "Governing authority" means the local legislative authority of a city or a county having jurisdiction over the property for which an exemption may be applied for under this chapter.

(7) "Growth management act" means chapter 36.70A RCW.

(8) "Household" means a single person, family, or unrelated persons living together.

(9) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county, city, or metropolitan statistical area, where the project is located, as reported by the United States department of housing and urban development.

(10) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county, city, or metropolitan statistical area, where the project is located, as reported by the United States department of housing and urban development.

(11) "Multiple-unit housing" means a building or a group of buildings having four or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.

(12) "Owner" means the property owner of record.

(13) "Permanent residential occupancy" means multiunit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

(14) "Rehabilitation improvements" means modifications to existing structures, that are vacant for twelve months or longer, that are made to achieve a condition of substantial compliance with existing building codes or modification to existing occupied structures which increase the number of multifamily housing units.

(15) "Residential targeted area" means an area within an urban center or urban growth area that has been designated by the governing authority as a residential targeted area in accordance with this chapter. With respect to designations after July 1, 2007, "residential targeted area" may not include a campus facilities master plan.

(16) "Rural county" means a county with a population between fifty thousand and seventy-one thousand and bordering Puget Sound.

(17) "Station area" has the same meaning as defined in RCW 36.70A.030.

(18) "Substantial compliance" means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.

((~~(18)~~)) (19) "Urban center" means a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:

(a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;

(b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and

(c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.

Sec. 12. RCW 84.14.020 and 2021 c 187 s 3 are each amended to read as follows:

(1)(a) The value of new housing construction, conversion, and rehabilitation improvements qualifying under this chapter is exempt from ad valorem property taxation, as follows:

(i) For properties for which applications for certificates of tax exemption eligibility are submitted under this chapter before July 22, 2007, the value is exempt for ten successive years beginning January 1 of the year immediately following the calendar year of issuance of the certificate;

(ii) For properties for which applications for certificates of tax exemption eligibility are submitted under this chapter on or after July 22, 2007, the value is exempt:

(A) For eight successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate;

(B) For twelve successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(a)(ii)(B). For the property to qualify for the twelve-year exemption under this subsection, the applicant must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households, and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(a)(ii)(B) may be satisfied solely through housing affordable to moderate-income households; ((~~or~~))

(C) For 20 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(a)(ii)(C). For the property to qualify for the 20-year exemption under this subsection, the project must be located within one mile of high capacity transit of at least 15 minute scheduled frequency, in a city that has implemented, as of July 25, 2021, a mandatory inclusionary zoning requirement for affordable housing that ensures affordability of housing units for a period of at least 99 years and that has a population of no more than 65,000 as measured on July 25, 2021. To qualify for the exemption provided in this subsection (1)(a)(ii)(C), the applicant must commit to renting at least 20 percent of the dwelling units as affordable to low-income households for a term of at least 99 years, and the property must satisfy that commitment and all required affordability and income eligibility conditions adopted by the local government under this chapter. A city must require the applicant to record a covenant or deed restriction that ensures the continuing rental of units subject to these affordability requirements consistent with the conditions in this subsection (1)(a)(ii)(C) for a period of no less than 99 years. The covenant or deed restriction must also address criteria and policies to maintain public benefit if the property is converted to a use other than which continues to provide for permanently affordable low-income housing consistent with this subsection (1)(a)(ii)(C); or

(D) For 20 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property is located fully or partially with a station area of a city and meets the affordability requirements in section 3(7)(a) of this act. A city must require the applicant to record a covenant or deed restriction that ensures the continuing rental or ownership of units subject to the affordability requirements in section 3(7)(a) of this act for a period of no less than 50 years. The covenant or deed restriction must also address criteria and policies to maintain public benefit if the property is converted to a use other than one which continues to provide for permanently affordable low-income housing consistent with section 3(7)(a) of this act; and

(iii) Until December 31, 2026, for a city as defined in RCW 84.14.010(3)(d), for 12 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(a)(iii). For the property to qualify for the 12-year exemption under this subsection, the applicant must commit to renting or selling at least 20 percent of the multifamily housing units as affordable housing units to low and moderate-income households, the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter, and the area must be zoned to have an average minimum density equivalent to 15 dwelling units or more per gross acre, or for cities with a population over 20,000, the area must be zoned to have an average minimum density equivalent to 25 dwelling units or more per gross acre. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(a)(iii) may be satisfied solely through housing affordable to low-income or moderate-income households.

(b) The exemptions provided in (a)(i) through (iii) of this subsection do not include the value of land or nonhousing-related improvements not qualifying under this chapter.

(c) For properties receiving an exemption as provided in

(a)(ii)(B) of this subsection that are in compliance with existing contracts and where the certificate of tax exemption is set to expire after June 11, 2020, but before December 31, 2021, the exemption is extended until December 31, 2021, provided that the property must satisfy any eligibility criteria or limitations provided in this chapter as a condition to the existing exemption for a given property continue to be met. For all properties eligible to receive an extension pursuant to this subsection (1)(c), the city or county that issued the initial certificate of tax exemption, as required in RCW 84.14.090, must notify the county assessor and the applicant of the extension of the certificate of tax exemption.

(2) When a local government adopts guidelines pursuant to RCW 84.14.030(2) and includes conditions that must be satisfied with respect to individual dwelling units, rather than with respect to the multiple-unit housing as a whole or some minimum portion thereof, the exemption may, at the local government's discretion, be limited to the value of the qualifying improvements allocable to those dwelling units that meet the local guidelines.

(3) In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to the submission of the application required under this chapter. The incentive provided by this chapter is in addition to any other incentives, tax credits, grants, or other incentives provided by law.

(4) This chapter does not apply to increases in assessed valuation made by the assessor on nonqualifying portions of building and value of land nor to increases made by lawful order of a county board of equalization, the department of revenue, or a county, to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law.

(5) At the conclusion of the exemption period, the value of the new housing construction, conversion, or rehabilitation improvements must be considered as new construction for the purposes of chapters 84.55 and 36.21 RCW as though the property was not exempt under this chapter.

(6) For properties that qualified for, satisfied the conditions of, and utilized the exemption under subsection (1)(a)(ii)(A) or (B) of this section, following the initial exemption period or the extension period authorized in subsection (1)(c) of this section, the exemption period may be extended for an additional 12 years for projects that are within 18 months of expiration contingent on city or county approval. For the property to qualify for an extension under this subsection (6), the applicant must meet at a minimum the locally adopted requirements for the property to qualify for an exemption under subsection (1)(a)(ii)(B) of this section as applicable at the time of the extension application, and the applicant commits to renting or selling at least 20 percent of the multifamily housing units as affordable housing units for low-income households.

(7) At the end of both the tenth and eleventh years of an extension, for twelve-year extensions of the exemption, applicants must provide tenants of rent-restricted units with notification of intent to provide the tenant with rental relocation assistance as provided in subsection (8) of this section.

(8)(a) Except as provided in (b) of this subsection, for any 12-year exemption authorized under subsection (1)(a)(ii)(B) or (iii) of this section after July 25, 2021, or for any 12-year exemption extension authorized under subsection (6) of this section, at the expiration of the exemption the applicant must provide tenant relocation assistance in an amount equal to one month's rent to a qualified tenant within the final month of the qualified tenant's lease. To be eligible for tenant relocation assistance under this subsection, the tenant must occupy an income-restricted unit at the time the exemption expires and must qualify as a low-income household under this chapter at the time relocation assistance is sought.

(b) If affordability requirements consistent, at a minimum, with those required under subsection (1)(a)(ii)(B) or (iii) of this section remain in place for the unit after the expiration of the exemption, relocation assistance in an amount equal to one month's rent must be provided to a qualified tenant within the final month of a qualified tenant's lease who occupies an income-restricted unit at the time those additional affordability requirements cease to apply to the unit.

(9) No new exemptions may be provided under this section beginning on or after January 1, 2032. No extensions may be granted under subsection (6) of this section on or after January 1, 2046.

Sec. 13. RCW 84.14.030 and 2021 c 187 s 9 are each amended to read as follows:

An owner of property making application under this chapter must meet the following requirements:

(1) The new or rehabilitated multiple-unit housing must be ((~~located~~)):

(a) Located in a residential targeted area as designated by the city or county; or

(b) Be located fully or partially within a station area if applying under RCW 84.14.020(1)(a)(ii)(D);

(2) The multiple-unit housing must meet guidelines as adopted by the governing authority that may include height, density, public benefit features, number and size of proposed development, parking, income limits for occupancy, limits on rents or sale prices, and other adopted requirements indicated necessary by the city or county. The required amenities should be relative to the size of the project and tax benefit to be obtained;

(3) The new, converted, or rehabilitated multiple-unit housing must provide for a minimum of fifty percent of the space for permanent residential occupancy. In the case of existing occupied multifamily development, the multifamily housing must also provide for a minimum of four additional multifamily units. Existing multifamily vacant housing that has been vacant for twelve months or more does not have to provide additional multifamily units;

(4) New construction multifamily housing and rehabilitation improvements must be completed within three years from the date of approval of the application, plus any extension authorized under RCW 84.14.090(5);

(5) Property proposed to be rehabilitated must fail to comply with one or more standards of the applicable state or local building or housing codes on or after July 23, 1995. If the property proposed to be rehabilitated is not vacant, an applicant must provide each existing tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate; and

(6) The applicant must enter into a contract with the city or county approved by the governing authority, or an administrative official or commission authorized by the governing authority, under which the applicant has agreed to the implementation of the development on terms and conditions satisfactory to the governing authority.

Sec. 14. RCW 84.14.060 and 2014 c 96 s 5 are each amended to read as follows:

(1) The duly authorized administrative official or committee of the city or county may approve the application if it finds that:

(a) A minimum of four new units are being constructed or in the case of occupied rehabilitation or conversion a minimum of four additional multifamily units are being developed;

(b) If applicable, the proposed multiunit housing project meets the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter;

(c) The proposed project is or will be, at the time of completion, in conformance with all local plans and regulations that apply at the time the application is approved;

(d) The owner has complied with all standards and guidelines adopted by the city or county under this chapter and, if applicable, section 3 of this act; and

(e) The site is located in a residential targeted area of an urban center or urban growth area that has been designated by the governing authority in accordance with procedures and guidelines indicated in RCW 84.14.040, or is located fully or partially within a station area if applying under RCW 84.14.020(1)(a)(ii)(D).

(2) An application may not be approved after July 1, 2007, if any part of the proposed project site is within a campus facilities master plan, except as provided in RCW 84.14.040(1)(d).

(3) An application may not be approved for a residential targeted area in a rural county on or after January 1, 2020.

Sec. 15. RCW 84.14.090 and 2021 c 187 s 10 are each amended to read as follows:

(1) Upon completion of rehabilitation or new construction for which an application for a limited tax exemption under this chapter has been approved and after issuance of the certificate of occupancy, the owner must file with the city or county the following:

(a) A statement of the amount of rehabilitation or construction expenditures made with respect to each housing unit and the composite expenditures made in the rehabilitation or construction of the entire property;

(b) A description of the work that has been completed and a statement that the rehabilitation improvements or new construction on the owner's property qualify the property for limited exemption under this chapter;

(c) If applicable, a statement that the project meets the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter; and

(d) A statement that the work has been completed within three years of the issuance of the conditional certificate of tax exemption.

(2) Within ((~~thirty~~)) 30 days after receipt of the statements required under subsection (1) of this section, the authorized representative of the city or county must determine whether the work completed, and the affordability of the units, is consistent with the application and the contract approved by the city or county and is qualified for a limited tax exemption under this chapter. The city or county must also determine which specific improvements completed meet the requirements and required findings.

(3) If the rehabilitation, conversion, or construction is completed within three years of the date the application for a limited tax exemption is filed under this chapter, or within an authorized extension of this time limit, and the authorized representative of the city or county determines that improvements were constructed consistent with the application and other applicable requirements, including if applicable, affordable housing requirements, and the owner's property is qualified for a limited tax exemption under this chapter, the city or county must file the certificate of tax exemption with the county assessor within ((~~ten~~)) 10 days of the expiration of the ((~~thirty~~)) 30-day period provided under subsection (2) of this section.

(4) The authorized representative of the city or county must notify the applicant that a certificate of tax exemption is not going to be filed if the authorized representative determines that:

(a) The rehabilitation or new construction was not completed within three years of the application date, or within any authorized extension of the time limit;

(b) The improvements were not constructed consistent with the application or other applicable requirements;

(c) If applicable, the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter were not met; or

(d) The owner's property is otherwise not qualified for limited exemption under this chapter.

(5) If the authorized representative of the city or county finds that construction or rehabilitation of multiple-unit housing was not completed within the required time period due to circumstances beyond the control of the owner and that the owner has been acting and could reasonably be expected to act in good faith and with due diligence, the governing authority or the city or county official authorized by the governing authority may extend the deadline for completion of construction or rehabilitation for a period not to exceed ((~~twenty-four~~)) 24 consecutive months. For preliminary or final applications submitted on or before February 15, 2020, with any outstanding application requirements, such as obtaining a temporary certificate of occupancy, the city or county may choose to extend the deadline for completion for an additional five years. The five-year extension begins immediately following the completion of any outstanding applications or previously authorized extensions, whichever is later.

(6) The governing authority may provide by ordinance for an appeal of a decision by the deciding officer or authority that an owner is not entitled to a certificate of tax exemption to the governing authority, a hearing examiner, or other city or county officer authorized by the governing authority to hear the appeal in accordance with such reasonable procedures and time periods as provided by ordinance of the governing authority. The owner may appeal a decision by the deciding officer or authority that is not subject to local appeal or a decision by the local appeal authority that the owner is not entitled to a certificate of tax exemption in superior court under RCW 34.05.510 through 34.05.598, if the appeal is filed within ((~~thirty~~)) 30 days of notification by the city or county to the owner of the decision being challenged.

Sec. 16. RCW 84.14.100 and 2021 c 187 s 5 are each amended to read as follows:

(1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW 84.14.021, must file with a designated authorized representative of the city or county an annual report indicating the following:

(a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;

(b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter since the date of the certificate approved by the city or county;

(c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and

(d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.

(2) All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. The report must include the following information:

(a) The number of tax exemption certificates granted;

(b) The total number and type of units produced or to be produced;

(c) The number, size, and type of units produced or to be produced meeting affordable housing requirements;

(d) The actual development cost of each unit produced;

(e) The total monthly rent or total sale amount of each unit produced;

(f) The annual household income and household size for each of the affordable units receiving a tax exemption and a summary of these figures for the city or county; and

(g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to RCW 84.14.110.

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

Sec. 17. RCW 84.14.110 and 2012 c 194 s 10 are each amended to read as follows:

(1) If improvements have been exempted under this chapter, the improvements continue to be exempted for the applicable period under RCW 84.14.020, so long as they are not converted to another use and continue to satisfy all applicable conditions. If the owner intends to convert the multifamily development to another use, or if applicable, if the owner intends to discontinue compliance with the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter or any other condition to exemption, the owner must notify the assessor within sixty days of the change in use or intended discontinuance. If, after a certificate of tax exemption has been filed with the county assessor, the authorized representative of the governing authority discovers that a portion of the property is changed or will be changed to a use that is other than residential or that housing or amenities no longer meet the requirements, including, if applicable, affordable housing requirements, as previously approved or agreed upon by contract between the city or county and the owner and that the multifamily housing, or a portion of the housing, no longer qualifies for the exemption, the tax exemption must be canceled and the following must occur:

(a) Additional real property tax must be imposed upon the value of the nonqualifying improvements in the amount that would normally be imposed, plus a penalty must be imposed amounting to twenty percent. This additional tax is calculated based upon the difference between the property tax paid and the property tax that would have been paid if it had included the value of the nonqualifying improvements dated back to the date that the improvements were converted to a nonmultifamily use;

(b) The tax must include interest upon the amounts of the additional tax at the same statutory rate charged on delinquent property taxes from the dates on which the additional tax could have been paid without penalty if the improvements had been assessed at a value without regard to this chapter; and

(c) The additional tax owed together with interest and penalty must become a lien on the land and attach at the time the property or portion of the property is removed from multifamily use or the amenities no longer meet applicable requirements, and has priority to and must be fully paid and satisfied before a recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the land may become charged or liable. The lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes. An additional tax unpaid on its due date is delinquent. From the date of delinquency until paid, interest must be charged at the same rate applied by law to delinquent ad valorem property taxes.

(2) Upon a determination that a tax exemption is to be canceled for a reason stated in this section, the governing authority or authorized representative must notify the record owner of the property as shown by the tax rolls by mail, return receipt requested, of the determination to cancel the exemption. The owner may appeal the determination to the governing authority or authorized representative, within thirty days by filing a notice of appeal with the clerk of the governing authority, which notice must specify the factual and legal basis on which the determination of cancellation is alleged to be erroneous. The governing authority or a hearing examiner or other official authorized by the governing authority may hear the appeal. At the hearing, all affected parties may be heard and all competent evidence received. After the hearing, the deciding body or officer must either affirm, modify, or repeal the decision of cancellation of exemption based on the evidence received. An aggrieved party may appeal the decision of the deciding body or officer to the superior court under RCW 34.05.510 through 34.05.598.

(3) Upon determination by the governing authority or authorized representative to terminate an exemption, the county officials having possession of the assessment and tax rolls must correct the rolls in the manner provided for omitted property under RCW 84.40.080. The county assessor must make such a valuation of the property and improvements as is necessary to permit the correction of the rolls. The value of the new housing

construction, conversion, and rehabilitation improvements added to the rolls is considered as new construction for the purposes of chapter 84.55 RCW. The owner may appeal the valuation to the county board of equalization under chapter 84.48 RCW and according to the provisions of RCW 84.40.038. If there has been a failure to comply with this chapter, the property must be listed as an omitted assessment for assessment years beginning January 1 of the calendar year in which the noncompliance first occurred, but the listing as an omitted assessment may not be for a period more than three calendar years preceding the year in which the failure to comply was discovered.

NEW SECTION. **Sec. 18.** A new section is added to chapter 84.14 RCW to read as follows:

The governing authority of a city with a station area must adopt and implement standards and guidelines to be used in considering applications and making the determinations required under RCW 84.14.060. The standards and guidelines must establish basic requirements for both new construction and rehabilitation, which must include:

(1) Application process and procedures;

(2) Income and rent standards for affordable units that meet the requirements of section 3(7)(a) of this act;

(3) Requirements that address demolition of existing structures and site utilization; and

(4) Building requirements that comply with this act.

Sec. 19. RCW 82.02.060 and 2023 c 337 s 10 are each amended to read as follows:

The local ordinance by which impact fees are imposed:

(1) Shall include a schedule of impact fees which shall be adopted for each type of development activity that is subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule shall be based upon a formula or other method of calculating such impact fees. The schedule shall reflect the proportionate impact of new housing units, including multifamily and condominium units, based on the square footage, number of bedrooms, or trips generated, in the housing unit in order to produce a proportionally lower impact fee for smaller housing units. In determining proportionate share, the formula or other method of calculating impact fees shall incorporate, among other things, the following:

(a) The cost of public facilities necessitated by new development;

(b) An adjustment to the cost of the public facilities for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or proratable to the particular system improvement;

(c) The availability of other means of funding public facility improvements;

(d) The cost of existing public facilities improvements; and

(e) The methods by which public facilities improvements were financed;

(2) May provide an exemption for low-income housing, and other development activities with broad public purposes, including development of an early learning facility, from these impact fees, provided that the impact fees for such development activity shall be paid from public funds other than impact fee accounts;

(3)(a) May not impose an impact fee on development activities of an early learning facility greater than that imposed on commercial retail or commercial office development activities that generate a similar number, volume, type, and duration of vehicle trips;

(b) When a facility or development has more than one use, the limitations in this subsection (3) or the exemption applicable to an early learning facility in subsections (2) and (4) of this section only apply to that portion that is developed as an early learning facility. The impact fee assessed on an early learning facility in such a development or facility may not exceed the least of the impact fees assessed on comparable businesses in the facility or development;

(4) May provide an exemption from impact fees for low-income housing or for early learning facilities. Local governments that grant exemptions for low-income housing or for early learning facilities under this subsection (4) may either: Grant a partial exemption of not more than ((~~eighty~~)) 80 percent of impact fees, in which case there is no explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts; or provide a full waiver, in which case the remaining percentage of the exempted fee must be paid from public funds other than impact fee accounts, except as provided in (b) of this subsection. These exemptions are subject to the following requirements:

(a) An exemption for low-income housing granted under subsection (2) of this section or this subsection (4) must be conditioned upon requiring the developer to record a covenant that, except as provided otherwise by this subsection, prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and that if the property is converted to a use other than for low-income housing, the property owner must pay the applicable impact fees in effect at the time of conversion;

(b) An exemption for early learning facilities granted under subsection (2) of this section or this subsection (4) may be a full waiver without an explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts if the local government requires the developer to record a covenant that requires that at least 25 percent of the children and families using the early learning facility qualify for state subsidized child care, including early childhood education and assistance under chapter 43.216 RCW, and that provides that if the property is converted to a use other than for an early learning facility, the property owner must pay the applicable impact fees in effect at the time of conversion, and that also provides that if at no point during a calendar year does the early learning facility achieve the required percentage of children and families qualified for state subsidized child care using the early learning facility, the property owner must pay 20 percent of the impact fee that would have been imposed on the development had there not been an exemption within 90 days of the local government notifying the property owner of the breach, and any balance remaining thereafter shall be a lien on the property; and

(c) Covenants required by (a) and (b) of this subsection must be recorded with the applicable county auditor or recording officer. A local government granting an exemption under subsection (2) of this section or this subsection (4) for low-income housing or an early learning facility may not collect revenue lost through granting an exemption by increasing impact fees unrelated to the exemption. A school district who receives school impact fees must approve any exemption under subsection (2) of this section or this subsection (4);

(5) Shall provide a credit for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities that are identified in the capital facilities plan and that are required by the county, city, or town as a condition of approving the development activity;

(6) Shall allow the county, city, or town imposing the impact fees to adjust the standard impact fee at the time the fee is imposed to consider unusual circumstances in specific cases to ensure that

impact fees are imposed fairly;

(7) Shall include a provision for calculating the amount of the fee to be imposed on a particular development that permits consideration of studies and data submitted by the developer to adjust the amount of the fee;

(8) Shall establish one or more reasonable service areas within which it shall calculate and impose impact fees for various land use categories per unit of development;

(9) May provide for the imposition of an impact fee for system improvement costs previously incurred by a county, city, or town to the extent that new growth and development will be served by the previously constructed improvements provided such fee shall not be imposed to make up for any system improvement deficiencies; ((~~and~~))

(10) Shall provide a 50 percent reduction of the impact fees specified in the schedule of impact fees for system improvements under RCW 82.02.090(7)(a) if the project is within a station area and claiming a multiple-unit housing property tax exemption under RCW 84.14.020(1)(a)(ii)(D); and

(11) Must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, and other official controls the requirements of this section to take effect six months after the jurisdiction's next periodic comprehensive plan update required under RCW 36.70A.130.

For purposes of this section, "low-income housing" means housing with a monthly housing expense, that is no greater than ((~~thirty~~)) 30 percent of ((~~eighty~~)) 80 percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development.

For the purposes of this section, "early learning facility" has the same meaning as in RCW 43.31.565.

Sec. 20. RCW 82.02.090 and 2023 c 121 s 2 are each amended to read as follows:

The definitions in this section apply throughout this section and RCW 82.02.050 through 82.02.080 unless the context clearly requires otherwise.

(1) "Development activity" means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land, that creates additional demand and need for public facilities. "Development activity" does not include:

(a) Buildings or structures constructed by a regional transit authority; or

(b) Buildings or structures constructed as shelters that provide emergency housing for people experiencing homelessness, or emergency shelters for victims of domestic violence, as defined in RCW 70.123.020.

(2) "Development approval" means any written authorization from a county, city, or town which authorizes the commencement of development activity.

(3) "Impact fee" means a payment of money imposed upon development as a condition of development approval to pay for public facilities needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities, and that is used for facilities that reasonably benefit the new development. "Impact fee" does not include a reasonable permit or application fee.

(4) "Owner" means the owner of record of real property, although when real property is being purchased under a real estate contract, the purchaser is considered the owner of the real property if the contract is recorded.

(5) "Project improvements" mean site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project, and are not system improvements. An improvement or facility included in a capital facilities plan approved by the governing body of the county, city, or town is not considered a project improvement.

(6) "Proportionate share" means that portion of the cost of public facility improvements that are reasonably related to the service demands and needs of new development.

(7) "Public facilities" means the following capital facilities owned or operated by government entities: (a) Public streets, roads, and bicycle and pedestrian facilities that were designed with multimodal commuting as an intended use; (b) publicly owned parks, open space, and recreation facilities; (c) school facilities; and (d) fire protection facilities.

(8) "Service area" means a geographic area defined by a county, city, town, or intergovernmental agreement in which a defined set of public facilities provide service to development within the area. Service areas must be designated on the basis of sound planning or engineering principles.

(9) "Station area" has the same meaning as defined in RCW 36.70A.030.

(10) "System improvements" mean public facilities that are included in the capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements.

NEW SECTION. **Sec. 21.** Sections 11 through 18 of this act apply to property taxes levied for collection in 2026 and thereafter.

NEW SECTION. **Sec. 22.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void."

On page 1, line 2 of the title, after "development;" strike the remainder of the title and insert "amending RCW 36.70A.030, 43.21C.229, 84.14.010, 84.14.020, 84.14.030, 84.14.060, 84.14.090, 84.14.100, 84.14.110, 82.02.060, and 82.02.090; adding new sections to chapter 36.70A RCW; adding a new section to chapter 64.38 RCW; adding a new section to chapter 64.90 RCW; adding a new section to chapter 64.34 RCW; adding a new section to chapter 64.32 RCW; adding a new section to chapter 84.14 RCW; creating new sections; and providing expiration dates."

Senators Bateman and Goehner spoke in favor of the motion to not adopt the committee striking amendment.

The President declared the question before the Senate to be to not adopt the committee striking amendment by the Committee on Ways & Means to Third Substitute House Bill No. 1491.

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

MOTION

Senator Bateman moved that the following committee striking amendment by the Committee on Housing be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that the state has made groundbreaking investments in state-of-the-art mass transit and intermodal infrastructure. The legislature finds that to maximize the state's return on these investments, land use policies and practices must allow housing development to keep pace with progress being implemented in transportation

infrastructure development. The legislature also intends new development to reflect the state's commitment to affordable housing and vibrant, walkable, accessible urban environments that improve health, expand multimodal transportation options, and include varied community facilities, parks, and green spaces that are open to people of all income levels.

The legislature recognizes that cities planning under chapter 36.70A RCW require direction and technical assistance to ensure the benefits of state transportation investments are maximized and shared equitably while avoiding unnecessary programmatic and cost burdens to local governments in their comprehensive planning, code enactment, and permit processing workloads. The legislature further recognizes that regulatory flexibility and local control are also important features of optimal planning outcomes.

Sec. 2. RCW 36.70A.030 and 2024 c 152 s 1 are each amended to read as follows:

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

(1) "Active transportation" means forms of pedestrian mobility including walking or running, the use of a mobility assistive device such as a wheelchair, bicycling and cycling irrespective of the number of wheels, and the use of small personal devices such as foot scooters or skateboards. Active transportation includes both traditional and electric assist bicycles and other devices. Planning for active transportation must consider and address accommodation pursuant to the Americans with disabilities act and the distinct needs of each form of active transportation.

(2) "Active transportation facilities" means facilities provided for the safety and mobility of active transportation users including, but not limited to, trails, as defined in RCW 47.30.005, sidewalks, bike lanes, shared-use paths, and other facilities in the public right-of-way.

(3) "Administrative design review" means a development permit process whereby an application is reviewed, approved, or denied by the planning director or the planning director's designee based solely on objective design and development standards without a public predecision hearing, unless such review is otherwise required by state or federal law, or the structure is a designated landmark or historic district established under a local preservation ordinance. A city may utilize public meetings, hearings, or voluntary review boards to consider, recommend, or approve requests for variances from locally established design review standards.

(4) "Adopt a comprehensive land use plan" means to enact a new comprehensive land use plan or to update an existing comprehensive land use plan.

(5) "Affordable housing" means, unless the context clearly indicates otherwise, residential housing whose monthly costs, including utilities other than telephone, do not exceed ((~~thirty~~)) 30 percent of the monthly income of a household whose income is:

(a) For rental housing, 60 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development; or

(b) For owner-occupied housing, 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(6) "Agricultural land" means land primarily devoted to the commercial production of horticultural, viticultural, floricultural, dairy, apiary, vegetable, or animal products or of berries, grain, hay, straw, turf, seed, Christmas trees not subject to the excise tax imposed by RCW 84.33.100 through 84.33.140, finfish in upland hatcheries, or livestock, and that has long-term commercial significance for agricultural production.

(7) "City" means any city or town, including a code city.

(8) "Comprehensive land use plan," "comprehensive plan," or "plan" means a generalized coordinated land use policy statement of the governing body of a county or city that is adopted pursuant to this chapter.

(9) "Cottage housing" means residential units on a lot with a common open space that either: (a) Is owned in common; or (b) has units owned as condominium units with property owned in common and a minimum of 20 percent of the lot size as open space.

(10) "Courtyard apartments" means attached dwelling units arranged on two or three sides of a yard or court.

(11) "Critical areas" include the following areas and ecosystems: (a) Wetlands; (b) areas with a critical recharging effect on aquifers used for potable water; (c) fish and wildlife habitat conservation areas; (d) frequently flooded areas; and (e) geologically hazardous areas. "Fish and wildlife habitat conservation areas" does not include such artificial features or constructs as irrigation delivery systems, irrigation infrastructure, irrigation canals, or drainage ditches that lie within the boundaries of and are maintained by a port district or an irrigation district or company.

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

(13) "Development regulations" or "regulation" means the controls placed on development or land use activities by a county or city, including, but not limited to, zoning ordinances, critical areas ordinances, shoreline master programs, official controls, planned unit development ordinances, subdivision ordinances, and binding site plan ordinances together with any amendments thereto. A development regulation does not include a decision to approve a project permit application, as defined in RCW 36.70B.020, even though the decision may be expressed in a resolution or ordinance of the legislative body of the county or city.

(14) "Emergency housing" means temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families. Emergency housing may or may not require occupants to enter into a lease or an occupancy agreement.

(15) "Emergency shelter" means a facility that provides a temporary shelter for individuals or families who are currently homeless. Emergency shelter may not require occupants to enter into a lease or an occupancy agreement. Emergency shelter facilities may include day and warming centers that do not provide overnight accommodations.

(16) "Environmental justice" means the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to development, implementation, and enforcement of environmental laws, regulations, and policies. Environmental justice includes addressing disproportionate environmental and health impacts in all laws, rules, and policies with environmental impacts by prioritizing vulnerable populations and overburdened communities and the equitable distribution of resources and benefits.

(17) "Extremely low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((~~thirty~~)) 30 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(18) "Forestland" means land primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, including Christmas trees subject to the excise tax imposed under

RCW 84.33.100 through 84.33.140, and that has long-term commercial significance. In determining whether forestland is primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, the following factors shall be considered: (a) The proximity of the land to urban, suburban, and rural settlements; (b) surrounding parcel size and the compatibility and intensity of adjacent and nearby land uses; (c) long-term local economic conditions that affect the ability to manage for timber production; and (d) the availability of public facilities and services conducive to conversion of forestland to other uses.

(19) "Freight rail dependent uses" means buildings and other infrastructure that are used in the fabrication, processing, storage, and transport of goods where the use is dependent on and makes use of an adjacent short line railroad. Such facilities are both urban and rural development for purposes of this chapter. "Freight rail dependent uses" does not include buildings and other infrastructure that are used in the fabrication, processing, storage, and transport of coal, liquefied natural gas, or "crude oil" as defined in RCW 90.56.010.

(20) "Geologically hazardous areas" means areas that because of their susceptibility to erosion, sliding, earthquake, or other geological events, are not suited to the siting of commercial, residential, or industrial development consistent with public health or safety concerns.

(21) "Green infrastructure" means a wide array of natural assets and built structures within an urban growth area boundary, including parks and other areas with protected tree canopy, and management practices at multiple scales that manage wet weather and that maintain and restore natural hydrology by storing, infiltrating, evapotranspiring, and harvesting and using stormwater.

(22) "Green space" means an area of land, vegetated by natural features such as grass, trees, or shrubs, within an urban context and less than one acre in size that creates public value through one or more of the following attributes:

(a) Is accessible to the public;

(b) Promotes physical and mental health of residents;

(c) Provides relief from the urban heat island effects;

(d) Promotes recreational and aesthetic values;

(e) Protects streams or water supply; or

(f) Preserves visual quality along highway, road, or street corridors.

(23) "Long-term commercial significance" includes the growing capacity, productivity, and soil composition of the land for long-term commercial production, in consideration with the land's proximity to population areas, and the possibility of more intense uses of the land.

(24) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((~~eighty~~)) 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(25) "Major transit stop" means:

(a) A stop on a high capacity transportation system funded or expanded under the provisions of chapter 81.104 RCW, except for any stop that solely serves express bus service or serves express bus service and other bus services not otherwise meeting the definition of major transit stop;

(b) Commuter rail stops;

(c) Stops on rail or fixed guideway systems; or

(d) Stops on bus rapid transit routes, including those stops that are under construction.

(26) "Middle housing" means buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked, or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing.

(27) "Minerals" include gravel, sand, and valuable metallic substances.

(28) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below 120 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(29) "Overburdened community" means a geographic area where vulnerable populations face combined, multiple environmental harms and health impacts, and includes, but is not limited to, highly impacted communities as defined in RCW 19.405.020.

(30) "Per capita vehicle miles traveled" means the number of miles traveled using cars and light trucks in a calendar year divided by the number of residents in Washington. The calculation of this value excludes vehicle miles driven conveying freight.

(31) "Permanent supportive housing" is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services. Permanent supportive housing is subject to all of the rights and responsibilities defined in chapter 59.18 RCW.

(32) "Public facilities" include streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, domestic water systems, storm and sanitary sewer systems, parks and recreational facilities, and schools.

(33) "Public services" include fire protection and suppression, law enforcement, public health, education, recreation, environmental protection, and other governmental services.

(34) "Recreational land" means land so designated under RCW 36.70A.1701 and that, immediately prior to this designation, was designated as agricultural land of long-term commercial significance under RCW 36.70A.170. Recreational land must have playing fields and supporting facilities existing before July 1, 2004, for sports played on grass playing fields.

(35) "Rural character" refers to the patterns of land use and development established by a county in the rural element of its comprehensive plan:

(a) In which open space, the natural landscape, and vegetation predominate over the built environment;

(b) That foster traditional rural lifestyles, rural-based economies, and opportunities to both live and work in rural areas;

(c) That provide visual landscapes that are traditionally found in rural areas and communities;

(d) That are compatible with the use of the land by wildlife and for fish and wildlife habitat;

(e) That reduce the inappropriate conversion of undeveloped land into sprawling, low-density development;

(f) That generally do not require the extension of urban governmental services; and

(g) That are consistent with the protection of natural surface water flows and groundwater and surface water recharge and discharge areas.

(36) "Rural development" refers to development outside the urban growth area and outside agricultural, forest, and mineral resource lands designated pursuant to RCW 36.70A.170. Rural development can consist of a variety of uses and residential densities, including clustered residential development, at levels that are consistent with the preservation of rural character and the requirements of the rural element. Rural development does not refer to agriculture or forestry activities that may be conducted in rural areas.

(37) "Rural governmental services" or "rural services" include those public services and public facilities historically and typically delivered at an intensity usually found in rural areas, and may include domestic water systems and fire and police protection services associated with rural development and normally not associated with urban areas. Rural services do not include storm or sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

(38) "Short line railroad" means those railroad lines designated class II or class III by the United States surface transportation board.

(39) "Single-family zones" means those zones where single-family detached housing is the predominant land use.

(40) "Stacked flat" means dwelling units in a residential building of no more than three stories on a residential zoned lot in which each floor may be separately rented or owned.

(41) "Townhouses" means buildings that contain three or more attached single-family dwelling units that extend from foundation to roof and that have a yard or public way on not less than two sides.

(42) "Transportation system" means all infrastructure and services for all forms of transportation within a geographical area, irrespective of the responsible jurisdiction or transportation provider.

(43) "Urban governmental services" or "urban services" include those public services and public facilities at an intensity historically and typically provided in cities, specifically including storm and sanitary sewer systems, domestic water systems, street cleaning services, fire and police protection services, public transit services, and other public utilities associated with urban areas and normally not associated with rural areas.

(44) "Urban growth" refers to growth that makes intensive use of land for the location of buildings, structures, and impermeable surfaces to such a degree as to be incompatible with the primary use of land for the production of food, other agricultural products, or fiber, or the extraction of mineral resources, rural uses, rural development, and natural resource lands designated pursuant to RCW 36.70A.170. A pattern of more intensive rural development, as provided in RCW 36.70A.070(5)(d), is not urban growth. When allowed to spread over wide areas, urban growth typically requires urban governmental services. "Characterized by urban growth" refers to land having urban growth located on it, or to land located in relationship to an area with urban growth on it as to be appropriate for urban growth.

(45) "Urban growth areas" means those areas designated by a county pursuant to RCW 36.70A.110.

(46) "Very low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((~~fifty~~)) 50 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(47)(a) "Vulnerable populations" means population groups that are more likely to be at higher risk for poor health outcomes in response to environmental harms, due to: (i) Adverse socioeconomic factors, such as unemployment, high housing and transportation costs relative to income, limited access to nutritious food and adequate health care, linguistic isolation, and other factors that negatively affect health outcomes and increase vulnerability to the effects of environmental harms; and (ii) sensitivity factors, such as low birth weight and higher rates of hospitalization.

(b) "Vulnerable populations" includes, but is not limited to:

(i) Racial or ethnic minorities;

(ii) Low-income populations; and

(iii) Populations disproportionately impacted by environmental harms.

(48) "Wetland" or "wetlands" means areas that are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs, and similar areas. Wetlands do not include those artificial wetlands intentionally created from nonwetland sites, including, but not limited to, irrigation and drainage ditches, grass-lined swales, canals, detention facilities, wastewater treatment facilities, farm ponds, and landscape amenities, or those wetlands created after July 1, 1990, that were unintentionally created as a result of the construction of a road, street, or highway. Wetlands may include those artificial wetlands intentionally created from nonwetland areas created to mitigate conversion of wetlands.

(49) "Wildland urban interface" means the geographical area where structures and other human development meets or intermingles with wildland vegetative fuels.

(50) "Floor area ratio" means a measure of development intensity equal to building square footage divided by the developable property square footage. Developable property excludes public facilities and portions of lots with critical areas and critical area buffers as designated in RCW 36.70A.060, except for critical aquifer recharge areas where a single-family detached house is an allowed use provided that any requirements to maintain aquifer recharge are met.

(51) "Rail station area" means all lots fully within an urban growth area that are:

(a) Fully or partially within one-half mile walking distance of an entrance to a train station with a stop on a light rail system, a commuter rail stop in a city with a population greater than 15,000, or a stop on a rail trolley operated west of the crest of the Cascade mountains; or

(b) Fully or partially within one-quarter mile walking distance of an entrance to a train station with a commuter rail stop in a city with a population no greater than 15,000.

(52) "Bus station area" means all lots that are:

(a) Fully within an urban growth area; and

(b) Fully or partially within one-quarter mile walking distance of a stop on a fixed route bus system that is designated as a bus rapid transit stop in the transit development plan as required in RCW 35.58.2795, for which an environmental determination has been issued as required under chapter 43.21C RCW, and that features fixed transit assets that indicate permanent, high capacity service including, but not limited to, elevated platforms or enhanced stations, off-board fare collection, dedicated lanes, busways, or transit signal priority.

(53) "Station area" means a bus station area or a rail station area.

NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A RCW to read as follows:

(1) Cities planning under RCW 36.70A.040 may not enact or enforce any development regulation within a station area that would prohibit the siting of multifamily residential housing on lots where any other residential use is permissible.

(2)(a) Cities planning under RCW 36.70A.040 must allow new residential and mixed-use development within any station area at the transit-oriented development density of:

(i) At least 3.5 floor area ratio, on average, within a rail station area; and

(ii) At least 2.5 floor area ratio, on average, or at least a 3.0 floor area ratio, on average if a city exempts up to 25 percent of bus station areas, within a bus station area.

(A) Cities must adopt regulations that allow for greater building height and increased density in all bus station areas for developments built with all mass timber products.

(B) For the purposes of this subsection, "mass timber products" has the same meaning as in RCW 19.27.570.

(b) A city planning under RCW 36.70A.040 may adopt a modification to a station area designation, but only after consultation with and approval by the department.

(c) Cities planning under RCW 36.70A.040 may not enact or enforce any development regulation that imposes:

(i) A maximum floor area ratio of less than the transit-oriented development density in this subsection for any residential or mixed-use development within a station area, unless a city has adopted an exemption for the station area under (a)(ii) of this subsection; or

(ii) A maximum residential density, measured in residential units per acre or other metric of land area within a station area.

(3) For the purposes of this section:

(a) "Mixed-use development" means a building subject to a regulation specifying allowable residential proportions within mixed-use areas.

(b) "Workforce housing" means rental housing with monthly costs that do not exceed 30 percent of the monthly income of a household whose income is at or below 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(4) Within any station area, any building in which all units are affordable or workforce housing for at least 50 years or are dedicated to permanent supportive housing, an additional 1.5 floor area ratio in excess of the transit-oriented development density required under subsection (2)(a) of this section must be permitted.

(5) Any floor area within a building located in a station area that is reserved for residential units in multifamily housing that includes at least three bedrooms must not be counted toward applicable floor area ratio limits. A city may require the residential units to comply with affordability requirements to be eligible for an exclusion from the applicable floor area ratio limits.

(6) Cities planning under RCW 36.70A.040 may by ordinance designate parts of a station area in which to enact or enforce floor area ratios for residential or mixed-use development that are more or less than the applicable transit-oriented development density, if the average maximum floor area ratio of all residential and mixed-use areas within a station area is no less than the applicable transit-oriented development density.

(7)(a) Buildings constructed within a station area must maintain for at least 50 years:

(i) At least 10 percent of all residential units as affordable housing;

(ii) At least 10 percent of all residential units as workforce housing if at least 10 percent of the units are family sized units with more than two bedrooms; or

(iii) At least 20 percent of all residential units as workforce housing.

(b) A building constructed within a station area is exempt from the affordability requirements in (a) of this subsection if:

(i) The building is constructed on a lot in which a density that meets or exceeds the transit-oriented development density in subsection (2) of this section was authorized prior to January 1, 2025;

(ii) The building is subject to affordability requirements with a lower income threshold or a greater amount of required affordable housing that were enacted by a city prior to January 1, 2025; or

(iii) A city has enacted or expands a mandatory program under RCW 36.70A.540 that requires a minimum amount of affordable housing that must be provided by residential development, either on-site or through an in-lieu payment as allowed by RCW 36.70A.540, in an area where development regulations must comply with this section. Such mandatory program may be enacted, modified, or expanded by a city in coordination with adopting regulations to comply with this act, and may require an amount of affordable housing that differs or exceeds the amount required. An optional program established under RCW 36.70A.540 does not meet the requirements of this subsection (7)(b)(iii).

(c) For each building that is exempt from the requirements for affordable or workforce housing under (b)(i) or (ii) of this subsection, the city must identify the density and affordability requirements that apply to the building or parcel in its comprehensive planning documents. For each building that is exempt from the requirements for affordable or workforce housing under (b)(iii) of this subsection, the city must identify the density and affordability requirements that apply to the building or parcel in its municipal code.

(8) A city must approve an exemption under RCW 84.14.020(1)(a)(ii)(D) for multifamily residential housing within a station area that meets the affordability requirements in subsection (7)(a) of this section and the requirements of chapter 84.14 RCW.

(9) A city that has enacted an incentive program prior to January 1, 2025, that requires public benefits, such as school capacity, greater amounts of affordable housing, green space, or green infrastructure, in return for additional development allowances, may continue to require such public benefits if complying with the requirements of this section provides additional development capacity that would have triggered the public benefits requirements.

(10)(a) No later than the deadlines established in subsection (15) of this section, cities planning under RCW 36.70A.040 must act to modify or repeal any existing development regulations applicable in a station area that, alone or in combination, are inconsistent with this section, and may not enact any development regulations applicable in a station area that, alone or in combination with other development regulations, are inconsistent with this section.

(b) A city may apply any objective development regulations within a station area that are required for other multifamily residential uses in the same zone, including tree canopy and retention requirements.

(c) This subsection (10) does not apply to development regulations that are generally applicable health and safety standards, including building code standards and fire and life safety standards.

(11) Nothing in this section requires alteration, displacement,

or limitation of industrial or agricultural uses or industrial, manufacturing, or agricultural areas within the urban growth area.

(12) Nothing in this section requires a city to issue a building permit if other federal, state, and local requirements for a building permit are not met.

(13) Cities planning under RCW 36.70A.040 may exclude from the requirements in this section any portion of a lot that is designated as a shoreline environment governed by a shoreline master program or as a critical area governed by a critical area ordinance, except for critical aquifer recharge areas where a single-family detached house is an allowed use provided that any requirements to maintain aquifer recharge are met, and any lot that:

(a) Is nonconforming with development regulations governing lot dimensions including, but not limited to, standards related to lot width, area, geometry, or street access, unless an applicant demonstrates that the nonconforming lot may be developed in compliance with the development regulations governing lot dimensions by obtaining any modification, deviation, variance, or similar code departure approval allowed under the development regulations;

(b) Contains a designated landmark or is located within a historic district established under a local preservation ordinance adopted prior to the effective date of this section;

(c) Has been designated as containing urban separators by countywide planning policies as of the effective date of this section;

(d) Is an industrial, manufacturing, or agricultural designated lot that either is limited to one dwelling unit per lot or only allows housing for individuals and their families responsible for caretaking, farm work, security, or maintenance; or

(e) Is in a tsunami inundation area as mapped by the department of natural resources.

(14) For cities subject to a growth target adopted under RCW 36.70A.210 that limits the maximum residential capacity of the jurisdiction, any additional residential capacity required by this section may not be considered an inconsistency with the countywide planning policies, multicounty planning policies, or growth targets adopted under RCW 36.70A.210.

(15)(a) Any city that is required to review its comprehensive plan by the deadlines specified in RCW 36.70A.130(5)(a) must comply with the requirements of this section by the earlier of December 31, 2029, or its first implementation progress report due after December 31, 2024 as specified in RCW 36.70A.130(9), and thereafter at each comprehensive plan update or implementation progress report following the completion or funding of any major transit stop that would create a new station area within the jurisdiction.

(b) Any city that is required to review its comprehensive plan by the deadlines specified in RCW 36.70A.130(5) (b), (c), or (d) must comply with the requirements of this section no later than six months after its first comprehensive plan update due after December 31, 2024, and thereafter at each comprehensive plan update or implementation progress report following the completion or funding of any transit stop that would create a new station area within the jurisdiction.

(c) A federally recognized Indian tribe may voluntarily choose to participate in the planning process to implement the requirements of this section in accordance with RCW 36.70A.040(8).

(16)(a) The department must publish a model transit-oriented development ordinance by June 30, 2027.

(b) In any city subject to this section that has not passed ordinances, regulations, or other official controls by the deadlines required under subsection (15) of this section, the model ordinance supersedes, preempts, and invalidates local development regulations until the city takes all actions necessary to implement this section.

(17) A city may seek an extension from the transit-oriented development density requirements of this section by applying to the department for an extension in any areas that are at high risk of displacement based on a city's antidisplacement analysis or an antidisplacement map. The department must review the city's analysis and certify a five-year extension from the requirements of this section for areas at high risk of displacement. The city must create an implementation plan that identifies the antidisplacement policies available to residents to mitigate displacement risk. During the extension, the city may delay implementation or enact alternative floor area ratio requirements within any areas at high risk of displacement. The department may recertify an extension for additional five-year periods based on evidence of ongoing displacement risk in the area.

(18)(a)(i) The department may approve actions under this subsection (18) for cities that have, by June 30, 2026, adopted a plan and implementing development regulations for a specific station area that are substantially similar to the requirements of this section for that station area. In determining whether a city's adopted plan and development regulations are substantially similar, the department's evaluation may include, but not be limited to, if:

(A) The regulations will provide a development capacity and allow the opportunity for creation of affordable housing that is at least equivalent to the amount of development capacity and affordable housing that would be allowed in that station area if the specific provisions of this section were adopted;

(B) The jurisdiction offers a way to achieve buildings that exceed 85 feet in height; and

(C) No lot within the station area is zoned exclusively for detached single-family residences.

(ii) The department must establish by rule any standards or procedures necessary to implement (a) of this subsection.

(b) Any local actions approved by the department pursuant to (a) of this subsection are exempt from appeals under this chapter and chapter 43.21C RCW.

(c) The department's final decision to approve or reject actions by cities under this subsection (18) may be appealed to the growth management hearings board by filing a petition as provided in RCW 36.70A.290.

NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70A RCW to read as follows:

Subject to appropriation, the department must establish and administer a grant program to assist cities in providing:

(1) The infrastructure necessary to accommodate development at transit-oriented development densities within station areas, including water, sewer, stormwater, and transportation infrastructure and parks and recreation facilities;

(2) Station area planning or other predevelopment costs necessary for implementation of station area plans; and

(3) The staffing necessary to implement transit-oriented development requirements.

NEW SECTION. **Sec. 5.** A new section is added to chapter 36.70A RCW to read as follows:

(1) To encourage transit-oriented development and transit use and resulting substantial environmental benefits, cities planning under RCW 36.70A.040 may not require off-street automobile parking as a condition of permitting residential or mixed-use development within a station area as defined in RCW 36.70A.030, except for off-street automobile parking that is permanently marked for the exclusive use of individuals with disabilities or parking that is permanently marked for the short-term exclusive use of delivery vehicles.

(2) If a project permit application within a station area, as

defined in RCW 36.70B.020, does not provide parking in compliance with this section, the proposed absence of parking may not be treated as a basis for issuance of a determination of significance pursuant to chapter 43.21C RCW.

(3) The parking provisions of this section do not apply:

(a) If a local government submits to the department an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations under subsection (1) of this section will be significantly less safe for automobile drivers or passengers, pedestrians, or bicyclists than if the jurisdiction's parking requirements were applied to the same location. The department must develop guidance to assist cities and counties on items to include in the study; or

(b) To portions of cities within a one-mile radius of a commercial airport in Washington with at least 9,000,000 annual enplanements.

(4) If a residential or mixed-use development provides parking for residential uses in excess of what is required in subsection (1) of this section, cities planning under RCW 36.70A.040 may enact or enforce development regulations to:

(a) Require a share of any provided residential parking to be distributed between units designated as affordable housing and units offered at market rate; and

(b) Include all or a portion of the cost of unbundled parking charges into the monthly cost for rental units designated as affordable housing.

Sec. 6. RCW 43.21C.229 and 2023 c 368 s 1 are each amended to read as follows:

(1) The purpose of this section is to accommodate infill and housing development and thereby realize the goals and policies of comprehensive plans adopted according to chapter 36.70A RCW.

(2) A city or county planning under RCW 36.70A.040 is authorized by this section to establish categorical exemptions from the requirements of this chapter. An exemption may be adopted by a city or county under this subsection if it meets the following criteria:

(a) It categorically exempts government action related to development proposed to fill in an urban growth area, designated according to RCW 36.70A.110, where current density and intensity of use in the area is roughly equal to or lower than called for in the goals and policies of the applicable comprehensive plan and the development is either:

(i) Residential development;

(ii) Mixed-use development; or

(iii) Commercial development up to 65,000 square feet, excluding retail development;

(b) It does not exempt government action related to development that is inconsistent with the applicable comprehensive plan or would clearly exceed the density or intensity of use called for in the goals and policies of the applicable comprehensive plan;

(c) The local government considers the specific probable adverse environmental impacts of the proposed action and determines that these specific impacts are adequately addressed by the development regulations or other applicable requirements of the comprehensive plan, subarea plan element of the comprehensive plan, planned action ordinance, or other local, state, or federal rules or laws; and

(d)(i) The city or county's applicable comprehensive plan was previously subjected to environmental analysis through an environmental impact statement under the requirements of this chapter prior to adoption; or

(ii) The city or county has prepared an environmental impact statement that considers the proposed use or density and intensity of use in the area proposed for an exemption under this section.

(3) All project actions that propose to develop one or more residential housing units within the incorporated areas in an urban growth area designated pursuant to RCW 36.70A.110 or middle housing within the unincorporated areas in an urban growth area designated pursuant to RCW 36.70A.110, and that meet the criteria identified in (a) and (b) of this subsection, are categorically exempt from the requirements of this chapter. For purposes of this section, "middle housing" has the same meaning as in RCW 36.70A.030 as amended by chapter 332, Laws of 2023. Jurisdictions shall satisfy the following criteria prior to the adoption of the categorical exemption under this subsection (3):

(a) The city or county shall find that the proposed development is consistent with all development regulations implementing an applicable comprehensive plan adopted according to chapter 36.70A RCW by the jurisdiction in which the development is proposed, with the exception of any development regulation that is inconsistent with applicable provisions of chapter 36.70A RCW; and

(b) The city or county has prepared environmental analysis that considers the proposed use or density and intensity of use in the area proposed for an exemption under this section and analyzes multimodal transportation impacts, including impacts to neighboring jurisdictions, transit facilities, and the state transportation system.

(i) Such environmental analysis shall include documentation that the requirements for environmental analysis, protection, and mitigation for impacts to elements of the environment have been adequately addressed for the development exempted. The requirements may be addressed in locally adopted comprehensive plans, subarea plans, adopted development regulations, other applicable local ordinances and regulations, or applicable state and federal regulations. The city or county must document its consultation with the department of transportation on impacts to state-owned transportation facilities including consideration of whether mitigation is necessary for impacts to transportation facilities.

(ii) Before finalizing the environmental analysis pursuant to (b)(i) of this subsection (3), the city or county shall provide a minimum of 60 days' notice to affected tribes, relevant state agencies, other jurisdictions that may be impacted, and the public. If a city or county identifies that mitigation measures are necessary to address specific probable adverse impacts, the city or county must address those impacts by requiring mitigation identified in the environmental analysis pursuant to this subsection (3)(b) through locally adopted comprehensive plans, subarea plans, development regulations, or other applicable local ordinances and regulations. Mitigation measures shall be detailed in an associated environmental determination.

(iii) The categorical exemption is effective 30 days following action by a city or county pursuant to (b)(ii) of this subsection (3).

(4) Until September 30, 2025, all project actions that propose to develop one or more residential housing or middle housing units within a city west of the crest of the Cascade mountains with a population of 700,000 or more are categorically exempt from the requirements of this chapter. After September 30, 2025, project actions that propose to develop one or more residential housing or middle housing units within the city may utilize the categorical exemption in subsection (3) of this section.

(5) All project actions that propose to develop residential or mixed-use development within a station area are categorically exempt from the requirements of this chapter, subject to the rules of the department adopted according to RCW 43.21C.110(1)(a) that provide exceptions to the use of categorical exemptions

adopted by the department. For the purpose of this subsection:

(a) "Mixed-use development" has the same meaning as provided in section 3 of this act; and

(b) "Station area" has the same meaning as provided in RCW 36.70A.030.

(6) Any categorical exemption adopted by a city or county under this section applies even if it differs from the categorical exemptions adopted by rule of the department under RCW 43.21C.110(1)(a). Nothing in this section shall invalidate categorical exemptions or environmental review procedures adopted by a city or county under a planned action pursuant to RCW 43.21C.440. However, any categorical exemption adopted by a city or county under this section shall be subject to the rules of the department adopted according to RCW 43.21C.110(1)(a) that provide exceptions to the use of categorical exemptions adopted by the department.

NEW SECTION. **Sec. 7.** A new section is added to chapter 64.38 RCW to read as follows:

(1) Governing documents created after the effective date of this section and applicable to associations located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

(2) This section expires January 1, 2028.

NEW SECTION. **Sec. 8.** A new section is added to chapter 64.90 RCW to read as follows:

Declarations and governing documents created after the effective date of this section and applicable to a common interest community located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

NEW SECTION. **Sec. 9.** A new section is added to chapter 64.34 RCW to read as follows:

(1) A declaration created after the effective date of this section and applicable to an association located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

(2) This section expires January 1, 2028.

NEW SECTION. **Sec. 10.** A new section is added to chapter 64.32 RCW to read as follows:

(1) A declaration created after the effective date of this section and applicable to an association of apartment owners located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

(2) This section expires January 1, 2028.

Sec. 11. RCW 84.14.010 and 2024 c 332 s 17 are each amended to read as follows:

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

(1) "Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households.

(2) "Campus facilities master plan" means the area that is defined by the University of Washington as necessary for the future growth and development of its campus facilities for campuses authorized under RCW 28B.45.020.

(3) "City" means either (a) a city or town with a population of at least fifteen thousand, (b) the largest city or town, if there is no city or town with a population of at least fifteen thousand, located in a county planning under the growth management act, (c) a city or town with a population of at least five thousand located in a county subject to the provisions of RCW 36.70A.215, ((~~or~~)) (d) any city that otherwise does not meet the qualifications under (a) through (c) of this subsection, until December 31, 2031, that complies with RCW 84.14.020(1)(a)(iii) or 84.14.021(1)(b), or (e) for the exemption authorized in RCW 84.14.020(1)(a)(ii)(D), a city or town with a station area.

(4) "Conversion" means the conversion of a nonresidential building, in whole or in part, to multiple-unit housing under this chapter.

(5) "County" means a county with an unincorporated population of at least 170,000.

(6) "Governing authority" means the local legislative authority of a city or a county having jurisdiction over the property for which an exemption may be applied for under this chapter.

(7) "Growth management act" means chapter 36.70A RCW.

(8) "Household" means a single person, family, or unrelated persons living together.

(9) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county, city, or metropolitan statistical area, where the project is located, as reported by the United States department of housing and urban development.

(10) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county, city, or metropolitan statistical area, where the project is located, as reported by the United States department of housing and urban development.

(11) "Multiple-unit housing" means a building or a group of buildings having four or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.

(12) "Owner" means the property owner of record.

(13) "Permanent residential occupancy" means multiunit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

(14) "Rehabilitation improvements" means modifications to existing structures, that are vacant for twelve months or longer, that are made to achieve a condition of substantial compliance with existing building codes or modification to existing occupied structures which increase the number of multifamily housing units.

(15) "Residential targeted area" means an area within an urban center or urban growth area that has been designated by the governing authority as a residential targeted area in accordance with this chapter. With respect to designations after July 1, 2007, "residential targeted area" may not include a campus facilities master plan.

(16) "Rural county" means a county with a population between

fifty thousand and seventy-one thousand and bordering Puget Sound.

(17) "Station area" has the same meaning as defined in RCW 36.70A.030.

(18) "Substantial compliance" means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.

(((~~(18)~~))) (19) "Urban center" means a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:

(a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;

(b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and

(c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.

Sec. 12. RCW 84.14.020 and 2021 c 187 s 3 are each amended to read as follows:

(1)(a) The value of new housing construction, conversion, and rehabilitation improvements qualifying under this chapter is exempt from ad valorem property taxation, as follows:

(i) For properties for which applications for certificates of tax exemption eligibility are submitted under this chapter before July 22, 2007, the value is exempt for ten successive years beginning January 1 of the year immediately following the calendar year of issuance of the certificate;

(ii) For properties for which applications for certificates of tax exemption eligibility are submitted under this chapter on or after July 22, 2007, the value is exempt:

(A) For eight successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate;

(B) For twelve successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(a)(ii)(B). For the property to qualify for the twelve-year exemption under this subsection, the applicant must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households, and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(a)(ii)(B) may be satisfied solely through housing affordable to moderate-income households; ((~~or~~))

(C) For 20 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(a)(ii)(C). For the property to qualify for the 20-year exemption under this subsection, the project must be located within one mile of high capacity transit of at least 15 minute scheduled frequency, in a city that has implemented, as of July 25, 2021, a mandatory inclusionary zoning requirement for affordable housing that ensures affordability of housing units for a period of at least 99 years and that has a population of no more than 65,000 as measured on July 25, 2021. To qualify for the exemption provided in this subsection (1)(a)(ii)(C), the applicant must commit to renting at least 20 percent of the dwelling units as affordable to low-income households for a term of at least 99 years, and the property must satisfy that commitment and all required affordability and income eligibility conditions adopted by the local government under this chapter. A city must require the applicant to record a covenant or deed restriction that ensures the continuing rental of units subject to these affordability requirements consistent with the conditions in this subsection (1)(a)(ii)(C) for a period of no less than 99 years. The covenant or deed restriction must also address criteria and policies to maintain public benefit if the property is converted to a use other than which continues to provide for permanently affordable low-income housing consistent with this subsection (1)(a)(ii)(C); or

(D) For 20 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property is located fully or partially with a station area of a city and meets the affordability requirements in section 3(7)(a) of this act. A city must require the applicant to record a covenant or deed restriction that ensures the continuing rental or ownership of units subject to the affordability requirements in section 3(7)(a) of this act for a period of no less than 50 years. The covenant or deed restriction must also address criteria and policies to maintain public benefit if the property is converted to a use other than one which continues to provide for permanently affordable low-income housing consistent with section 3(7)(a) of this act; and

(iii) Until December 31, 2026, for a city as defined in RCW 84.14.010(3)(d), for 12 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(a)(iii). For the property to qualify for the 12-year exemption under this subsection, the applicant must commit to renting or selling at least 20 percent of the multifamily housing units as affordable housing units to low and moderate-income households, the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter, and the area must be zoned to have an average minimum density equivalent to 15 dwelling units or more per gross acre, or for cities with a population over 20,000, the area must be zoned to have an average minimum density equivalent to 25 dwelling units or more per gross acre. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(a)(iii) may be satisfied solely through housing affordable to low-income or moderate-income households.

(b) The exemptions provided in (a)(i) through (iii) of this subsection do not include the value of land or nonhousing-related improvements not qualifying under this chapter.

(c) For properties receiving an exemption as provided in (a)(ii)(B) of this subsection that are in compliance with existing contracts and where the certificate of tax exemption is set to expire after June 11, 2020, but before December 31, 2021, the exemption is extended until December 31, 2021, provided that the property must satisfy any eligibility criteria or limitations provided in this chapter as a condition to the existing exemption for a given property continue to be met. For all properties eligible to receive an extension pursuant to this subsection (1)(c), the city or county that issued the initial certificate of tax exemption, as required in RCW 84.14.090, must notify the county assessor and the applicant of the extension of the certificate of tax exemption.

(2) When a local government adopts guidelines pursuant to RCW 84.14.030(2) and includes conditions that must be satisfied with respect to individual dwelling units, rather than with respect to the multiple-unit housing as a whole or some minimum portion thereof, the exemption may, at the local government's discretion, be limited to the value of the qualifying improvements allocable to those dwelling units that meet the local guidelines.

(3) In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to the submission of the application required under this chapter. The incentive provided by this chapter is in addition to any other incentives, tax credits, grants, or other incentives provided by law.

(4) This chapter does not apply to increases in assessed valuation made by the assessor on nonqualifying portions of building and value of land nor to increases made by lawful order of a county board of equalization, the department of revenue, or a county, to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law.

(5) At the conclusion of the exemption period, the value of the new housing construction, conversion, or rehabilitation improvements must be considered as new construction for the purposes of chapters 84.55 and 36.21 RCW as though the property was not exempt under this chapter.

(6) For properties that qualified for, satisfied the conditions of, and utilized the exemption under subsection (1)(a)(ii)(A) or (B) of this section, following the initial exemption period or the extension period authorized in subsection (1)(c) of this section, the exemption period may be extended for an additional 12 years for projects that are within 18 months of expiration contingent on city or county approval. For the property to qualify for an extension under this subsection (6), the applicant must meet at a minimum the locally adopted requirements for the property to qualify for an exemption under subsection (1)(a)(ii)(B) of this section as applicable at the time of the extension application, and the applicant commits to renting or selling at least 20 percent of the multifamily housing units as affordable housing units for low-income households.

(7) At the end of both the tenth and eleventh years of an extension, for twelve-year extensions of the exemption, applicants must provide tenants of rent-restricted units with notification of intent to provide the tenant with rental relocation assistance as provided in subsection (8) of this section.

(8)(a) Except as provided in (b) of this subsection, for any 12-year exemption authorized under subsection (1)(a)(ii)(B) or (iii) of this section after July 25, 2021, or for any 12-year exemption extension authorized under subsection (6) of this section, at the expiration of the exemption the applicant must provide tenant relocation assistance in an amount equal to one month's rent to a qualified tenant within the final month of the qualified tenant's lease. To be eligible for tenant relocation assistance under this subsection, the tenant must occupy an income-restricted unit at the time the exemption expires and must qualify as a low-income household under this chapter at the time relocation assistance is sought.

(b) If affordability requirements consistent, at a minimum, with those required under subsection (1)(a)(ii)(B) or (iii) of this section remain in place for the unit after the expiration of the exemption, relocation assistance in an amount equal to one month's rent must be provided to a qualified tenant within the final month of a qualified tenant's lease who occupies an income-restricted unit at the time those additional affordability requirements cease to apply to the unit.

(9) No new exemptions may be provided under this section beginning on or after January 1, 2032. No extensions may be granted under subsection (6) of this section on or after January 1, 2046.

Sec. 13. RCW 84.14.030 and 2021 c 187 s 9 are each amended to read as follows:

An owner of property making application under this chapter must meet the following requirements:

(1) The new or rehabilitated multiple-unit housing must be ((~~located~~)):

(a) Located in a residential targeted area as designated by the city or county; or

(b) Be located fully or partially within a station area if applying under RCW 84.14.020(1)(a)(ii)(D);

(2) The multiple-unit housing must meet guidelines as adopted by the governing authority that may include height, density, public benefit features, number and size of proposed development, parking, income limits for occupancy, limits on rents or sale prices, and other adopted requirements indicated necessary by the city or county. The required amenities should be relative to the size of the project and tax benefit to be obtained;

(3) The new, converted, or rehabilitated multiple-unit housing must provide for a minimum of fifty percent of the space for permanent residential occupancy. In the case of existing occupied multifamily development, the multifamily housing must also provide for a minimum of four additional multifamily units. Existing multifamily vacant housing that has been vacant for twelve months or more does not have to provide additional multifamily units;

(4) New construction multifamily housing and rehabilitation improvements must be completed within three years from the date of approval of the application, plus any extension authorized under RCW 84.14.090(5);

(5) Property proposed to be rehabilitated must fail to comply with one or more standards of the applicable state or local building or housing codes on or after July 23, 1995. If the property proposed to be rehabilitated is not vacant, an applicant must provide each existing tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate; and

(6) The applicant must enter into a contract with the city or county approved by the governing authority, or an administrative official or commission authorized by the governing authority, under which the applicant has agreed to the implementation of the development on terms and conditions satisfactory to the governing authority.

Sec. 14. RCW 84.14.060 and 2014 c 96 s 5 are each amended to read as follows:

(1) The duly authorized administrative official or committee of the city or county may approve the application if it finds that:

(a) A minimum of four new units are being constructed or in the case of occupied rehabilitation or conversion a minimum of four additional multifamily units are being developed;

(b) If applicable, the proposed multiunit housing project meets the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter;

(c) The proposed project is or will be, at the time of completion, in conformance with all local plans and regulations that apply at the time the application is approved;

(d) The owner has complied with all standards and guidelines adopted by the city or county under this chapter and, if applicable, section 3 of this act; and

(e) The site is located in a residential targeted area of an urban center or urban growth area that has been designated by the governing authority in accordance with procedures and guidelines indicated in RCW 84.14.040, or is located fully or partially within a station area if applying under RCW 84.14.020(1)(a)(ii)(D).

(2) An application may not be approved after July 1, 2007, if any part of the proposed project site is within a campus facilities master plan, except as provided in RCW 84.14.040(1)(d).

(3) An application may not be approved for a residential targeted area in a rural county on or after January 1, 2020.

Sec. 15. RCW 84.14.090 and 2021 c 187 s 10 are each amended to read as follows:

(1) Upon completion of rehabilitation or new construction for which an application for a limited tax exemption under this

chapter has been approved and after issuance of the certificate of occupancy, the owner must file with the city or county the following:

(a) A statement of the amount of rehabilitation or construction expenditures made with respect to each housing unit and the composite expenditures made in the rehabilitation or construction of the entire property;

(b) A description of the work that has been completed and a statement that the rehabilitation improvements or new construction on the owner's property qualify the property for limited exemption under this chapter;

(c) If applicable, a statement that the project meets the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter; and

(d) A statement that the work has been completed within three years of the issuance of the conditional certificate of tax exemption.

(2) Within ((~~thirty~~)) 30 days after receipt of the statements required under subsection (1) of this section, the authorized representative of the city or county must determine whether the work completed, and the affordability of the units, is consistent with the application and the contract approved by the city or county and is qualified for a limited tax exemption under this chapter. The city or county must also determine which specific improvements completed meet the requirements and required findings.

(3) If the rehabilitation, conversion, or construction is completed within three years of the date the application for a limited tax exemption is filed under this chapter, or within an authorized extension of this time limit, and the authorized representative of the city or county determines that improvements were constructed consistent with the application and other applicable requirements, including if applicable, affordable housing requirements, and the owner's property is qualified for a limited tax exemption under this chapter, the city or county must file the certificate of tax exemption with the county assessor within ((~~ten~~)) 10 days of the expiration of the ((~~thirty~~)) 30-day period provided under subsection (2) of this section.

(4) The authorized representative of the city or county must notify the applicant that a certificate of tax exemption is not going to be filed if the authorized representative determines that:

(a) The rehabilitation or new construction was not completed within three years of the application date, or within any authorized extension of the time limit;

(b) The improvements were not constructed consistent with the application or other applicable requirements;

(c) If applicable, the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter were not met; or

(d) The owner's property is otherwise not qualified for limited exemption under this chapter.

(5) If the authorized representative of the city or county finds that construction or rehabilitation of multiple-unit housing was not completed within the required time period due to circumstances beyond the control of the owner and that the owner has been acting and could reasonably be expected to act in good faith and with due diligence, the governing authority or the city or county official authorized by the governing authority may extend the deadline for completion of construction or rehabilitation for a period not to exceed ((~~twenty-four~~)) 24 consecutive months. For preliminary or final applications submitted on or before February 15, 2020, with any outstanding application requirements, such as obtaining a temporary certificate of occupancy, the city or county may choose to extend the deadline for completion for an additional five years. The five-year extension begins immediately following the completion of any outstanding applications or previously authorized extensions, whichever is later.

(6) The governing authority may provide by ordinance for an appeal of a decision by the deciding officer or authority that an owner is not entitled to a certificate of tax exemption to the governing authority, a hearing examiner, or other city or county officer authorized by the governing authority to hear the appeal in accordance with such reasonable procedures and time periods as provided by ordinance of the governing authority. The owner may appeal a decision by the deciding officer or authority that is not subject to local appeal or a decision by the local appeal authority that the owner is not entitled to a certificate of tax exemption in superior court under RCW 34.05.510 through 34.05.598, if the appeal is filed within ((~~thirty~~)) 30 days of notification by the city or county to the owner of the decision being challenged.

Sec. 16. RCW 84.14.100 and 2021 c 187 s 5 are each amended to read as follows:

(1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW 84.14.021, must file with a designated authorized representative of the city or county an annual report indicating the following:

(a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;

(b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter since the date of the certificate approved by the city or county;

(c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and

(d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.

(2) All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. The report must include the following information:

(a) The number of tax exemption certificates granted;

(b) The total number and type of units produced or to be produced;

(c) The number, size, and type of units produced or to be produced meeting affordable housing requirements;

(d) The actual development cost of each unit produced;

(e) The total monthly rent or total sale amount of each unit produced;

(f) The annual household income and household size for each of the affordable units receiving a tax exemption and a summary of these figures for the city or county; and

(g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving

an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to RCW 84.14.110.

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

Sec. 17. RCW 84.14.110 and 2012 c 194 s 10 are each amended to read as follows:

(1) If improvements have been exempted under this chapter, the improvements continue to be exempted for the applicable period under RCW 84.14.020, so long as they are not converted to another use and continue to satisfy all applicable conditions. If the owner intends to convert the multifamily development to another use, or if applicable, if the owner intends to discontinue compliance with the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter or any other condition to exemption, the owner must notify the assessor within sixty days of the change in use or intended discontinuance. If, after a certificate of tax exemption has been filed with the county assessor, the authorized representative of the governing authority discovers that a portion of the property is changed or will be changed to a use that is other than residential or that housing or amenities no longer meet the requirements, including, if applicable, affordable housing requirements, as previously approved or agreed upon by contract between the city or county and the owner and that the multifamily housing, or a portion of the housing, no longer qualifies for the exemption, the tax exemption must be canceled and the following must occur:

(a) Additional real property tax must be imposed upon the value of the nonqualifying improvements in the amount that would normally be imposed, plus a penalty must be imposed amounting to twenty percent. This additional tax is calculated based upon the difference between the property tax paid and the property tax that would have been paid if it had included the value of the nonqualifying improvements dated back to the date that the improvements were converted to a nonmultifamily use;

(b) The tax must include interest upon the amounts of the additional tax at the same statutory rate charged on delinquent property taxes from the dates on which the additional tax could have been paid without penalty if the improvements had been assessed at a value without regard to this chapter; and

(c) The additional tax owed together with interest and penalty must become a lien on the land and attach at the time the property or portion of the property is removed from multifamily use or the amenities no longer meet applicable requirements, and has priority to and must be fully paid and satisfied before a recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the land may become charged or liable. The lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes. An additional tax unpaid on its due date is delinquent. From the date of delinquency until paid, interest must be charged at the same rate applied by law to delinquent ad valorem property taxes.

(2) Upon a determination that a tax exemption is to be canceled for a reason stated in this section, the governing authority or authorized representative must notify the record owner of the property as shown by the tax rolls by mail, return receipt requested, of the determination to cancel the exemption. The owner may appeal the determination to the governing authority or authorized representative, within thirty days by filing a notice of appeal with the clerk of the governing authority, which notice must specify the factual and legal basis on which the determination of cancellation is alleged to be erroneous. The governing authority or a hearing examiner or other official authorized by the governing authority may hear the appeal. At the hearing, all affected parties may be heard and all competent evidence received. After the hearing, the deciding body or officer must either affirm, modify, or repeal the decision of cancellation of exemption based on the evidence received. An aggrieved party may appeal the decision of the deciding body or officer to the superior court under RCW 34.05.510 through 34.05.598.

(3) Upon determination by the governing authority or authorized representative to terminate an exemption, the county officials having possession of the assessment and tax rolls must correct the rolls in the manner provided for omitted property under RCW 84.40.080. The county assessor must make such a valuation of the property and improvements as is necessary to permit the correction of the rolls. The value of the new housing construction, conversion, and rehabilitation improvements added to the rolls is considered as new construction for the purposes of chapter 84.55 RCW. The owner may appeal the valuation to the county board of equalization under chapter 84.48 RCW and according to the provisions of RCW 84.40.038. If there has been a failure to comply with this chapter, the property must be listed as an omitted assessment for assessment years beginning January 1 of the calendar year in which the noncompliance first occurred, but the listing as an omitted assessment may not be for a period more than three calendar years preceding the year in which the failure to comply was discovered.

NEW SECTION. **Sec. 18.** A new section is added to chapter 84.14 RCW to read as follows:

The governing authority of a city with a station area must adopt and implement standards and guidelines to be used in considering applications and making the determinations required under RCW 84.14.060. The standards and guidelines must establish basic requirements for both new construction and rehabilitation, which must include:

(1) Application process and procedures;

(2) Income and rent standards for affordable units that meet the requirements of section 3(7)(a) of this act;

(3) Requirements that address demolition of existing structures and site utilization; and

(4) Building requirements that comply with this act.

Sec. 19. RCW 82.02.060 and 2023 c 337 s 10 are each amended to read as follows:

The local ordinance by which impact fees are imposed:

(1) Shall include a schedule of impact fees which shall be adopted for each type of development activity that is subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule shall be based upon a formula or other method of calculating such impact fees. The schedule shall reflect the proportionate impact of new housing units, including multifamily and condominium units, based on the square footage, number of bedrooms, or trips generated, in the housing unit in order to produce a proportionally lower impact fee for smaller housing units. In determining proportionate share, the formula or other method of calculating impact fees shall incorporate, among other things, the following:

(a) The cost of public facilities necessitated by new development;

(b) An adjustment to the cost of the public facilities for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or proratable to the particular system improvement;

(c) The availability of other means of funding public facility improvements;

(d) The cost of existing public facilities improvements; and

(e) The methods by which public facilities improvements were financed;

(2) May provide an exemption for low-income housing, and other development activities with broad public purposes, including development of an early learning facility, from these impact fees, provided that the impact fees for such development activity shall be paid from public funds other than impact fee accounts;

(3)(a) May not impose an impact fee on development activities of an early learning facility greater than that imposed on commercial retail or commercial office development activities that generate a similar number, volume, type, and duration of vehicle trips;

(b) When a facility or development has more than one use, the limitations in this subsection (3) or the exemption applicable to an early learning facility in subsections (2) and (4) of this section only apply to that portion that is developed as an early learning facility. The impact fee assessed on an early learning facility in such a development or facility may not exceed the least of the impact fees assessed on comparable businesses in the facility or development;

(4) May provide an exemption from impact fees for low-income housing or for early learning facilities. Local governments that grant exemptions for low-income housing or for early learning facilities under this subsection (4) may either: Grant a partial exemption of not more than ((~~eighty~~)) 80 percent of impact fees, in which case there is no explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts; or provide a full waiver, in which case the remaining percentage of the exempted fee must be paid from public funds other than impact fee accounts, except as provided in (b) of this subsection. These exemptions are subject to the following requirements:

(a) An exemption for low-income housing granted under subsection (2) of this section or this subsection (4) must be conditioned upon requiring the developer to record a covenant that, except as provided otherwise by this subsection, prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and that if the property is converted to a use other than for low-income housing, the property owner must pay the applicable impact fees in effect at the time of conversion;

(b) An exemption for early learning facilities granted under subsection (2) of this section or this subsection (4) may be a full waiver without an explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts if the local government requires the developer to record a covenant that requires that at least 25 percent of the children and families using the early learning facility qualify for state subsidized child care, including early childhood education and assistance under chapter 43.216 RCW, and that provides that if the property is converted to a use other than for an early learning facility, the property owner must pay the applicable impact fees in effect at the time of conversion, and that also provides that if at no point during a calendar year does the early learning facility achieve the required percentage of children and families qualified for state subsidized child care using the early learning facility, the property owner must pay 20 percent of the impact fee that would have been imposed on the development had there not been an exemption within 90 days of the local government notifying the property owner of the breach, and any balance remaining thereafter shall be a lien on the property; and

(c) Covenants required by (a) and (b) of this subsection must be recorded with the applicable county auditor or recording officer. A local government granting an exemption under subsection (2) of this section or this subsection (4) for low-income housing or an early learning facility may not collect revenue lost through granting an exemption by increasing impact fees unrelated to the exemption. A school district who receives school impact fees must approve any exemption under subsection (2) of this section or this subsection (4);

(5) Shall provide a credit for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities that are identified in the capital facilities plan and that are required by the county, city, or town as a condition of approving the development activity;

(6) Shall allow the county, city, or town imposing the impact fees to adjust the standard impact fee at the time the fee is imposed to consider unusual circumstances in specific cases to ensure that impact fees are imposed fairly;

(7) Shall include a provision for calculating the amount of the fee to be imposed on a particular development that permits consideration of studies and data submitted by the developer to adjust the amount of the fee;

(8) Shall establish one or more reasonable service areas within which it shall calculate and impose impact fees for various land use categories per unit of development;

(9) May provide for the imposition of an impact fee for system improvement costs previously incurred by a county, city, or town to the extent that new growth and development will be served by the previously constructed improvements provided such fee shall not be imposed to make up for any system improvement deficiencies; ((~~and~~))

(10) Shall provide a 50 percent reduction of the impact fees specified in the schedule of impact fees for system improvements under RCW 82.02.090(7)(a) if the project is within a station area and claiming a multiple-unit housing property tax exemption

under RCW 84.14.020(1)(a)(ii)(D); and

(11) Must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, and other official controls the requirements of this section to take effect six months after the jurisdiction's next periodic comprehensive plan update required under RCW 36.70A.130.

For purposes of this section, "low-income housing" means housing with a monthly housing expense, that is no greater than ((~~thirty~~)) 30 percent of ((~~eighty~~)) 80 percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development.

For the purposes of this section, "early learning facility" has the same meaning as in RCW 43.31.565.

Sec. 20. RCW 82.02.090 and 2023 c 121 s 2 are each amended to read as follows:

The definitions in this section apply throughout this section and RCW 82.02.050 through 82.02.080 unless the context clearly requires otherwise.

(1) "Development activity" means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land, that creates additional demand and need for public facilities. "Development activity" does not include:

(a) Buildings or structures constructed by a regional transit authority; or

(b) Buildings or structures constructed as shelters that provide emergency housing for people experiencing homelessness, or emergency shelters for victims of domestic violence, as defined in RCW 70.123.020.

(2) "Development approval" means any written authorization from a county, city, or town which authorizes the commencement of development activity.

(3) "Impact fee" means a payment of money imposed upon development as a condition of development approval to pay for public facilities needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities, and that is used for facilities that reasonably benefit the new development. "Impact fee" does not include a reasonable permit or application fee.

(4) "Owner" means the owner of record of real property, although when real property is being purchased under a real estate contract, the purchaser is considered the owner of the real property if the contract is recorded.

(5) "Project improvements" mean site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project, and are not system improvements. An improvement or facility included in a capital facilities plan approved by the governing body of the county, city, or town is not considered a project improvement.

(6) "Proportionate share" means that portion of the cost of public facility improvements that are reasonably related to the service demands and needs of new development.

(7) "Public facilities" means the following capital facilities owned or operated by government entities: (a) Public streets, roads, and bicycle and pedestrian facilities that were designed with multimodal commuting as an intended use; (b) publicly owned parks, open space, and recreation facilities; (c) school facilities; and (d) fire protection facilities.

(8) "Service area" means a geographic area defined by a county, city, town, or intergovernmental agreement in which a defined set of public facilities provide service to development within the area. Service areas must be designated on the basis of sound planning or engineering principles.

(9) "Station area" has the same meaning as defined in RCW 36.70A.030.

(10) "System improvements" mean public facilities that are included in the capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements.

NEW SECTION. **Sec. 21.** Sections 11 through 18 of this act apply to property taxes levied for collection in 2026 and thereafter.

NEW SECTION. **Sec. 22.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void."

On page 1, line 2 of the title, after "development;" strike the remainder of the title and insert "amending RCW 36.70A.030, 43.21C.229, 84.14.010, 84.14.020, 84.14.030, 84.14.060, 84.14.090, 84.14.100, 84.14.110, 82.02.060, and 82.02.090; adding new sections to chapter 36.70A RCW; adding a new section to chapter 64.38 RCW; adding a new section to chapter 64.90 RCW; adding a new section to chapter 64.34 RCW; adding a new section to chapter 64.32 RCW; adding a new section to chapter 84.14 RCW; creating new sections; and providing expiration dates."

Senator Bateman spoke in favor of adoption of the committee striking amendment.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Housing to Third Substitute House Bill No. 1491.

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

MOTION

Senator Bateman moved that the following striking floor amendment no. 0402 by Senator Bateman be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that the state has made groundbreaking investments in state-of-the-art mass transit and intermodal infrastructure. The legislature finds that to maximize the state's return on these investments, land use policies and practices must allow housing development to keep pace with progress being implemented in transportation infrastructure development. The legislature also intends new development to reflect the state's commitment to affordable housing and vibrant, walkable, accessible urban environments that improve health, expand multimodal transportation options, and include varied community facilities, parks, and green spaces that are open to people of all income levels.

The legislature recognizes that cities planning under chapter 36.70A RCW require direction and technical assistance to ensure the benefits of state transportation investments are maximized and shared equitably while avoiding unnecessary programmatic and cost burdens to local governments in their comprehensive planning, code enactment, and permit processing workloads. The legislature further recognizes that regulatory flexibility and local control are also important features of optimal planning outcomes.

Sec. 2. RCW 36.70A.030 and 2024 c 152 s 1 are each amended to read as follows:

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

(1) "Active transportation" means forms of pedestrian mobility including walking or running, the use of a mobility assistive

device such as a wheelchair, bicycling and cycling irrespective of the number of wheels, and the use of small personal devices such as foot scooters or skateboards. Active transportation includes both traditional and electric assist bicycles and other devices. Planning for active transportation must consider and address accommodation pursuant to the Americans with disabilities act and the distinct needs of each form of active transportation.

(2) "Active transportation facilities" means facilities provided for the safety and mobility of active transportation users including, but not limited to, trails, as defined in RCW 47.30.005, sidewalks, bike lanes, shared-use paths, and other facilities in the public right-of-way.

(3) "Administrative design review" means a development permit process whereby an application is reviewed, approved, or denied by the planning director or the planning director's designee based solely on objective design and development standards without a public predecision hearing, unless such review is otherwise required by state or federal law, or the structure is a designated landmark or historic district established under a local preservation ordinance. A city may utilize public meetings, hearings, or voluntary review boards to consider, recommend, or approve requests for variances from locally established design review standards.

(4) "Adopt a comprehensive land use plan" means to enact a new comprehensive land use plan or to update an existing comprehensive land use plan.

(5) "Affordable housing" means, unless the context clearly indicates otherwise, residential housing whose monthly costs, including utilities other than telephone, do not exceed ((~~thirty~~)) 30 percent of the monthly income of a household whose income is:

(a) For rental housing, 60 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development; or

(b) For owner-occupied housing, 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(6) "Agricultural land" means land primarily devoted to the commercial production of horticultural, viticultural, floricultural, dairy, apiary, vegetable, or animal products or of berries, grain, hay, straw, turf, seed, Christmas trees not subject to the excise tax imposed by RCW 84.33.100 through 84.33.140, finfish in upland hatcheries, or livestock, and that has long-term commercial significance for agricultural production.

(7) "City" means any city or town, including a code city.

(8) "Comprehensive land use plan," "comprehensive plan," or "plan" means a generalized coordinated land use policy statement of the governing body of a county or city that is adopted pursuant to this chapter.

(9) "Cottage housing" means residential units on a lot with a common open space that either: (a) Is owned in common; or (b) has units owned as condominium units with property owned in common and a minimum of 20 percent of the lot size as open space.

(10) "Courtyard apartments" means attached dwelling units arranged on two or three sides of a yard or court.

(11) "Critical areas" include the following areas and ecosystems: (a) Wetlands; (b) areas with a critical recharging effect on aquifers used for potable water; (c) fish and wildlife habitat conservation areas; (d) frequently flooded areas; and (e) geologically hazardous areas. "Fish and wildlife habitat conservation areas" does not include such artificial features or constructs as irrigation delivery systems, irrigation infrastructure, irrigation canals, or drainage ditches that lie within the boundaries of and are maintained by a port district or an irrigation district or company.

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

(13) "Development regulations" or "regulation" means the controls placed on development or land use activities by a county or city, including, but not limited to, zoning ordinances, critical areas ordinances, shoreline master programs, official controls, planned unit development ordinances, subdivision ordinances, and binding site plan ordinances together with any amendments thereto. A development regulation does not include a decision to approve a project permit application, as defined in RCW 36.70B.020, even though the decision may be expressed in a resolution or ordinance of the legislative body of the county or city.

(14) "Emergency housing" means temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families. Emergency housing may or may not require occupants to enter into a lease or an occupancy agreement.

(15) "Emergency shelter" means a facility that provides a temporary shelter for individuals or families who are currently homeless. Emergency shelter may not require occupants to enter into a lease or an occupancy agreement. Emergency shelter facilities may include day and warming centers that do not provide overnight accommodations.

(16) "Environmental justice" means the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to development, implementation, and enforcement of environmental laws, regulations, and policies. Environmental justice includes addressing disproportionate environmental and health impacts in all laws, rules, and policies with environmental impacts by prioritizing vulnerable populations and overburdened communities and the equitable distribution of resources and benefits.

(17) "Extremely low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((~~thirty~~)) 30 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(18) "Forestland" means land primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, including Christmas trees subject to the excise tax imposed under RCW 84.33.100 through 84.33.140, and that has long-term commercial significance. In determining whether forestland is primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, the following factors shall be considered: (a) The proximity of the land to urban, suburban, and rural settlements; (b) surrounding parcel size and the compatibility and intensity of adjacent and nearby land uses; (c) long-term local economic conditions that affect the ability to manage for timber production; and (d) the availability of public facilities and services conducive to conversion of forestland to other uses.

(19) "Freight rail dependent uses" means buildings and other infrastructure that are used in the fabrication, processing, storage, and transport of goods where the use is dependent on and makes use of an adjacent short line railroad. Such facilities are both urban and rural development for purposes of this chapter. "Freight rail dependent uses" does not include buildings and other

infrastructure that are used in the fabrication, processing, storage, and transport of coal, liquefied natural gas, or "crude oil" as defined in RCW 90.56.010.

(20) "Geologically hazardous areas" means areas that because of their susceptibility to erosion, sliding, earthquake, or other geological events, are not suited to the siting of commercial, residential, or industrial development consistent with public health or safety concerns.

(21) "Green infrastructure" means a wide array of natural assets and built structures within an urban growth area boundary, including parks and other areas with protected tree canopy, and management practices at multiple scales that manage wet weather and that maintain and restore natural hydrology by storing, infiltrating, evapotranspiring, and harvesting and using stormwater.

(22) "Green space" means an area of land, vegetated by natural features such as grass, trees, or shrubs, within an urban context and less than one acre in size that creates public value through one or more of the following attributes:

(a) Is accessible to the public;

(b) Promotes physical and mental health of residents;

(c) Provides relief from the urban heat island effects;

(d) Promotes recreational and aesthetic values;

(e) Protects streams or water supply; or

(f) Preserves visual quality along highway, road, or street corridors.

(23) "Long-term commercial significance" includes the growing capacity, productivity, and soil composition of the land for long-term commercial production, in consideration with the land's proximity to population areas, and the possibility of more intense uses of the land.

(24) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((~~eighty~~)) 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(25) "Major transit stop" means:

(a) A stop on a high capacity transportation system funded or expanded under the provisions of chapter 81.104 RCW, except for any stop that solely serves express bus service or serves express bus service and other bus services not otherwise meeting the definition of major transit stop;

(b) Commuter rail stops;

(c) Stops on rail or fixed guideway systems; or

(d) Stops on bus rapid transit routes, including those stops that are under construction.

(26) "Middle housing" means buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked, or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing.

(27) "Minerals" include gravel, sand, and valuable metallic substances.

(28) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below 120 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(29) "Overburdened community" means a geographic area where vulnerable populations face combined, multiple environmental harms and health impacts, and includes, but is not limited to, highly impacted communities as defined in RCW 19.405.020.

(30) "Per capita vehicle miles traveled" means the number of miles traveled using cars and light trucks in a calendar year divided by the number of residents in Washington. The calculation of this value excludes vehicle miles driven conveying freight.

(31) "Permanent supportive housing" is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services. Permanent supportive housing is subject to all of the rights and responsibilities defined in chapter 59.18 RCW.

(32) "Public facilities" include streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, domestic water systems, storm and sanitary sewer systems, parks and recreational facilities, and schools.

(33) "Public services" include fire protection and suppression, law enforcement, public health, education, recreation, environmental protection, and other governmental services.

(34) "Recreational land" means land so designated under RCW 36.70A.1701 and that, immediately prior to this designation, was designated as agricultural land of long-term commercial significance under RCW 36.70A.170. Recreational land must have playing fields and supporting facilities existing before July 1, 2004, for sports played on grass playing fields.

(35) "Rural character" refers to the patterns of land use and development established by a county in the rural element of its comprehensive plan:

(a) In which open space, the natural landscape, and vegetation predominate over the built environment;

(b) That foster traditional rural lifestyles, rural-based economies, and opportunities to both live and work in rural areas;

(c) That provide visual landscapes that are traditionally found in rural areas and communities;

(d) That are compatible with the use of the land by wildlife and for fish and wildlife habitat;

(e) That reduce the inappropriate conversion of undeveloped land into sprawling, low-density development;

(f) That generally do not require the extension of urban governmental services; and

(g) That are consistent with the protection of natural surface water flows and groundwater and surface water recharge and discharge areas.

(36) "Rural development" refers to development outside the urban growth area and outside agricultural, forest, and mineral resource lands designated pursuant to RCW 36.70A.170. Rural development can consist of a variety of uses and residential densities, including clustered residential development, at levels that are consistent with the preservation of rural character and the requirements of the rural element. Rural development does not refer to agriculture or forestry activities that may be conducted in rural areas.

(37) "Rural governmental services" or "rural services" include those public services and public facilities historically and typically delivered at an intensity usually found in rural areas, and may include domestic water systems and fire and police

protection services associated with rural development and normally not associated with urban areas. Rural services do not include storm or sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

(38) "Short line railroad" means those railroad lines designated class II or class III by the United States surface transportation board.

(39) "Single-family zones" means those zones where single-family detached housing is the predominant land use.

(40) "Stacked flat" means dwelling units in a residential building of no more than three stories on a residential zoned lot in which each floor may be separately rented or owned.

(41) "Townhouses" means buildings that contain three or more attached single-family dwelling units that extend from foundation to roof and that have a yard or public way on not less than two sides.

(42) "Transportation system" means all infrastructure and services for all forms of transportation within a geographical area, irrespective of the responsible jurisdiction or transportation provider.

(43) "Urban governmental services" or "urban services" include those public services and public facilities at an intensity historically and typically provided in cities, specifically including storm and sanitary sewer systems, domestic water systems, street cleaning services, fire and police protection services, public transit services, and other public utilities associated with urban areas and normally not associated with rural areas.

(44) "Urban growth" refers to growth that makes intensive use of land for the location of buildings, structures, and impermeable surfaces to such a degree as to be incompatible with the primary use of land for the production of food, other agricultural products, or fiber, or the extraction of mineral resources, rural uses, rural development, and natural resource lands designated pursuant to RCW 36.70A.170. A pattern of more intensive rural development, as provided in RCW 36.70A.070(5)(d), is not urban growth. When allowed to spread over wide areas, urban growth typically requires urban governmental services. "Characterized by urban growth" refers to land having urban growth located on it, or to land located in relationship to an area with urban growth on it as to be appropriate for urban growth.

(45) "Urban growth areas" means those areas designated by a county pursuant to RCW 36.70A.110.

(46) "Very low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((~~fifty~~)) 50 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(47)(a) "Vulnerable populations" means population groups that are more likely to be at higher risk for poor health outcomes in response to environmental harms, due to: (i) Adverse socioeconomic factors, such as unemployment, high housing and transportation costs relative to income, limited access to nutritious food and adequate health care, linguistic isolation, and other factors that negatively affect health outcomes and increase vulnerability to the effects of environmental harms; and (ii) sensitivity factors, such as low birth weight and higher rates of hospitalization.

(b) "Vulnerable populations" includes, but is not limited to:

(i) Racial or ethnic minorities;

(ii) Low-income populations; and

(iii) Populations disproportionately impacted by environmental harms.

(48) "Wetland" or "wetlands" means areas that are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs, and similar areas. Wetlands do not include those artificial wetlands intentionally created from nonwetland sites, including, but not limited to, irrigation and drainage ditches, grass-lined swales, canals, detention facilities, wastewater treatment facilities, farm ponds, and landscape amenities, or those wetlands created after July 1, 1990, that were unintentionally created as a result of the construction of a road, street, or highway. Wetlands may include those artificial wetlands intentionally created from nonwetland areas created to mitigate conversion of wetlands.

(49) "Wildland urban interface" means the geographical area where structures and other human development meets or intermingles with wildland vegetative fuels.

(50) "Floor area ratio" means a measure of development intensity equal to building square footage divided by the developable property square footage. Developable property excludes public facilities and portions of lots with critical areas and critical area buffers as designated in RCW 36.70A.060, except for critical aquifer recharge areas where a single-family detached house is an allowed use provided that any requirements to maintain aquifer recharge are met.

(51) "Rail station area" means all lots fully within an urban growth area that are:

(a) Fully or partially within one-half mile walking distance of an entrance to a train station with a stop on a light rail system, a commuter rail stop in a city with a population greater than 15,000, or a stop on a rail trolley operated west of the crest of the Cascade mountains; or

(b) Fully or partially within one-quarter mile walking distance of an entrance to a train station with a commuter rail stop in a city with a population no greater than 15,000.

(52) "Bus station area" means all lots that are:

(a) Fully within an urban growth area; and

(b) Fully or partially within one-quarter mile walking distance of a stop on a fixed route bus system that is designated as a bus rapid transit stop in the transit development plan as required in RCW 35.58.2795, for which an environmental determination has been issued as required under chapter 43.21C RCW, and that features fixed transit assets that indicate permanent, high capacity service including, but not limited to, elevated platforms or enhanced stations, off-board fare collection, dedicated lanes, busways, or transit signal priority.

(53) "Station area" means a bus station area or a rail station area.

NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A RCW to read as follows:

(1) Cities planning under RCW 36.70A.040 may not enact or enforce any development regulation within a station area that would prohibit the siting of multifamily residential housing on lots where any other residential use is permissible.

(2)(a) Cities planning under RCW 36.70A.040 must allow new residential and mixed-use development within any station area at the transit-oriented development density of:

(i) At least 3.5 floor area ratio, on average, within a rail station area; and

(ii) At least 2.5 floor area ratio, on average, or at least a 3.0 floor area ratio, on average if a city exempts up to 25 percent of bus station areas, within a bus station area.

(A) Cities must adopt regulations that allow for greater building height and increased density in all bus station areas for developments built with all mass timber products.

(B) For the purposes of this subsection, "mass timber products"

has the same meaning as in RCW 19.27.570.

(b) A city planning under RCW 36.70A.040 may adopt a modification to a station area designation, but only after consultation with and approval by the department.

(c) Cities planning under RCW 36.70A.040 may not enact or enforce any development regulation that imposes:

(i) A maximum floor area ratio of less than the transit-oriented development density in this subsection for any residential or mixed-use development within a station area, unless a city has adopted an exemption for the station area under (a)(ii) of this subsection; or

(ii) A maximum residential density, measured in residential units per acre or other metric of land area within a station area.

(3) For the purposes of this section:

(a) "Mixed-use development" means a building subject to a regulation specifying allowable residential proportions within mixed-use areas.

(b) "Workforce housing" means rental housing with monthly costs that do not exceed 30 percent of the monthly income of a household whose income is at or below 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(4) Within any station area, any building in which all units are affordable or workforce housing for at least 50 years or are dedicated to permanent supportive housing, an additional 1.5 floor area ratio in excess of the transit-oriented development density required under subsection (2)(a) of this section must be permitted.

(5) Any floor area within a building located in a station area that is reserved for residential units in multifamily housing that includes at least three bedrooms must not be counted toward applicable floor area ratio limits. A city may require the residential units to comply with affordability requirements to be eligible for an exclusion from the applicable floor area ratio limits.

(6) Cities planning under RCW 36.70A.040 may by ordinance designate parts of a station area in which to enact or enforce floor area ratios for residential or mixed-use development that are more or less than the applicable transit-oriented development density, if the average maximum floor area ratio of all residential and mixed-use areas within a station area is no less than the applicable transit-oriented development density.

(7)(a) Buildings constructed within a station area must maintain for at least 50 years:

(i) At least 10 percent of all residential units as affordable housing;

(ii) At least 10 percent of all residential units as workforce housing if at least 10 percent of the units are family sized units with more than two bedrooms; or

(iii) At least 20 percent of all residential units as workforce housing.

(b) A building constructed within a station area is exempt from the affordability requirements in (a) of this subsection if:

(i) The building is constructed on a lot in which a density that meets or exceeds the transit-oriented development density in subsection (2) of this section was authorized prior to January 1, 2025;

(ii) The building is subject to affordability requirements with a lower income threshold or a greater amount of required affordable housing that were enacted by a city prior to December 31, 2025; or

(iii) A city has enacted or expands a mandatory program under RCW 36.70A.540 that requires a minimum amount of affordable housing that must be provided by residential development, either on-site or through an in-lieu payment as allowed by RCW 36.70A.540, in an area where development regulations must comply with this section. Such mandatory program may be enacted, modified, or expanded by a city, and may require an amount of affordable housing and levels of affordability that differs or exceeds the requirements. An optional program established under RCW 36.70A.540 does not meet the requirements of this subsection (7)(b)(iii).

(c) For each building that is exempt from the requirements for affordable or workforce housing under (b)(i) or (ii) of this subsection, the city must identify the density and affordability requirements that apply to the building or parcel in its comprehensive planning documents. For each building that is exempt from the requirements for affordable or workforce housing under (b)(iii) of this subsection, the city must identify the density and affordability requirements that apply to the building or parcel in its municipal code.

(8) A city must approve an exemption under RCW 84.14.020(1)(a)(ii)(D) for multifamily residential housing within a station area that meets the affordability requirements in subsection (7)(a) of this section and the requirements of chapter 84.14 RCW, unless the city authorizes the 20-year exemption under RCW 84.14.020(1)(a)(ii)(C).

(9) A city that has enacted an incentive program prior to January 1, 2025, that requires public benefits, such as school capacity, greater amounts of affordable housing, green space, or green infrastructure, in return for additional development allowances, may continue to require such public benefits if the plan and implementing development regulations requiring those public benefits provides development capacity that is substantially similar to that required in this section.

(10)(a) No later than the deadlines established in subsection (15) of this section, cities planning under RCW 36.70A.040 must act to modify or repeal any existing development regulations applicable in a station area that, alone or in combination, are inconsistent with this section, and may not enact any development regulations applicable in a station area that, alone or in combination with other development regulations, are inconsistent with this section.

(b) A city may apply any objective development regulations within a station area that are required for other multifamily residential uses in the same zone, including tree canopy and retention requirements.

(c) This subsection (10) does not apply to development regulations that are generally applicable health and safety standards, including building code standards and fire and life safety standards.

(11) Nothing in this section requires alteration, displacement, or limitation of industrial or agricultural uses or industrial, manufacturing, or agricultural areas within the urban growth area.

(12) Nothing in this section requires a city to issue a building permit if other federal, state, and local requirements for a building permit are not met.

(13) Cities planning under RCW 36.70A.040 may exclude from the requirements in this section any portion of a lot that is designated as a shoreline environment governed by a shoreline master program or as a critical area governed by a critical area ordinance, except for critical aquifer recharge areas where a single-family detached house is an allowed use provided that any requirements to maintain aquifer recharge are met, and any lot that:

(a) Is nonconforming with development regulations governing lot dimensions including, but not limited to, standards related to lot width, area, geometry, or street access, unless an applicant demonstrates that the nonconforming lot may be developed in compliance with the development regulations governing lot dimensions by obtaining any modification, deviation, variance, or

similar code departure approval allowed under the development regulations;

(b) Contains a designated landmark or is located within a historic district established under a local preservation ordinance adopted prior to the effective date of this section;

(c) Has been designated as containing urban separators by countywide planning policies as of the effective date of this section;

(d) Is an industrial, manufacturing, or agricultural designated lot that either is limited to one dwelling unit per lot or only allows housing for individuals and their families responsible for caretaking, farm work, security, or maintenance; or

(e) Is in a tsunami inundation area as mapped by the department of natural resources.

(14) For cities subject to a growth target adopted under RCW 36.70A.210 that limits the maximum residential capacity of the jurisdiction, any additional residential capacity required by this section may not be considered an inconsistency with the countywide planning policies, multicounty planning policies, or growth targets adopted under RCW 36.70A.210.

(15)(a) Any city that is required to review its comprehensive plan by the deadlines specified in RCW 36.70A.130(5)(a) must comply with the requirements of this section by the earlier of December 31, 2029, or its first implementation progress report due after December 31, 2024 as specified in RCW 36.70A.130(9), and thereafter at each comprehensive plan update or implementation progress report following the completion or funding of any major transit stop that would create a new station area within the jurisdiction.

(b) Any city that is required to review its comprehensive plan by the deadlines specified in RCW 36.70A.130(5) (b), (c), or (d) must comply with the requirements of this section no later than six months after its first comprehensive plan update due after December 31, 2024, and thereafter at each comprehensive plan update or implementation progress report following the completion or funding of any major transit stop that would create a new station area within the jurisdiction.

(c) A federally recognized Indian tribe may voluntarily choose to participate in the planning process to implement the requirements of this section in accordance with RCW 36.70A.040(8).

(16)(a) The department must publish a model transit-oriented development ordinance by June 30, 2027.

(b) In any city subject to this section that has not passed ordinances, regulations, or other official controls by the deadlines required under subsection (15) of this section, the model ordinance supersedes, preempts, and invalidates local development regulations until the city takes all actions necessary to implement this section.

(17) A city may seek an extension from the transit-oriented development density requirements of this section by applying to the department for an extension in any areas that are at high risk of displacement based on a city's antidisplacement analysis or an antidisplacement map. The department must review the city's analysis and certify a five-year extension from the requirements of this section for areas at high risk of displacement. The city must create an implementation plan that identifies the antidisplacement policies available to residents to mitigate displacement risk. During the extension, the city may delay implementation or enact alternative floor area ratio requirements within any areas at high risk of displacement. The department may recertify an extension for additional five-year periods based on evidence of ongoing displacement risk in the area.

(18)(a)(i) The department may approve actions under this subsection (18) for cities that have, by June 30, 2026, adopted a plan and implementing development regulations for a specific station area that are substantially similar to the requirements of this section for that station area. In determining whether a city's adopted plan and development regulations are substantially similar, the department's evaluation may include, but not be limited to, if:

(A) The regulations will provide a development capacity and allow the opportunity for creation of affordable housing that is at least equivalent to the amount of development capacity and affordable housing that would be allowed in that station area if the specific provisions of this section were adopted;

(B) The jurisdiction offers a way to achieve buildings that exceed 85 feet in height; and

(C) No lot within the station area is zoned exclusively for detached single-family residences.

(ii) The department must establish by rule any standards or procedures necessary to implement (a) of this subsection.

(b) Any local actions approved by the department pursuant to (a) of this subsection are exempt from appeals under this chapter and chapter 43.21C RCW.

(c) The department's final decision to approve or reject actions by cities under this subsection (18) may be appealed to the growth management hearings board by filing a petition as provided in RCW 36.70A.290.

NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70A RCW to read as follows:

Subject to appropriation, the department must establish and administer a grant program to assist cities in providing:

(1) The infrastructure necessary to accommodate development at transit-oriented development densities within station areas, including water, sewer, stormwater, and transportation infrastructure and parks and recreation facilities;

(2) Station area planning or other predevelopment costs necessary for implementation of station area plans; and

(3) The staffing necessary to implement transit-oriented development requirements.

NEW SECTION. **Sec. 5.** A new section is added to chapter 36.70A RCW to read as follows:

(1) To encourage transit-oriented development and transit use and resulting substantial environmental benefits, cities planning under RCW 36.70A.040 may not require off-street automobile parking as a condition of permitting residential or mixed-use development within a station area as defined in RCW 36.70A.030, except for off-street automobile parking that is permanently marked for the exclusive use of individuals with disabilities or parking that is permanently marked for the short-term exclusive use of delivery vehicles.

(2) If a project permit application within a station area, as defined in RCW 36.70B.020, does not provide parking in compliance with this section, the proposed absence of parking may not be treated as a basis for issuance of a determination of significance pursuant to chapter 43.21C RCW.

(3) The parking provisions of this section do not apply:

(a) If a local government submits to the department an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations under subsection (1) of this section will be significantly less safe for automobile drivers or passengers, pedestrians, or bicyclists than if the jurisdiction's parking requirements were applied to the same location. The department must develop guidance to assist cities and counties on items to include in the study; or

(b) To portions of cities within a one-mile radius of a commercial airport in Washington with at least 9,000,000 annual enplanements.

(4) If a residential or mixed-use development provides parking for residential uses in excess of what is required in subsection (1) of this section, cities planning under RCW 36.70A.040 may enact or enforce development regulations to:

(a) Require a share of any provided residential parking to be distributed between units designated as affordable housing and units offered at market rate; and

(b) Include all or a portion of the cost of unbundled parking charges into the monthly cost for rental units designated as affordable housing.

Sec. 6. RCW 43.21C.229 and 2023 c 368 s 1 are each amended to read as follows:

(1) The purpose of this section is to accommodate infill and housing development and thereby realize the goals and policies of comprehensive plans adopted according to chapter 36.70A RCW.

(2) A city or county planning under RCW 36.70A.040 is authorized by this section to establish categorical exemptions from the requirements of this chapter. An exemption may be adopted by a city or county under this subsection if it meets the following criteria:

(a) It categorically exempts government action related to development proposed to fill in an urban growth area, designated according to RCW 36.70A.110, where current density and intensity of use in the area is roughly equal to or lower than called for in the goals and policies of the applicable comprehensive plan and the development is either:

(i) Residential development;

(ii) Mixed-use development; or

(iii) Commercial development up to 65,000 square feet, excluding retail development;

(b) It does not exempt government action related to development that is inconsistent with the applicable comprehensive plan or would clearly exceed the density or intensity of use called for in the goals and policies of the applicable comprehensive plan;

(c) The local government considers the specific probable adverse environmental impacts of the proposed action and determines that these specific impacts are adequately addressed by the development regulations or other applicable requirements of the comprehensive plan, subarea plan element of the comprehensive plan, planned action ordinance, or other local, state, or federal rules or laws; and

(d)(i) The city or county's applicable comprehensive plan was previously subjected to environmental analysis through an environmental impact statement under the requirements of this chapter prior to adoption; or

(ii) The city or county has prepared an environmental impact statement that considers the proposed use or density and intensity of use in the area proposed for an exemption under this section.

(3) All project actions that propose to develop one or more residential housing units within the incorporated areas in an urban growth area designated pursuant to RCW 36.70A.110 or middle housing within the unincorporated areas in an urban growth area designated pursuant to RCW 36.70A.110, and that meet the criteria identified in (a) and (b) of this subsection, are categorically exempt from the requirements of this chapter. For purposes of this section, "middle housing" has the same meaning as in RCW 36.70A.030 as amended by chapter 332, Laws of 2023. Jurisdictions shall satisfy the following criteria prior to the adoption of the categorical exemption under this subsection (3):

(a) The city or county shall find that the proposed development is consistent with all development regulations implementing an applicable comprehensive plan adopted according to chapter 36.70A RCW by the jurisdiction in which the development is proposed, with the exception of any development regulation that is inconsistent with applicable provisions of chapter 36.70A RCW; and

(b) The city or county has prepared environmental analysis that considers the proposed use or density and intensity of use in the area proposed for an exemption under this section and analyzes multimodal transportation impacts, including impacts to neighboring jurisdictions, transit facilities, and the state transportation system.

(i) Such environmental analysis shall include documentation that the requirements for environmental analysis, protection, and mitigation for impacts to elements of the environment have been adequately addressed for the development exempted. The requirements may be addressed in locally adopted comprehensive plans, subarea plans, adopted development regulations, other applicable local ordinances and regulations, or applicable state and federal regulations. The city or county must document its consultation with the department of transportation on impacts to state-owned transportation facilities including consideration of whether mitigation is necessary for impacts to transportation facilities.

(ii) Before finalizing the environmental analysis pursuant to (b)(i) of this subsection (3), the city or county shall provide a minimum of 60 days' notice to affected tribes, relevant state agencies, other jurisdictions that may be impacted, and the public. If a city or county identifies that mitigation measures are necessary to address specific probable adverse impacts, the city or county must address those impacts by requiring mitigation identified in the environmental analysis pursuant to this subsection (3)(b) through locally adopted comprehensive plans, subarea plans, development regulations, or other applicable local ordinances and regulations. Mitigation measures shall be detailed in an associated environmental determination.

(iii) The categorical exemption is effective 30 days following action by a city or county pursuant to (b)(ii) of this subsection (3).

(4) Until September 30, 2025, all project actions that propose to develop one or more residential housing or middle housing units within a city west of the crest of the Cascade mountains with a population of 700,000 or more are categorically exempt from the requirements of this chapter. After September 30, 2025, project actions that propose to develop one or more residential housing or middle housing units within the city may utilize the categorical exemption in subsection (3) of this section.

(5) All project actions that propose to develop residential or mixed-use development within a station area are categorically exempt from the requirements of this chapter, subject to the rules of the department adopted according to RCW 43.21C.110(1)(a) that provide exceptions to the use of categorical exemptions adopted by the department. For the purpose of this subsection:

(a) "Mixed-use development" has the same meaning as provided in section 3 of this act; and

(b) "Station area" has the same meaning as provided in RCW 36.70A.030.

(6) Any categorical exemption adopted by a city or county under this section applies even if it differs from the categorical exemptions adopted by rule of the department under RCW 43.21C.110(1)(a). Nothing in this section shall invalidate categorical exemptions or environmental review procedures adopted by a city or county under a planned action pursuant to RCW 43.21C.440. However, any categorical exemption adopted by a city or county under this section shall be subject to the rules of the department adopted according to RCW 43.21C.110(1)(a) that provide exceptions to the use of categorical exemptions adopted by the department.

NEW SECTION. **Sec. 7.** A new section is added to chapter 64.38 RCW to read as follows:

(1) Governing documents created after the effective date of this

section and applicable to associations located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

(2) This section expires January 1, 2028.

NEW SECTION. **Sec. 8.** A new section is added to chapter 64.90 RCW to read as follows:

Declarations and governing documents created after the effective date of this section and applicable to a common interest community located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

NEW SECTION. **Sec. 9.** A new section is added to chapter 64.34 RCW to read as follows:

(1) A declaration created after the effective date of this section and applicable to an association located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

(2) This section expires January 1, 2028.

NEW SECTION. **Sec. 10.** A new section is added to chapter 64.32 RCW to read as follows:

(1) A declaration created after the effective date of this section and applicable to an association of apartment owners located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

(2) This section expires January 1, 2028.

Sec. 11. RCW 84.14.010 and 2024 c 332 s 17 are each amended to read as follows:

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

(1) "Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households.

(2) "Campus facilities master plan" means the area that is defined by the University of Washington as necessary for the future growth and development of its campus facilities for campuses authorized under RCW 28B.45.020.

(3) "City" means either (a) a city or town with a population of at least fifteen thousand, (b) the largest city or town, if there is no city or town with a population of at least fifteen thousand, located in a county planning under the growth management act, (c) a city or town with a population of at least five thousand located in a county subject to the provisions of RCW 36.70A.215, ((~~or~~)) (d) any city that otherwise does not meet the qualifications under (a) through (c) of this subsection, until December 31, 2031, that complies with RCW 84.14.020(1)(a)(iii) or 84.14.021(1)(b), or (e) for the exemption authorized in RCW 84.14.020(1)(a)(ii)(D), a city or town with a station area.

(4) "Conversion" means the conversion of a nonresidential building, in whole or in part, to multiple-unit housing under this chapter.

(5) "County" means a county with an unincorporated population of at least 170,000.

(6) "Governing authority" means the local legislative authority of a city or a county having jurisdiction over the property for which an exemption may be applied for under this chapter.

(7) "Growth management act" means chapter 36.70A RCW.

(8) "Household" means a single person, family, or unrelated persons living together.

(9) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county, city, or metropolitan statistical area, where the project is located, as reported by the United States department of housing and urban development.

(10) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county, city, or metropolitan statistical area, where the project is located, as reported by the United States department of housing and urban development.

(11) "Multiple-unit housing" means a building or a group of buildings having four or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.

(12) "Owner" means the property owner of record.

(13) "Permanent residential occupancy" means multiunit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

(14) "Rehabilitation improvements" means modifications to existing structures, that are vacant for twelve months or longer, that are made to achieve a condition of substantial compliance with existing building codes or modification to existing occupied structures which increase the number of multifamily housing units.

(15) "Residential targeted area" means an area within an urban center or urban growth area that has been designated by the governing authority as a residential targeted area in accordance with this chapter. With respect to designations after July 1, 2007, "residential targeted area" may not include a campus facilities master plan.

(16) "Rural county" means a county with a population between fifty thousand and seventy-one thousand and bordering Puget Sound.

(17) "Station area" has the same meaning as defined in RCW 36.70A.030.

(18) "Substantial compliance" means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.

(((~~(18)~~))) (19) "Urban center" means a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:

(a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;

(b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and

(c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either

commercial or office, or both, use.

Sec. 12. RCW 84.14.020 and 2021 c 187 s 3 are each amended to read as follows:

(1)(a) The value of new housing construction, conversion, and rehabilitation improvements qualifying under this chapter is exempt from ad valorem property taxation, as follows:

(i) For properties for which applications for certificates of tax exemption eligibility are submitted under this chapter before July 22, 2007, the value is exempt for ten successive years beginning January 1 of the year immediately following the calendar year of issuance of the certificate;

(ii) For properties for which applications for certificates of tax exemption eligibility are submitted under this chapter on or after July 22, 2007, the value is exempt:

(A) For eight successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate;

(B) For twelve successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(a)(ii)(B). For the property to qualify for the twelve-year exemption under this subsection, the applicant must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households, and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(a)(ii)(B) may be satisfied solely through housing affordable to moderate-income households; ((~~or~~))

(C) For 20 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(a)(ii)(C). For the property to qualify for the 20-year exemption under this subsection, the project must be located within one mile of high capacity transit of at least 15 minute scheduled frequency, in a city that has implemented, as of July 25, 2021, a mandatory inclusionary zoning requirement for affordable housing that ensures affordability of housing units for a period of at least 99 years and that has a population of no more than 65,000 as measured on July 25, 2021. To qualify for the exemption provided in this subsection (1)(a)(ii)(C), the applicant must commit to renting at least 20 percent of the dwelling units as affordable to low-income households for a term of at least 99 years, and the property must satisfy that commitment and all required affordability and income eligibility conditions adopted by the local government under this chapter. A city must require the applicant to record a covenant or deed restriction that ensures the continuing rental of units subject to these affordability requirements consistent with the conditions in this subsection (1)(a)(ii)(C) for a period of no less than 99 years. The covenant or deed restriction must also address criteria and policies to maintain public benefit if the property is converted to a use other than which continues to provide for permanently affordable low-income housing consistent with this subsection (1)(a)(ii)(C); or

(D) For 20 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property is located fully or partially with a station area of a city and meets the affordability requirements in section 3(7)(a) of this act. A city must require the applicant to record a covenant or deed restriction that ensures the continuing rental or ownership of units subject to the affordability requirements in section 3(7)(a) of this act for a period of no less than 50 years. The covenant or deed restriction must also address criteria and policies to maintain public benefit if the property is converted to a use other than one which continues to provide for permanently affordable low-income housing consistent with section 3(7)(a) of this act; and

(iii) Until December 31, 2026, for a city as defined in RCW 84.14.010(3)(d), for 12 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(a)(iii). For the property to qualify for the 12-year exemption under this subsection, the applicant must commit to renting or selling at least 20 percent of the multifamily housing units as affordable housing units to low and moderate-income households, the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter, and the area must be zoned to have an average minimum density equivalent to 15 dwelling units or more per gross acre, or for cities with a population over 20,000, the area must be zoned to have an average minimum density equivalent to 25 dwelling units or more per gross acre. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(a)(iii) may be satisfied solely through housing affordable to low-income or moderate-income households.

(b) The exemptions provided in (a)(i) through (iii) of this subsection do not include the value of land or nonhousing-related improvements not qualifying under this chapter.

(c) For properties receiving an exemption as provided in (a)(ii)(B) of this subsection that are in compliance with existing contracts and where the certificate of tax exemption is set to expire after June 11, 2020, but before December 31, 2021, the exemption is extended until December 31, 2021, provided that the property must satisfy any eligibility criteria or limitations provided in this chapter as a condition to the existing exemption for a given property continue to be met. For all properties eligible to receive an extension pursuant to this subsection (1)(c), the city or county that issued the initial certificate of tax exemption, as required in RCW 84.14.090, must notify the county assessor and the applicant of the extension of the certificate of tax exemption.

(2) When a local government adopts guidelines pursuant to RCW 84.14.030(2) and includes conditions that must be satisfied with respect to individual dwelling units, rather than with respect to the multiple-unit housing as a whole or some minimum portion thereof, the exemption may, at the local government's discretion, be limited to the value of the qualifying improvements allocable to those dwelling units that meet the local guidelines.

(3) In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to the submission of the application required under this chapter. The incentive provided by this chapter is in addition to any other incentives, tax credits, grants, or other incentives provided by law.

(4) This chapter does not apply to increases in assessed valuation made by the assessor on nonqualifying portions of building and value of land nor to increases made by lawful order of a county board of equalization, the department of revenue, or a county, to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law.

(5) At the conclusion of the exemption period, the value of the new housing construction, conversion, or rehabilitation improvements must be considered as new construction for the purposes of chapters 84.55 and 36.21 RCW as though the property was not exempt under this chapter.

(6) For properties that qualified for, satisfied the conditions of,

and utilized the exemption under subsection (1)(a)(ii)(A) or (B) of this section, following the initial exemption period or the extension period authorized in subsection (1)(c) of this section, the exemption period may be extended for an additional 12 years for projects that are within 18 months of expiration contingent on city or county approval. For the property to qualify for an extension under this subsection (6), the applicant must meet at a minimum the locally adopted requirements for the property to qualify for an exemption under subsection (1)(a)(ii)(B) of this section as applicable at the time of the extension application, and the applicant commits to renting or selling at least 20 percent of the multifamily housing units as affordable housing units for low-income households.

(7) At the end of both the tenth and eleventh years of an extension, for twelve-year extensions of the exemption, applicants must provide tenants of rent-restricted units with notification of intent to provide the tenant with rental relocation assistance as provided in subsection (8) of this section.

(8)(a) Except as provided in (b) of this subsection, for any 12-year exemption authorized under subsection (1)(a)(ii)(B) or (iii) of this section after July 25, 2021, or for any 12-year exemption extension authorized under subsection (6) of this section, at the expiration of the exemption the applicant must provide tenant relocation assistance in an amount equal to one month's rent to a qualified tenant within the final month of the qualified tenant's lease. To be eligible for tenant relocation assistance under this subsection, the tenant must occupy an income-restricted unit at the time the exemption expires and must qualify as a low-income household under this chapter at the time relocation assistance is sought.

(b) If affordability requirements consistent, at a minimum, with those required under subsection (1)(a)(ii)(B) or (iii) of this section remain in place for the unit after the expiration of the exemption, relocation assistance in an amount equal to one month's rent must be provided to a qualified tenant within the final month of a qualified tenant's lease who occupies an income-restricted unit at the time those additional affordability requirements cease to apply to the unit.

(9) No new exemptions may be provided under this section beginning on or after January 1, 2032. No extensions may be granted under subsection (6) of this section on or after January 1, 2046.

Sec. 13. RCW 84.14.030 and 2021 c 187 s 9 are each amended to read as follows:

An owner of property making application under this chapter must meet the following requirements:

(1) The new or rehabilitated multiple-unit housing must be ((~~located~~)):

(a) Located in a residential targeted area as designated by the city or county; or

(b) Be located fully or partially within a station area if applying under RCW 84.14.020(1)(a)(ii)(D);

(2) The multiple-unit housing must meet guidelines as adopted by the governing authority that may include height, density, public benefit features, number and size of proposed development, parking, income limits for occupancy, limits on rents or sale prices, and other adopted requirements indicated necessary by the city or county. The required amenities should be relative to the size of the project and tax benefit to be obtained;

(3) The new, converted, or rehabilitated multiple-unit housing must provide for a minimum of fifty percent of the space for permanent residential occupancy. In the case of existing occupied multifamily development, the multifamily housing must also provide for a minimum of four additional multifamily units. Existing multifamily vacant housing that has been vacant for twelve months or more does not have to provide additional multifamily units;

(4) New construction multifamily housing and rehabilitation improvements must be completed within three years from the date of approval of the application, plus any extension authorized under RCW 84.14.090(5);

(5) Property proposed to be rehabilitated must fail to comply with one or more standards of the applicable state or local building or housing codes on or after July 23, 1995. If the property proposed to be rehabilitated is not vacant, an applicant must provide each existing tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate; and

(6) The applicant must enter into a contract with the city or county approved by the governing authority, or an administrative official or commission authorized by the governing authority, under which the applicant has agreed to the implementation of the development on terms and conditions satisfactory to the governing authority.

Sec. 14. RCW 84.14.060 and 2014 c 96 s 5 are each amended to read as follows:

(1) The duly authorized administrative official or committee of the city or county may approve the application if it finds that:

(a) A minimum of four new units are being constructed or in the case of occupied rehabilitation or conversion a minimum of four additional multifamily units are being developed;

(b) If applicable, the proposed multiunit housing project meets the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter;

(c) The proposed project is or will be, at the time of completion, in conformance with all local plans and regulations that apply at the time the application is approved;

(d) The owner has complied with all standards and guidelines adopted by the city or county under this chapter and, if applicable, section 3 of this act; and

(e) The site is located in a residential targeted area of an urban center or urban growth area that has been designated by the governing authority in accordance with procedures and guidelines indicated in RCW 84.14.040, or is located fully or partially within a station area if applying under RCW 84.14.020(1)(a)(ii)(D).

(2) An application may not be approved after July 1, 2007, if any part of the proposed project site is within a campus facilities master plan, except as provided in RCW 84.14.040(1)(d).

(3) An application may not be approved for a residential targeted area in a rural county on or after January 1, 2020.

Sec. 15. RCW 84.14.090 and 2021 c 187 s 10 are each amended to read as follows:

(1) Upon completion of rehabilitation or new construction for which an application for a limited tax exemption under this chapter has been approved and after issuance of the certificate of occupancy, the owner must file with the city or county the following:

(a) A statement of the amount of rehabilitation or construction expenditures made with respect to each housing unit and the composite expenditures made in the rehabilitation or construction of the entire property;

(b) A description of the work that has been completed and a statement that the rehabilitation improvements or new construction on the owner's property qualify the property for limited exemption under this chapter;

(c) If applicable, a statement that the project meets the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter; and

(d) A statement that the work has been completed within three years of the issuance of the conditional certificate of tax exemption.

(2) Within ((~~thirty~~)) 30 days after receipt of the statements required under subsection (1) of this section, the authorized representative of the city or county must determine whether the work completed, and the affordability of the units, is consistent with the application and the contract approved by the city or county and is qualified for a limited tax exemption under this chapter. The city or county must also determine which specific improvements completed meet the requirements and required findings.

(3) If the rehabilitation, conversion, or construction is completed within three years of the date the application for a limited tax exemption is filed under this chapter, or within an authorized extension of this time limit, and the authorized representative of the city or county determines that improvements were constructed consistent with the application and other applicable requirements, including if applicable, affordable housing requirements, and the owner's property is qualified for a limited tax exemption under this chapter, the city or county must file the certificate of tax exemption with the county assessor within ((~~ten~~)) 10 days of the expiration of the ((~~thirty~~)) 30-day period provided under subsection (2) of this section.

(4) The authorized representative of the city or county must notify the applicant that a certificate of tax exemption is not going to be filed if the authorized representative determines that:

(a) The rehabilitation or new construction was not completed within three years of the application date, or within any authorized extension of the time limit;

(b) The improvements were not constructed consistent with the application or other applicable requirements;

(c) If applicable, the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter were not met; or

(d) The owner's property is otherwise not qualified for limited exemption under this chapter.

(5) If the authorized representative of the city or county finds that construction or rehabilitation of multiple-unit housing was not completed within the required time period due to circumstances beyond the control of the owner and that the owner has been acting and could reasonably be expected to act in good faith and with due diligence, the governing authority or the city or county official authorized by the governing authority may extend the deadline for completion of construction or rehabilitation for a period not to exceed ((~~twenty-four~~)) 24 consecutive months. For preliminary or final applications submitted on or before February 15, 2020, with any outstanding application requirements, such as obtaining a temporary certificate of occupancy, the city or county may choose to extend the deadline for completion for an additional five years. The five-year extension begins immediately following the completion of any outstanding applications or previously authorized extensions, whichever is later.

(6) The governing authority may provide by ordinance for an appeal of a decision by the deciding officer or authority that an owner is not entitled to a certificate of tax exemption to the governing authority, a hearing examiner, or other city or county officer authorized by the governing authority to hear the appeal in accordance with such reasonable procedures and time periods as provided by ordinance of the governing authority. The owner may appeal a decision by the deciding officer or authority that is not subject to local appeal or a decision by the local appeal authority that the owner is not entitled to a certificate of tax exemption in superior court under RCW 34.05.510 through 34.05.598, if the appeal is filed within ((~~thirty~~)) 30 days of notification by the city or county to the owner of the decision being challenged.

Sec. 16. RCW 84.14.100 and 2021 c 187 s 5 are each amended to read as follows:

(1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW 84.14.021, must file with a designated authorized representative of the city or county an annual report indicating the following:

(a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;

(b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter since the date of the certificate approved by the city or county;

(c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and

(d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.

(2) All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. The report must include the following information:

(a) The number of tax exemption certificates granted;

(b) The total number and type of units produced or to be produced;

(c) The number, size, and type of units produced or to be produced meeting affordable housing requirements;

(d) The actual development cost of each unit produced;

(e) The total monthly rent or total sale amount of each unit produced;

(f) The annual household income and household size for each of the affordable units receiving a tax exemption and a summary of these figures for the city or county; and

(g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected

had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to RCW 84.14.110.

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

Sec. 17. RCW 84.14.110 and 2012 c 194 s 10 are each amended to read as follows:

(1) If improvements have been exempted under this chapter, the improvements continue to be exempted for the applicable period under RCW 84.14.020, so long as they are not converted to another use and continue to satisfy all applicable conditions. If the owner intends to convert the multifamily development to another use, or if applicable, if the owner intends to discontinue compliance with the affordable housing requirements as described in ((~~RCW 84.14.020~~)) this chapter or any other condition to exemption, the owner must notify the assessor within sixty days of the change in use or intended discontinuance. If, after a certificate of tax exemption has been filed with the county assessor, the authorized representative of the governing authority discovers that a portion of the property is changed or will be changed to a use that is other than residential or that housing or amenities no longer meet the requirements, including, if applicable, affordable housing requirements, as previously approved or agreed upon by contract between the city or county and the owner and that the multifamily housing, or a portion of the housing, no longer qualifies for the exemption, the tax exemption must be canceled and the following must occur:

(a) Additional real property tax must be imposed upon the value of the nonqualifying improvements in the amount that would normally be imposed, plus a penalty must be imposed amounting to twenty percent. This additional tax is calculated based upon the difference between the property tax paid and the property tax that would have been paid if it had included the value of the nonqualifying improvements dated back to the date that the improvements were converted to a nonmultifamily use;

(b) The tax must include interest upon the amounts of the additional tax at the same statutory rate charged on delinquent property taxes from the dates on which the additional tax could have been paid without penalty if the improvements had been assessed at a value without regard to this chapter; and

(c) The additional tax owed together with interest and penalty must become a lien on the land and attach at the time the property or portion of the property is removed from multifamily use or the amenities no longer meet applicable requirements, and has priority to and must be fully paid and satisfied before a recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the land may become charged or liable. The lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes. An additional tax unpaid on its due date is delinquent. From the date of delinquency until paid, interest must be charged at the same rate applied by law to delinquent ad valorem property taxes.

(2) Upon a determination that a tax exemption is to be canceled for a reason stated in this section, the governing authority or authorized representative must notify the record owner of the property as shown by the tax rolls by mail, return receipt requested, of the determination to cancel the exemption. The owner may appeal the determination to the governing authority or authorized representative, within thirty days by filing a notice of appeal with the clerk of the governing authority, which notice must specify the factual and legal basis on which the determination of cancellation is alleged to be erroneous. The governing authority or a hearing examiner or other official authorized by the governing authority may hear the appeal. At the hearing, all affected parties may be heard and all competent evidence received. After the hearing, the deciding body or officer must either affirm, modify, or repeal the decision of cancellation of exemption based on the evidence received. An aggrieved party may appeal the decision of the deciding body or officer to the superior court under RCW 34.05.510 through 34.05.598.

(3) Upon determination by the governing authority or authorized representative to terminate an exemption, the county officials having possession of the assessment and tax rolls must correct the rolls in the manner provided for omitted property under RCW 84.40.080. The county assessor must make such a valuation of the property and improvements as is necessary to permit the correction of the rolls. The value of the new housing construction, conversion, and rehabilitation improvements added to the rolls is considered as new construction for the purposes of chapter 84.55 RCW. The owner may appeal the valuation to the county board of equalization under chapter 84.48 RCW and according to the provisions of RCW 84.40.038. If there has been a failure to comply with this chapter, the property must be listed as an omitted assessment for assessment years beginning January 1 of the calendar year in which the noncompliance first occurred, but the listing as an omitted assessment may not be for a period more than three calendar years preceding the year in which the failure to comply was discovered.

NEW SECTION. **Sec. 18.** A new section is added to chapter 84.14 RCW to read as follows:

The governing authority of a city with a station area must adopt and implement standards and guidelines to be used in considering applications and making the determinations required under RCW 84.14.060. The standards and guidelines must establish basic requirements for both new construction and rehabilitation, which must include:

(1) Application process and procedures;

(2) Income and rent standards for affordable units that meet the requirements of section 3(7)(a) of this act;

(3) Requirements that address demolition of existing structures and site utilization; and

(4) Building requirements that comply with this act.

Sec. 19. RCW 82.02.060 and 2023 c 337 s 10 are each amended to read as follows:

The local ordinance by which impact fees are imposed:

(1) Shall include a schedule of impact fees which shall be adopted for each type of development activity that is subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule shall be based upon a formula or other method of calculating such impact fees. The schedule shall reflect the proportionate impact of new housing units, including multifamily and condominium units, based on the square footage, number of bedrooms, or trips generated, in the housing unit in order to produce a proportionally

lower impact fee for smaller housing units. In determining proportionate share, the formula or other method of calculating impact fees shall incorporate, among other things, the following:

(a) The cost of public facilities necessitated by new development;

(b) An adjustment to the cost of the public facilities for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or proratable to the particular system improvement;

(c) The availability of other means of funding public facility improvements;

(d) The cost of existing public facilities improvements; and

(e) The methods by which public facilities improvements were financed;

(2) May provide an exemption for low-income housing, and other development activities with broad public purposes, including development of an early learning facility, from these impact fees, provided that the impact fees for such development activity shall be paid from public funds other than impact fee accounts;

(3)(a) May not impose an impact fee on development activities of an early learning facility greater than that imposed on commercial retail or commercial office development activities that generate a similar number, volume, type, and duration of vehicle trips;

(b) When a facility or development has more than one use, the limitations in this subsection (3) or the exemption applicable to an early learning facility in subsections (2) and (4) of this section only apply to that portion that is developed as an early learning facility. The impact fee assessed on an early learning facility in such a development or facility may not exceed the least of the impact fees assessed on comparable businesses in the facility or development;

(4) May provide an exemption from impact fees for low-income housing or for early learning facilities. Local governments that grant exemptions for low-income housing or for early learning facilities under this subsection (4) may either: Grant a partial exemption of not more than ((~~eighty~~)) 80 percent of impact fees, in which case there is no explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts; or provide a full waiver, in which case the remaining percentage of the exempted fee must be paid from public funds other than impact fee accounts, except as provided in (b) of this subsection. These exemptions are subject to the following requirements:

(a) An exemption for low-income housing granted under subsection (2) of this section or this subsection (4) must be conditioned upon requiring the developer to record a covenant that, except as provided otherwise by this subsection, prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and that if the property is converted to a use other than for low-income housing, the property owner must pay the applicable impact fees in effect at the time of conversion;

(b) An exemption for early learning facilities granted under subsection (2) of this section or this subsection (4) may be a full waiver without an explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts if the local government requires the developer to record a covenant that requires that at least 25 percent of the children and families using the early learning facility qualify for state subsidized child care, including early childhood education and assistance under chapter 43.216 RCW, and that provides that if the property is converted to a use other than for an early learning facility, the property owner must pay the applicable impact fees in effect at the time of conversion, and that also provides that if at no point during a calendar year does the early learning facility achieve the required percentage of children and families qualified for state subsidized child care using the early learning facility, the property owner must pay 20 percent of the impact fee that would have been imposed on the development had there not been an exemption within 90 days of the local government notifying the property owner of the breach, and any balance remaining thereafter shall be a lien on the property; and

(c) Covenants required by (a) and (b) of this subsection must be recorded with the applicable county auditor or recording officer. A local government granting an exemption under subsection (2) of this section or this subsection (4) for low-income housing or an early learning facility may not collect revenue lost through granting an exemption by increasing impact fees unrelated to the exemption. A school district who receives school impact fees must approve any exemption under subsection (2) of this section or this subsection (4);

(5) Shall provide a credit for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities that are identified in the capital facilities plan and that are required by the county, city, or town as a condition of approving the development activity;

(6) Shall allow the county, city, or town imposing the impact fees to adjust the standard impact fee at the time the fee is imposed to consider unusual circumstances in specific cases to ensure that impact fees are imposed fairly;

(7) Shall include a provision for calculating the amount of the fee to be imposed on a particular development that permits consideration of studies and data submitted by the developer to adjust the amount of the fee;

(8) Shall establish one or more reasonable service areas within which it shall calculate and impose impact fees for various land use categories per unit of development;

(9) May provide for the imposition of an impact fee for system improvement costs previously incurred by a county, city, or town to the extent that new growth and development will be served by the previously constructed improvements provided such fee shall not be imposed to make up for any system improvement deficiencies; ((~~and~~))

(10) Shall provide a 50 percent reduction of the impact fees specified in the schedule of impact fees for system improvements under RCW 82.02.090(7)(a) if the project is within a station area and claiming a multiple-unit housing property tax exemption under RCW 84.14.020(1)(a)(ii)(D); and

(11) Must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, and other official controls the requirements of this section to take effect six months after the jurisdiction's next periodic comprehensive plan update required under RCW 36.70A.130.

For purposes of this section, "low-income housing" means housing with a monthly housing expense, that is no greater than ((~~thirty~~)) 30 percent of ((~~eighty~~)) 80 percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development.

For the purposes of this section, "early learning facility" has the same meaning as in RCW 43.31.565.

Sec. 20. RCW 82.02.090 and 2023 c 121 s 2 are each amended to read as follows:

The definitions in this section apply throughout this section and RCW 82.02.050 through 82.02.080 unless the context clearly requires otherwise.

(1) "Development activity" means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land, that creates additional demand and need for public facilities. "Development activity" does not include:

(a) Buildings or structures constructed by a regional transit authority; or

(b) Buildings or structures constructed as shelters that provide emergency housing for people experiencing homelessness, or emergency shelters for victims of domestic violence, as defined in RCW 70.123.020.

(2) "Development approval" means any written authorization from a county, city, or town which authorizes the commencement of development activity.

(3) "Impact fee" means a payment of money imposed upon development as a condition of development approval to pay for public facilities needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities, and that is used for facilities that reasonably benefit the new development. "Impact fee" does not include a reasonable permit or application fee.

(4) "Owner" means the owner of record of real property, although when real property is being purchased under a real estate contract, the purchaser is considered the owner of the real property if the contract is recorded.

(5) "Project improvements" mean site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project, and are not system improvements. An improvement or facility included in a capital facilities plan approved by the governing body of the county, city, or town is not considered a project improvement.

(6) "Proportionate share" means that portion of the cost of public facility improvements that are reasonably related to the service demands and needs of new development.

(7) "Public facilities" means the following capital facilities owned or operated by government entities: (a) Public streets, roads, and bicycle and pedestrian facilities that were designed with multimodal commuting as an intended use; (b) publicly owned parks, open space, and recreation facilities; (c) school facilities; and (d) fire protection facilities.

(8) "Service area" means a geographic area defined by a county, city, town, or intergovernmental agreement in which a defined set of public facilities provide service to development within the area. Service areas must be designated on the basis of sound planning or engineering principles.

(9) "Station area" has the same meaning as defined in RCW 36.70A.030.

(10) "System improvements" mean public facilities that are included in the capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements.

NEW SECTION. **Sec. 21.** Sections 11 through 18 of this act apply to property taxes levied for collection in 2026 and thereafter.

NEW SECTION. **Sec. 22.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void."

On page 1, line 2 of the title, after "development;" strike the remainder of the title and insert "amending RCW 36.70A.030, 43.21C.229, 84.14.010, 84.14.020, 84.14.030, 84.14.060, 84.14.090, 84.14.100, 84.14.110, 82.02.060, and 82.02.090; adding new sections to chapter 36.70A RCW; adding a new section to chapter 64.38 RCW; adding a new section to chapter 64.90 RCW; adding a new section to chapter 64.34 RCW; adding a new section to chapter 64.32 RCW; adding a new section to chapter 84.14 RCW; creating new sections; and providing expiration dates."

MOTION

Senator Bateman moved that the following floor amendment no. 0403 by Senator Trudeau be adopted:

On page 17, after line 38, insert the following:

"NEW SECTION. **Sec. 6.** A new section is added to chapter 47.12 RCW to read as follows:

(1) The department must review surplus property under this chapter in a county with a population over 2,000,000 that operates a municipal transit system and, in consultation with the county, select up to three park and ride facilities to conduct a pilot program to encourage transit-oriented development that meets the density and affordability requirements under section 3 of this act.

(2) A park and ride selected for the pilot program must be:

(a) Situated along state route number 99 with 400 to 500 parking stalls;

(b) Situated on Interstate 405 with 500 to 900 parking stalls; or

(c) Located in the southern portion of a county with a population over 2,000,000 with between 300 to 1,000 parking stalls.

(3) For the purpose of the pilot program under this section, the department:

(a) May release any covenant imposed for highway purposes and replace it with a covenant requiring affordable housing;

(b) May not seek a reversionary interest in the property but may enact other remedies enforceable by law."

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

On page 42, line 5, after "36.70A RCW;" insert "adding a new section to chapter 47.12 RCW;"

Senators Bateman and Goehner spoke in favor of adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0403 by Senator Trudeau on page 17, after line 38 to striking floor amendment no. 0402.

The motion by Senator Bateman carried and floor amendment no. 0403 was adopted by voice vote.

MOTION

Senator Liias moved that the following floor amendment no. 0408 by Senator Liias be adopted:

On page 25, line 32, after "act." strike "A city" and insert "A county may approve an exemption under this subsection for multifamily residential housing within a station area if the property otherwise qualifies for the exemption under this chapter and meets the density requirements in section 3(2)(a) of this act and affordability requirements in section 3(7)(a) of this act. A city or county"

Senators Liias and Goehner spoke in favor of adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0408 by Senator Liias on page 25, line 32 to striking floor amendment no. 0402.

The motion by Senator Liias carried and floor amendment no. 0408 was adopted by voice vote.

Senators Bateman and Goehner spoke in favor of adoption of the striking amendment as amended.

The President declared the question before the Senate to be the adoption of striking floor amendment no. 0402 by Senator Bateman as amended to Third Substitute House Bill No. 1491.

The motion by Senator Bateman carried and striking floor amendment no. 0402 as amended was adopted by voice vote.

MOTION

On motion of Senator Bateman, the rules were suspended, Third Substitute House Bill No. 1491 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 Bateman and Goehner spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Third Substitute House Bill No. 1491 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Third Substitute House Bill No. 1491 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 30; Nays, 18; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Goehner, Hansen, Harris, Krishnadasan, Liias, Lovelett, Lovick, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Hasegawa, Holy, Kauffman, King, MacEwen, McCune, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Slatter

THIRD SUBSTITUTE HOUSE BILL NO. 1491 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 SUBSTITUTE HOUSE BILL NO. 1522, by House Committee on Environment & Energy (originally sponsored by Dent, Reeves, Springer, and Hill)

Concerning approval of electric utility wildfire mitigation plans.

The measure was read the second time.

MOTION

On motion of Senator Boehnke, the rules were suspended, Engrossed Substitute House Bill No. 1522 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Boehnke and Shewmake spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1522.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1522 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1522, 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. 1875, by House Committee on Labor & Workplace Standards (originally sponsored by Salahuddin, Thai, Taylor, Fosse, Paul, Bergquist, Bronoske, Kloba, Pollet, Street, Stonier, Parshley, Obras, Thomas, Hill, Doglio, Berry, Reed, Ramel, Gregerson, Scott, Cortes, Simmons, Peterson, and Zahn)

Allowing the use of paid sick leave to prepare for or participate in certain immigration proceedings.

The measure was read the second time.

MOTION

On motion of Senator Saldaña, the rules were suspended, Engrossed Substitute House Bill No. 1875 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Saldaña spoke in favor of passage of the bill.

Senator King spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1875.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1875 and the bill passed the Senate by the following vote: Yeas, 29; Nays, 19; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Slatter

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1875,

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. 1462, by House Committee on Appropriations (originally sponsored by Duerr, Berry, Doglio, Fitzgibbon, Reed, Ramel, Parshley, Goodman, Macri, Kloba, and Hunt)

Reducing greenhouse gas emissions associated with hydrofluorocarbons.

The measure was read the second time.

MOTION

Senator Lovelett 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:

(a) The Kigali amendment to the Montreal protocol and the American innovation and manufacturing act of 2020 (42 U.S.C. Sec. 7675), establish phased reductions in hydrofluorocarbon production and consumption but leave gaps in ensuring widespread use of reclaimed refrigerants and managing refrigerants at the end of their life cycle; and

(b) State action is urgently needed to complement federal and international efforts by promoting refrigerant recovery, reclamation, and the transition to climate-friendly refrigerants with lower or no global warming potential, through regulations and market-based incentives.

(2) It is the intent of the legislature to:

(a) Study feasible pathways to an expeditious transition of new equipment by 2035 to low global warming potential refrigerants of less than 150 carbon dioxide equivalents and ultra-low global warming potential refrigerants of less than 10 carbon dioxide equivalents;

(b) Support the development of robust refrigerant recovery infrastructure and foster public-private partnerships to promote the reclamation and reuse of refrigerants;

(c) Establish a clear regulatory framework for reducing emissions from refrigerants through phased limitations on high global warming potential substances and increasing recovery and use of reclaimed refrigerants; and

(d) Enhance industry compliance and stakeholder collaboration through education, training, and financial incentives, ensuring alignment with national and international climate objectives.

NEW SECTION. **Sec. 2.** A new section is added to chapter 70A.60 RCW to read as follows:

(1) It is prohibited to sell, distribute, or otherwise enter into commerce in the state newly produced bulk hydrofluorocarbons or newly produced bulk hydrofluorocarbon blends that:

(a) Have a global warming potential that exceeds 1,500, beginning January 1, 2030; and

(b) Have a global warming potential that exceeds 750, beginning January 1, 2033.

(2)(a) The department shall adopt rules to implement the requirements of this section.

(b) The department may adopt by rule lower global warming potential limits than are specified in subsection (1) of this section, or earlier dates for global warming potential limits than are specified in subsection (1) of this section, provided the department finds that an adequate supply of reclaimed refrigerant would be available in the state to accommodate any such change to the requirements of subsection (1) of this section.

(c) When adopting rules to conform to this section, the department may update the definitions of terms used in this section, including the definitions of "bulk" and "reclaim" in RCW 70A.60.010, in order to maintain consistency with federal regulations or to harmonize the department's rules with similar requirements adopted by other jurisdictions.

(d) In adopting rules to implement the provisions of this section, the department must consider and may incorporate factors that minimize or potentially eliminate disincentives and maximize or potentially incentivize the recovery of refrigerant and its reclamation or destruction including, but not limited to, prohibiting fees for destroying recovered refrigerant.

(3)(a) The prohibitions established under this section do not apply to:

(i) Hydrofluorocarbons that are reclaimed;

(ii) An application receiving application-specific allowances under subsection (e)(B) of the American innovation and manufacturing act of 2020 (42 U.S.C. Sec. 7675);

(iii) Hydrofluorocarbons and hydrofluorocarbon blends regulated for use in aircraft maintenance or on board aircraft by the federal aviation administration, department of defense, or other equivalent authorities; or

(iv) Transshipments of bulk newly produced hydrofluorocarbons and hydrofluorocarbon blends.

(b) For newly produced bulk hydrofluorocarbon blends, the global warming potential limits of this section apply to the global warming potential of the blend and not to any individual component of such a blend.

(4) The department may adopt rules to provide for:

(a)(i) A temporary exemption for a newly produced bulk hydrofluorocarbon or a newly produced bulk hydrofluorocarbon blend where the department determines complying with a requirement of this section is technically or economically infeasible.

(ii) An exemption granted by the department under (a)(i) of this subsection may not exceed three years and must be conditional upon the exemption recipient carrying out a plan, on an enforceable timeline, to meet the requirements of this section. Each exemption granted by the department shall end after three years unless, at least six months prior to the expiration of the exemption, the exemption recipient submits a request for extension with justification. The department may determine whether to renew or modify the exemption based on its review of the request for extension.

(b)(i) Up to a 30 calendar day emergency exemption to an applicant registered under RCW 70A.60.030 for purchasing a specific quantity of a newly produced bulk hydrofluorocarbon or a newly produced bulk hydrofluorocarbon blend. The department must issue this exemption within three business days of receiving an exemption application, where the applicant demonstrates:

(A) There is an emergency in which loss of refrigerating capacity in an existing system will cause substantial economic loss or risk to health;

(B) Repairs to the system will require it being recharged with hydrofluorocarbon refrigerants;

(C) The price or availability of reclaimed hydrofluorocarbons or hydrofluorocarbon blends at the time of repair makes the repair technically or economically infeasible; and

(D) It can purchase a newly produced bulk hydrofluorocarbon or newly produced bulk hydrofluorocarbon blend in a sufficient quantity to meet the emergency need.

(ii) The department may not authorize the purchase of a newly

produced bulk hydrofluorocarbon or newly produced bulk hydrofluorocarbon blend in a larger quantity than the amount needed to make emergency repairs, which must not exceed the total refrigerant charge for the system.

(5) A violation of the requirements of this section are subject to penalties as provided in chapter 70A.15 RCW.

NEW SECTION. **Sec. 3.** A new section is added to chapter 70A.60 RCW to read as follows:

(1) The department must establish a refrigerant transition task force to study opportunities and barriers to transitioning to climate-friendly refrigerants and enhancing refrigerant recovery, recycling, reclamation, and destruction.

(a) By July 1, 2026, the department must appoint members of the task force. All representatives must disclose to the department all material financial interests related to the work of the task force, including funding sources for their work.

(b) Starting no later than June 1, 2027, for a period extending at least 60 days, the department must make available a draft of the task force report required in subsection (4) of this section for public input and comment.

(c) The department must submit the task force report required in subsection (4) of this section to the appropriate committees of the legislature no later than December 1, 2027.

(2) The task force must be chaired by a representative of the department and must consist of the following members appointed by the department:

(a) One representative from the private sector or a private sector trade association with expertise in installing, servicing, repairing, and decommissioning refrigeration and air conditioning equipment;

(b) One representative from the private sector or a private sector trade association with expertise in refrigerant recovery and reclamation;

(c) One representative from the private sector or a private sector trade association with expertise in manufacturing refrigeration and air conditioning equipment and the distribution and sale thereof;

(d) One Washington state representative from the private sector or a private sector trade association that installs and services either air conditioning or refrigeration equipment, or both;

(e) Three representatives from environmental nonprofit organizations with familiarity with the climate risks of hydrofluorocarbons;

(f) One representative of Washington agricultural businesses that own or operate either air conditioning or refrigeration equipment;

(g) One representative from a labor union representing workers who install and service refrigeration and heating, ventilation, and air conditioning equipment;

(h) One representative of the state building code council with expertise in fire safety;

(i) One member representing tribal or indigenous organizations guiding decisions for purchase and operation of equipment using hydrofluorocarbons; and

(j) One representative of Washington businesses that own or operate refrigeration equipment containing more than 50 pounds of ultra-low global warming potential refrigerants.

(3) The department may invite the input of others with relevant expertise to work with the task force for one or more task force discussions including, but not limited to:

(a) A representative of environmental justice organizations;

(b) A representative for Washington independent, small or rural grocers;

(c) State agency staff with relevant expertise, potentially including the department of labor and industries and others; and

(d) Others valuable for informing one or more task force discussions.

(4)(a) The task force must draft and submit to the department a report assessing the opportunities, barriers, and recommendations for transitioning to refrigerants with low global warming potential and ultra-low global warming potential by 2035, accounting for distinctions among different types of equipment and appliances for hydrofluorocarbon-using sectors and subsectors and the timelines needed for each sector or subsector to complete such a transition.

(b) In drafting the report required in this section, each member of the task force must make a good faith effort to reach consensus on each point and provision in the report.

(c) Where one or more members of the task force object to a point or provision in the report, that member or members may provide a description of such an objection, with all such descriptions listed in an annex to the report.

(5)(a) The department shall provide administrative and operating support, including arrangements for virtual meetings, to the task force and may contract with a third-party facilitator or other consultants to assist in carrying out the activities of the task force.

(b) A majority of the task force constitutes a quorum. Action by the task force, including the inclusion of a point or provision in the report, requires a quorum and a majority of those present and voting.

(6) The department may disband the task force created in this section upon the submission of the report under subsection (1)(c) of this section.

NEW SECTION. **Sec. 4.** A new section is added to chapter 70A.60 RCW to read as follows:

(1) To achieve the transition to refrigerants with low global warming potential and ultra-low global warming potential by 2035, accounting for distinctions among different types of equipment and appliances for hydrofluorocarbon-using sectors and subsectors and the timelines needed for each sector or subsector to complete such a transition, the department shall adopt rules, informed by the work and the report of the task force, to require low global warming potential or ultra-low global warming potential alternatives to hydrofluorocarbons in a sector unless it is not practicable for entities in the sector to comply with the requirement.

(2) The department may not issue a proposed rule under chapter 34.05 RCW related to subsection (1) of this section until January 1, 2028.

(3) The department may combine rule making under this section with rule making authorized under section 2 of this act for purposes of efficiency.

Sec. 5. RCW 70A.60.010 and 2021 c 315 s 2 are each amended to read as follows:

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

(1)(a) "Air conditioning" means the process of treating air to meet the requirements of a conditioned space by controlling its temperature, humidity, cleanliness, or distribution.

(b)(i) "Air conditioning" includes chillers((~~, except for purposes of RCW 70A.60.020~~)).

(ii) "Air conditioning" includes heat pumps.

(c) "Air conditioning" applies to stationary air conditioning equipment and does not apply to mobile air conditioning, including those used in motor vehicles, rail and trains, aircraft, watercraft, recreational vehicles, recreational trailers, and campers.

(2) "Class I substance" and "class II substance" means those substances listed in 42 U.S.C. Sec. 7671a, as of November 15, 1990, or those substances listed in Appendix A or B of Subpart A of 40 C.F.R. Part 82, as of January 3, 2017.

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

(4) "Hydrofluorocarbons" means a class of greenhouse gases that are saturated organic compounds containing hydrogen, fluorine, and carbon.

(5) "Ice rink" means a frozen body of water, hardened chemicals, or both, including, but not limited to, professional ice skating rinks and those used by the general public for recreational purposes.

(6) "Manufacturer" includes any person, firm, association, partnership, corporation, governmental entity, organization, or joint venture that produces any product that contains or uses hydrofluorocarbons or is an importer or domestic distributor of such a product.

(7) "Person" means an individual, partnership, franchise holder, association, corporation, a state, a city, a county, or any subdivision or instrumentality of the state.

(8) "Refrigeration equipment" or "refrigeration system" means any stationary device that is designed to contain and use refrigerant. "Refrigeration equipment" includes refrigeration equipment used in retail food, cold storage, industrial process refrigeration and cooling that does not use a chiller, ice rinks, and other refrigeration applications.

(9) "Regulated refrigerant" means a class I or class II substance as listed in Title VI of section 602 of the federal clean air act amendments of November 15, 1990.

(10) "Residential consumer refrigeration products" has the same meaning as defined in section 430.2 of Subpart A of 10 C.F.R. Part 430 (2017).

(11) "Retrofit" has the same meaning as defined in section 152 of Subpart F of 40 C.F.R. Part 82, as that section existed as of January 3, 2017.

(12) "Substitute" means a chemical, product, or alternative manufacturing process, whether existing or new, that is used to perform a function previously performed by a class I substance or class II substance and any chemical, product, or alternative manufacturing process subsequently developed, adapted, or adopted to perform that function including, but not limited to, hydrofluorocarbons. "Substitute" does not include 2-BTP or any compound as applied to its use in aerospace fire extinguishing systems.

(13) "Bulk" means:

(a) The same as defined in 40 C.F.R. Sec. 84.3, as it existed on the effective date of this section; or

(b) An updated definition adopted by rule by the department under section 2(2)(c) of this act.

(14) "Low global warming potential" means a global warming potential of less than 150 carbon dioxide equivalents.

(15) "Newly produced refrigerant" means a refrigerant that has not been previously used, recovered, or reclaimed. Newly produced refrigerant is sometimes referred to as "virgin" refrigerant.

(16) "Reclaim" means:

(a) The reprocessing of regulated substances to all of the specifications in appendix A to 40 C.F.R. Part 82, Subpart F (based on air-conditioning, heating, and refrigeration institute standard 700-2016), as it existed on the effective date of this section, that are applicable to that regulated substance and to verify that the regulated substance meets these specifications using the analytical methodology prescribed in section 5 of appendix A to 40 C.F.R. Part 82, Subpart F, as those regulations existed on the effective date of this section, and do not contain more than 15 percent newly produced material by weight, pursuant to federal regulations at 40 C.F.R. Part 84, Subpart C, as it existed on the effective date of this section; or

(b) An updated definition adopted by rule by the department under section 2(2)(c) of this act.

(17) "Transshipment" means the shipment of a regulated substance through the state of Washington from one point outside the state of Washington to another point outside the state of Washington, as long as the shipment does not enter commerce in Washington.

(18) "Ultra-low global warming potential" means a global warming potential of less than 10 carbon dioxide equivalents.

NEW SECTION. **Sec. 6.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

NEW SECTION. **Sec. 7.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected."

On page 1, line 4 of the title, after "hydrofluorocarbons;" strike the remainder of the title and insert "amending RCW 70A.60.010; adding new sections to chapter 70A.60 RCW; creating new sections; and prescribing penalties."

MOTION

Senator Gildon moved that the following floor amendment no. 0409 by Senator Gildon be adopted:

Beginning on page 1, line 3, strike all of sections 1 and 2

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

Beginning on page 6, line 13, strike all of sections 4 and 5

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

On page 9, beginning on line 9, strike all of section 7

On page 9, line 14, after "insert" strike all material through "penalties" on line 16 and insert "adding a new section to chapter 70A.60 RCW; and creating a new section"

Senator Gildon spoke in favor of adoption of the amendment to the committee amendment.

Senator Shewmake spoke against adoption of the amendment to the committee amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0409 by Senator Gildon on page 1, line 3 to Second Substitute House Bill No. 1462.

The motion by Senator Gildon did not carry and floor amendment no. 0409 was not adopted by voice vote.

MOTION

Senator Boehnke moved that the following floor amendment no. 0398 by Senator Boehnke be adopted:

On page 2, line 35, after "(iii)" insert "Hydrofluorocarbons acquired for use in commercial or agricultural buildings used primarily for the storage of potatoes or onions;

(iv)"

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

On page 6, line 24, after "requirement." insert "The rules adopted under this section may not restrict the use of refrigerants in commercial or agricultural buildings used primarily for the storage of potatoes or onions."

Senators Boehnke and Dozier spoke in favor of adoption of the amendment to the committee striking amendment.

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

The President declared the question before the Senate to be the adoption of floor amendment no. 0398 by Senator Boehnke on page 2, line 35 to Second Substitute House Bill No. 1462.

The motion by Senator Boehnke did not carry and floor amendment no. 0398 was not adopted by rising vote.

MOTION

Senator Warnick moved that the following floor amendment no. 0407 by Senator Warnick be adopted:

On page 2, line 35, after "(iii)" insert "Hydrofluorocarbons acquired for use in commercial or agricultural buildings used primarily for the storage of apples;

(iv)"

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

On page 6, line 24, after "requirement." insert "The rules adopted under this section may not restrict the use of refrigerants in commercial or agricultural buildings used primarily for the storage of apples."

Senators Warnick, Goehner and Lovelett spoke in favor of adoption of the amendment to the committee striking amendment.

Senators Shewmake and Boehnke spoke against adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0407 by Senator Warnick on page 2, line 35 to Second Substitute House Bill No. 1462.

The motion by Senator Warnick did not carry and floor amendment no. 0407 was not adopted by voice vote.

Senator Lovelett spoke in favor of adoption of the amendment.

Senator Boehnke spoke against adoption of the amendment.

The President 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. 1462.

The motion by Senator Lovelett carried and the committee striking amendment was adopted by rising vote.

MOTION

On motion of Senator Lovelett, the rules were suspended, Second Substitute House Bill No. 1462 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 Lovelett and Shewmake spoke in favor of passage of the bill.

Senators Schoesler, Dozier, Boehnke and Goehner spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1462 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1462 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 25; Nays, 23; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Kauffman, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Chapman, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Hasegawa, Holy, King, Krishnadasan, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Trudeau, Wagoner, Warnick and Wilson, J.

Excused: Senator Slatter

SECOND SUBSTITUTE HOUSE BILL NO. 1462 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. 1791, by House Committee on Finance (originally sponsored by Paul, Low, Ramel, Peterson, Nance, Springer, and Leavitt)

Increasing the flexibility of existing funding sources to fund public safety and other facilities by modifying the local real estate excise tax.

The measure was read the second time.

MOTION

On motion of Senator Stanford, the rules were suspended, Substitute House Bill No. 1791 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Stanford spoke in favor of passage of the bill.

Senator Gildon spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1791.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1791 and the bill passed the Senate by the following vote: Yeas, 29; Nays, 19; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wagoner, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Hasegawa, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Warnick and Wilson, J.

Excused: Senator Slatter

SUBSTITUTE HOUSE BILL NO. 1791, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

At 4:38 p.m., on motion of Senator Riccelli, the Senate was declared to be at ease subject to the call of the President.

The Senate was called to order at 4:45 p.m. by President Heck.

SECOND READING

SECOND SUBSTITUTE HOUSE BILL NO. 1154, by House Committee on Appropriations (originally sponsored by Duerr, Doglio, Ramel, Berry, Ryu, Callan, Pollet, Berg, Davis, Kloba, and Hunt)

Ensuring environmental and public health protection from solid waste handling facility operations.

The measure was read the second time.

MOTION

Senator Shewmake 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 70A.205.125 and 2016 c 119 s 4 are each amended to read as follows:

(1) Applications for permits to operate a new or modified solid waste handling facility shall be on forms prescribed by the department and shall contain a description of the proposed facilities and operations at the site, plans and specifications for any new or additional facilities to be constructed, and such other information as the jurisdictional health department may deem necessary in order to determine whether the site and solid waste disposal facilities located thereon will comply with local regulations and state rules.

(2) Upon receipt of an application for a permit to establish or modify a solid waste handling facility, the jurisdictional health department shall refer one copy of the application to the department which shall report its findings to the jurisdictional health department. When the application is for a permit to establish or modify a solid waste handling facility located in an area that is not under a quarantine, as defined in RCW 17.24.007, and when the facility will receive material for composting from an area under a quarantine, the jurisdictional health department shall also provide a copy of the application to the department of agriculture. The department of agriculture shall review the application to determine whether it contains information demonstrating that the proposed facility presents a risk of spreading disease, plant pathogens, or pests to areas that are not under a quarantine. For the purposes of this subsection, "composting" means the biological degradation and transformation of organic solid waste under controlled conditions designed to promote aerobic decomposition.

(3) The jurisdictional health department shall investigate every application as may be necessary to determine whether a proposed or modified site and facilities meet all solid waste, air, and other applicable laws and regulations, and conforms with the approved comprehensive solid waste handling plan, and complies with all zoning requirements.

(4) When the jurisdictional health department finds that the permit should be issued, ((~~it~~)) and the department has approved the permit under RCW 70A.205.130(4), the jurisdictional health department shall issue such permit. Every application shall be approved or disapproved within ((~~ninety~~)) 90 days after its receipt by the jurisdictional health department.

(5) The jurisdictional board of health may establish reasonable fees for permits and renewal of permits. All permit fees collected by the health department shall be deposited in the treasury and to the account from which the health department's operating expenses are paid.

Sec. 2. RCW 70A.205.130 and 2020 c 20 s 1173 are each amended to read as follows:

((~~Every~~)) (1) Except as provided in subsection (4) of this section, every permit issued by a jurisdictional health department under RCW 70A.205.125 shall be reviewed by the department to ensure that the proposed site or facility conforms with:

(((~~(1)~~))) (a) All applicable laws and regulations including the ((~~minimal~~)) minimum functional standards for solid waste handling; and

(((~~(2)~~))) (b) The approved comprehensive solid waste management plan.

(2) The department shall review the permit within ((~~thirty~~)) 30 days after the issuance of the permit by the jurisdictional health department. ((~~The~~)) For solid waste handling facilities other than landfills, the department may appeal the issuance of the permit by the jurisdictional health department to the pollution control hearings board, as described in chapter 43.21B RCW, for noncompliance with subsection (1) ((~~or (2)~~)) (a) or (b) of this section.

(3) No permit issued pursuant to RCW 70A.205.125 after June 7, 1984, shall be considered valid unless it has been reviewed by the department.

(4)(a) Every permit issued by a jurisdictional health department under RCW 70A.205.125 for landfilling must be reviewed and approved by the department to ensure that the proposed landfill conforms with:

(i) All applicable laws and regulations including the minimum functional standards for solid waste handling; and

(ii) The approved comprehensive solid waste management plan.

(b) The department shall review the permit prior to the issuance of the permit by the jurisdictional health department. The department may only approve a permit that ensures that the landfill conforms with all applicable laws and regulations, including the minimum functional standards for solid waste handling. The department may require a jurisdictional health department to amend the contents of a proposed permit to ensure conformance with applicable laws and regulations, including the minimum functional standards for solid waste handling.

(c) A jurisdictional health department or applicant may appeal the department's denial or amendment of a landfill permit under this section, including the denial of the renewal of a permit, to the pollution control hearings board.

(d) No permit issued under this subsection after August 1, 2027, is considered valid unless it has been approved by the department.

Sec. 3. RCW 70A.205.135 and 2020 c 20 s 1174 are each amended to read as follows:

(1) Every permit for an existing solid waste handling facility issued pursuant to RCW 70A.205.125 shall be renewed at least every five years on a date established by the jurisdictional health department having jurisdiction of the site and as specified in the permit. If a permit is to be renewed for longer than one year, the local jurisdictional health department may hold a public hearing before making such a decision. Prior to renewing a permit, the health department shall conduct a review as it deems necessary to assure that the solid waste handling facility or facilities located on the site continues to meet minimum functional standards of the department, applicable local regulations, and are not in conflict with the approved solid waste management plan. A jurisdictional health department shall approve or disapprove a permit renewal within ((~~forty-five~~)) 45 days of conducting its review. The department shall review and may appeal the renewal of permits for solid waste handling facilities other than landfills as set forth

for the approval of permits in RCW 70A.205.130(2). The department must review and approve or disapprove renewal of permits for landfill disposal facilities as set forth in RCW 70A.205.130(4).

(2) The jurisdictional board of health may establish reasonable fees for permits reviewed under this section. All permit fees collected by the health department shall be deposited in the treasury and to the account from which the health department's operating expenses are paid.

Sec. 4. RCW 70A.205.140 and 2016 c 119 s 5 are each amended to read as follows:

Any permit for a solid waste disposal site issued as provided herein shall be subject to suspension at any time the department or the jurisdictional health department determines that the site or the solid waste disposal facilities located on the site are being operated in violation of this chapter, the regulations of the department, the rules of the department of agriculture, or local laws and regulations.

NEW SECTION. **Sec. 5.** A new section is added to chapter 70A.205 RCW to read as follows:

(1) In addition to the provisions of RCW 70A.205.140, for any person engaged in solid waste handling subject to permitting under this chapter, a jurisdictional health department or the department may:

(a) Impose a civil penalty not to exceed $5,000 per day for the first 14 days of violation of the requirements of this chapter or a permit issued under this chapter. If the violation is not resolved within 14 days, the agency imposing the penalty may increase the penalty not to exceed $10,000 per day of violation of the requirements of this chapter or a permit issued under this chapter; and

(b) Issue an order requiring compliance with the requirements of this chapter or a permit issued under this chapter. A person who fails to take corrective action as specified in a compliance order is liable for a civil penalty as provided in (a) of this subsection. Before issuing a civil penalty, a jurisdictional health department will attempt through education and outreach to assist the person engaged in solid waste handling with achieving compliance with the requirements of this chapter or a permit issued under this chapter.

(2)(a) A jurisdictional health department may send written notice to the department that it is deferring to the department's authority under this section to enforce the requirements of this chapter with respect to a solid waste handling facility in a jurisdiction.

(b)(i) The department may exercise the department's authority under this section to take enforcement action upon receipt of a jurisdictional health department's notice of enforcement deferral.

(ii) If the department determines that a jurisdictional health department's enforcement action is failing to adequately address violations of this chapter by a solid waste handling facility operator, the department may take enforcement action in the absence of an enforcement deferral by the jurisdictional health department. When the department determines that it will take enforcement action in lieu of the jurisdictional health department, the department shall provide written notice of its intent to enforce to the jurisdictional health department and to the solid waste handling facility operator. The department's notice of intent will be provided no less than 30 days prior to the department issuing a penalty or order under this section. The department's notice of intent to enforce must include:

(A) Identification of the violations that are the basis for the department's enforcement action;

(B) The proposed start date and any end date of the department's enforcement action; and

(C) The proposed geographical boundaries of solid waste handling facilities at which the enforcement action is planned.

(iii) If within 30 days of the jurisdictional health department's receipt of the department's notice of intent to enforce, the jurisdictional health department initiates an enforcement action that the department and the jurisdictional health department agree will adequately address the identified violations, the department will hold its enforcement action in abeyance.

(c) If a solid waste handling facility owner or operator pays a penalty under this section for a violation to a government entity, any penalty imposed by a different government entity for a violation based on the same incident and conduct shall be reduced by the amount of the prior penalty.

(d) Upon receipt of an order by the jurisdictional health department or department, a solid waste handling facility owner or operator must provide information necessary to determine compliance with the requirements of this chapter applicable to solid waste handling facilities.

(e) An applicant or permittee must allow the jurisdictional health department and department to conduct inspections and collect samples.

(3)(a) Penalties levied by a jurisdictional health department shall be deposited in the treasury and to the account from which such jurisdictional health department's operating expenses are paid.

(b) Penalties levied by the department under this section must be deposited in the model toxics control operating account created in RCW 70A.305.180.

(4) A person who is issued an order or incurs a penalty from:

(a) A jurisdictional health department may appeal the order or penalty to the local health officer;

(b) The department under this section may appeal the order or penalty to the pollution control hearings board established by chapter 43.21B RCW.

(5) This section does not apply to actions taken by the department under chapter 70A.305 RCW.

Sec. 6. RCW 43.21B.110 and 2024 c 347 s 5, 2024 c 340 s 4, and 2024 c 339 s 16 are each reenacted and amended to read as follows:

(1) The hearings board shall only have jurisdiction to hear and decide appeals from the following decisions of the department, the director, local conservation districts, the air pollution control boards or authorities as established pursuant to chapter 70A.15 RCW, local health departments, the department of natural resources, the department of fish and wildlife, the parks and recreation commission, and authorized public entities described in chapter 79.100 RCW:

(a) Civil penalties imposed pursuant to chapter 70A.230 RCW and RCW 18.104.155, 70A.15.3160, 70A.300.090, 70A.20.050, 70A.230.020, section 5 of this act, 70A.205.280, 70A.355.070, 70A.430.070, 70A.500.260, 70A.505.100, 70A.505.110, 70A.530.040, 70A.350.070, 70A.515.060, 70A.245.040, 70A.245.050, 70A.245.070, 70A.245.080, 70A.245.130, 70A.245.140, 70A.65.200, 70A.455.090, 70A.550.030, 70A.555.110, 70A.560.020, 70A.565.030, 76.09.170, 77.55.440, 78.44.250, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 90.56.310, 90.56.330, and 90.64.102.

(b) Orders issued pursuant to RCW 18.104.043, 18.104.060, 18.104.130, 43.27A.190, 70A.15.2520, 70A.15.3010, 70A.15.4530, 70A.15.6010, section 5 of this act, 70A.205.280, 70A.214.140, 70A.300.120, 70A.350.070, 70A.245.020, 70A.65.200, 70A.505.100, 70A.555.110, 70A.560.020, 70A.565.030, 86.16.020, 88.46.070, 90.03.665, 90.14.130, 90.46.250, 90.48.120, 90.48.240, 90.56.330, and 90.64.040.

(c) Except as provided in RCW 90.03.210(2), the issuance, modification, or termination of any permit, certificate, or license by the department or any air authority in the exercise of its

jurisdiction, including the issuance or termination of a waste disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste disposal permit, a decision to approve or deny a solid waste management plan under RCW 70A.205.055, approval or denial of an application for a beneficial use determination under RCW 70A.205.260, an application for a change under RCW 90.03.383, or a permit to distribute reclaimed water under RCW 90.46.220.

(d) Decisions of local health departments regarding the granting or denial of solid waste permits pursuant to chapter 70A.205 RCW, including appeals by the department as provided in RCW 70A.205.130.

(e) Decisions of local health departments regarding the issuance and enforcement of permits to use or dispose of biosolids under RCW 70A.226.090.

(f) Decisions of the department regarding waste-derived fertilizer or micronutrient fertilizer under RCW 15.54.820.

(g) Decisions of local conservation districts related to the denial of approval or denial of certification of a dairy nutrient management plan; conditions contained in a plan; application of any dairy nutrient management practices, standards, methods, and technologies to a particular dairy farm; and failure to adhere to the plan review and approval timelines in RCW 90.64.026 as provided in RCW 90.64.028.

(h) Any other decision by the department or an air authority which pursuant to law must be decided as an adjudicative proceeding under chapter 34.05 RCW.

(i) Decisions of the department of natural resources, the department of fish and wildlife, and the department that are reviewable under chapter 76.09 RCW, and the department of natural resources' appeals of county, city, or town objections under RCW 76.09.050(7).

(j) Forest health hazard orders issued by the commissioner of public lands under RCW 76.06.180.

(k) Decisions of the department of fish and wildlife to issue, deny, condition, or modify a hydraulic project approval permit under chapter 77.55 RCW, to issue a stop work order, to issue a notice to comply, to issue a civil penalty, or to issue a notice of intent to disapprove applications.

(l) Decisions of the department of natural resources that are reviewable under RCW 78.44.270.

(m) Decisions of an authorized public entity under RCW 79.100.010 to take temporary possession or custody of a vessel or to contest the amount of reimbursement owed that are reviewable by the hearings board under RCW 79.100.120.

(n) Decisions of the department of ecology that are appealable under RCW 70A.245.020 to set recycled minimum postconsumer content for covered products or to temporarily exclude types of covered products in plastic containers from minimum postconsumer recycled content requirements.

(o) Orders by the department of ecology under RCW 70A.455.080.

(2) The following hearings shall not be conducted by the hearings board:

(a) Hearings required by law to be conducted by the shorelines hearings board pursuant to chapter 90.58 RCW, except where appeals to the pollution control hearings board and appeals to the shorelines hearings board have been consolidated pursuant to RCW 43.21B.340.

(b) Hearings conducted by the department pursuant to RCW 70A.15.3010, 70A.15.3070, 70A.15.3080, 70A.15.3090, 70A.15.3100, 70A.15.3110, and 90.44.180.

(c) Appeals of decisions by the department under RCW 90.03.110 and 90.44.220.

(d) Hearings conducted by the department to adopt, modify, or repeal rules.

(3) Review of rules and regulations adopted by the hearings board shall be subject to review in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW.

NEW SECTION. **Sec. 7.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void."

On page 1, line 2 of the title, after "operations;" strike the remainder of the title and insert "amending RCW 70A.205.125, 70A.205.130, 70A.205.135, and 70A.205.140; reenacting and amending RCW 43.21B.110; adding a new section to chapter 70A.205 RCW; creating a new section; and prescribing penalties."

MOTION

Senator Torres moved that the following floor amendment no. 0419 by Senator Torres be adopted:

On page 4, beginning of line 6, insert "(1)"

On page 4, line 14, after "regulations", insert "except as provided in subsection (2) of this section."

On page 4, after line 14, insert the following:

"(2) A permit for a solid waste disposal facility operator that operates a recycling program on-site or accepts waste from interstate or international sources, shall not be suspended while the solid waste disposal facility operator appeals the permit denial, enforcement action, or regulatory dispute unless the jurisdictional health department or the department of ecology demonstrate that continuing operations of the facility present an immediate and substantial endangerment to human health or the environment requiring urgent action."

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

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

The President declared the question before the Senate to be the adoption of floor amendment no. 0419 by Senator Torres on page 4, line 6 to Second Substitute House Bill No. 1154.

The motion by Senator Torres did not carry and floor amendment no. 0419 was not adopted by voice vote.

MOTION

Senator Boehnke moved that the following floor amendment no. 0357 by Senator Boehnke be adopted:

On page 4, at the beginning of line 8, insert the following:

"(1) Any permit for a solid waste disposal site, other than a landfill, issued as provided herein shall be subject to suspension at any time the jurisdictional health department determines that the site or the solid waste disposal facility, other than a landfill, located on the site are being operated in violation of this chapter, the regulations of the department, the rules of the department of agriculture, or local laws and regulations.

(2)"

On page 4, line 8, after "a" strike "solid waste disposal" and insert "((~~solid waste disposal~~)) landfill"

On page 4, at the beginning of line 11, strike "solid waste disposal facilities" and insert "((~~solid waste disposal facilities~~)) landfills"

On page 4, line 18, after "in" strike "solid waste handling" and insert "landfilling"

On page 4, line 34, after "in" strike "solid waste handling" and insert "landfilling"

On page 5, line 2, after "to a" strike "solid waste handling facility" and insert "landfill"

On page 5, line 8, after "a" strike "solid waste handling facility" and insert "landfill"

On page 5, line 14, after "the" strike "solid waste handling facility" and insert "landfill"

On page 5, beginning on line 22, after "of" strike all material through "facilities" on line 23 and insert "landfills"

On page 5, line 36, after "a" strike "solid waste handling facility" and insert "landfill"

On page 5, beginning on line 38, after "to" strike all material through "facilities" on line 39 and insert "landfills"

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

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

The President declared the question before the Senate to be the adoption of floor amendment no. 0357 by Senator Boehnke on page 4, line 8 to Second Substitute House Bill No. 1154.

The motion by Senator Boehnke did not carry and floor amendment no. 0357 was not adopted by voice vote.

WITHDRAWAL OF AMENDMENT

On motion of Senator Riccelli and without objection, floor amendment no. 0411 by Senator Riccelli on page 4, line 14 to Second Substitute House Bill No. 1154 was withdrawn.

MOTION

Senator Short moved that the following floor amendment no. 0417 by Senator Short be adopted:

On page 4, after line 14, strike all of section 5 and insert the following:

"NEW SECTION. **Sec. 5.** A new section is added to chapter 70A.205 RCW to read as follows:

(1) This section establishes a cooperative program of solid waste handling facility management between local government and the state. Local government shall have the primary responsibility for issuing the permits required by this chapter, administering the regulatory program consistent with the policy and provisions of this chapter, and imposing penalties for violations of the provisions of this chapter. The department shall act primarily in a supportive and review capacity with an emphasis on ensuring compliance with the policy and provisions of this chapter. The department shall enforce the requirements of this chapter under the following circumstances:

(a) A jurisdictional health department may send written notice to the department that it is deferring to the department's authority under this section to enforce the requirements of this chapter with respect to a solid waste handling facility in a jurisdiction.

(b) The department determines that a jurisdictional health department's enforcement action is inadequate to address violations of this chapter by a solid waste handling facility operator. A jurisdictional health department's enforcement action is inadequate when any of the following occur without successful resolution of the violation:

(i) The jurisdictional health department fails to conduct an inspection to verify a reported, credible alleged violation within 45 calendar days after receiving notification of the violation;

(ii) The jurisdictional health department fails to issue a notice of violation or corrective action order within 60 calendar days after observing a violation during an inspection or on-site visit;

(iii) The jurisdictional health department fails to take any enforcement action as authorized under this chapter within 90 calendar days after issuing a notice of violation; or

(iv) The jurisdictional health department has initiated enforcement action but the violation has continued for more than 180 days without resolution or substantial progress toward resolution.

(c) A jurisdictional health department shall notify the department within a reasonable amount of time of the dates and official communications regarding the following activities with respect to a solid waste handling facility operator:

(i) Receipt of a reported, credible alleged violation of this chapter;

(ii) Observation of a violation of this chapter during an inspection or on-site visit;

(iii) Notice of a violation of this chapter or corrective action that was sent by the jurisdictional health department to a solid waste handling operator;

(iv) Any enforcement action taken by the jurisdictional health department; and

(v) Any activities by the solid waste handling facility operator that constitute resolution or progress toward resolution of the violations of this chapter.

(2) When the department determines that a jurisdictional health department enforcement action is inadequate and that it will take enforcement action under subsection (1)(b) of this section, the department shall provide written notice of its intent to enforce to the jurisdictional health department and to the solid waste handling facility operator. The department's notice of intent to enforce must be provided no less than 30 calendar days prior to the department issuing a penalty or order under this section and section 6 of this act. The 30-day notice requirement may be waived if the violation presents an immediate and substantial endangerment to human health or the environment requiring urgent action. The department's notice of intent to enforce must include:

(a) Identification of the alleged violations of the statute, regulation, or rule that are the basis for the department's enforcement action and the number of alleged violations;

(b) A description of the department's process that led to its determination that such violations existed;

(c) Which of the criteria under subsection (1)(b)(i) through (iv) of this section apply;

(d) The proposed start date and any end date of the department's enforcement action; and

(e) The proposed geographical boundaries of solid waste handling facilities at which the enforcement action is planned.

(3) If within 30 calendar days of the jurisdictional health department's receipt of the department's notice of intent to enforce, and the violation does not present an immediate and substantial endangerment to human health or the environment, the jurisdictional health department initiates an enforcement action that the department and the jurisdictional health department agree will adequately address the identified violations, the department will hold its enforcement action in abeyance.

(4) Upon receipt of an order by the jurisdictional health department or the department, a solid waste handling facility owner or operator must provide information necessary to determine compliance with the requirements of this chapter applicable to solid waste handling facilities.

(5) An applicant or permittee must allow the jurisdictional health department and department to conduct inspections and collect samples.

(6) This section does not apply to actions taken by the department under chapter 70A.305 RCW.

NEW SECTION. **Sec. 6.** A new section is added to chapter 70A.205 RCW to read as follows:

(1) In addition to the provisions of RCW 70A.205.140, and in accordance with the procedures described in section 5 of this act, for any person engaged in solid waste handling subject to permitting under this chapter, the enforcement authority may:

(a) Impose a civil penalty not to exceed $5,000 per day for the first 14 days of violation of the requirements of this chapter or a permit issued under this chapter. If the violation is not resolved within 14 days, the agency imposing the penalty may increase the penalty not to exceed $10,000 per day of violation of the requirements of this chapter or a permit issued under this chapter; and

(b) Issue an order requiring compliance with the requirements of this chapter or a permit issued under this chapter. A person who fails to take corrective action as specified in a compliance order is liable for a civil penalty as provided in (a) of this subsection. Before issuing a civil penalty, the enforcement authority will attempt through education and outreach to assist the person engaged in solid waste handling with achieving compliance with the requirements of this chapter or a permit issued under this chapter.

(2) If a solid waste handling facility owner or operator pays a penalty under this section for a violation to a government entity, any penalty imposed by a different government entity for a violation based on the same incident and conduct shall be reduced by the amount of the prior penalty.

(3)(a) Penalties levied by a jurisdictional health department shall be deposited in the treasury and to the account from which such jurisdictional health department's operating expenses are paid.

(b) Penalties levied by the department under this section must be deposited in the model toxics control operating account created in RCW 70A.305.180.

(4) A person who is issued an order or incurs a penalty from:

(a) A jurisdictional health department may appeal the order or penalty to the local health officer;

(b) The department under this section may appeal the order or penalty to the pollution control hearings board created by chapter 43.21B RCW."

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

On page 6, line 29, after "section" strike "5" and insert "6"

On page 6, line 38, after "section" strike "5" and insert "6"

On page 9, line 4, after "adding" strike "a new section" and insert "new sections"

Senators Short and Riccelli spoke in favor of adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0417 by Senator Short on page 4, after line 14 to Second Substitute House Bill No. 1154.

The motion by Senator Short carried and floor amendment no. 0417 was adopted by voice vote.

WITHDRAWAL OF AMENDMENT

On motion of Senator Shewmake and without objection, floor amendment no. 0350 by Senator Shewmake on page 4, line 33 to Second Substitute House Bill No. 1154 was withdrawn.

Senators Shewmake and Boehnke spoke in favor of adoption of the committee striking amendment as amended.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means as amended to Second Substitute House Bill No. 1154.

The motion by Senator Shewmake carried and the committee striking amendment as amended was adopted by voice vote.

MOTION

On motion of Senator Shewmake, the rules were suspended, Second Substitute House Bill No. 1154 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Shewmake spoke in favor of passage of the bill.

Senators Boehnke and Short spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1154.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1154 and the bill passed the Senate by the following vote: Yeas, 28; Nays, 20; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Chapman, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Slatter

SECOND SUBSTITUTE HOUSE BILL NO. 1154, 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. 1409, by House Committee on Appropriations (originally sponsored by Fitzgibbon, Doglio, Berry, Duerr, Parshley, Reed, Ormsby, Hill, and Macri)

Concerning the clean fuels program.

The measure was read the second time.

MOTION

Senator Shewmake moved that the following committee striking amendment by the Committee on Environment, Energy & Technology be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 70A.535.025 and 2022 c 182 s 408 are each amended to read as follows:

(1) The department shall adopt rules that establish standards that reduce carbon intensity in transportation fuels used in Washington. The standards established by the rules must be based on the carbon intensity of gasoline and gasoline substitutes and the carbon intensity of diesel and diesel substitutes. The standards:

(a) Must reduce the overall, aggregate carbon intensity of

transportation fuels used in Washington;

(b) May only require carbon intensity reductions at the aggregate level of all transportation fuels and may not require a reduction in carbon intensity to be achieved by any individual type of transportation fuel;

(c) Must assign a compliance obligation to fuels whose carbon intensity exceeds the standards adopted by the department, consistent with the requirements of RCW 70A.535.030; and

(d) Must assign credits that can be used to satisfy or offset compliance obligations to fuels whose carbon intensity is below the standards adopted by the department and that elect to participate in the program, consistent with the requirements of RCW 70A.535.030.

(2) The clean fuels program adopted by the department must be designed such that:

(a) Regulated parties generate deficits and may reconcile the deficits, and thus comply with the clean fuels program standards for a compliance period, by obtaining and retiring credits;

(b) Regulated parties and credit generators may generate credits for fuels used as substitutes or alternatives for gasoline or diesel;

(c) Regulated parties, credit generators, and credit aggregators shall have opportunities to trade credits; and

(d) Regulated parties shall be allowed to carry over to the next compliance period a small deficit without penalty.

(3) The department shall, throughout a compliance period, regularly monitor the availability of fuels needed for compliance with the clean fuels program.

(4)(a) Under the clean fuels program, the department shall monthly calculate the volume-weighted average price of credits and, no later than the last day of the month immediately following the month for which the calculation is completed, post the formula and the nonaggregated data the department used for the calculation and the results of the calculation on the department's website.

(b) In completing the calculation required by this subsection, the department may exclude from the data set credit transfers without a price or other credit transfers made for a price that falls two standard deviations outside of the mean credit price for the month. Data posted on the department's website under this section may not include any individually identifiable information or information that would constitute a trade secret.

(5)(a) Except as provided in ((~~this section, the rules adopted under this section must reduce~~)) (b) of this subsection, the greenhouse gas emissions attributable to each unit of the fuels must be reduced to ((~~20~~)) 45 percent below 2017 levels by ((~~2038~~)) January 1, 2038, based on the following schedule:

(i) ((~~No more than~~)) 0.5 percent each year in 2023 and 2024;

(ii) ((~~No more than an~~)) An additional one percent each year ((~~beginning~~)) in 2025 ((~~through 2027~~));

(iii) ((~~No more than an additional 1.5 percent each year beginning in 2028 through 2031; and~~

~~(iv) No change in 2032 and 2033.~~

~~(b) The rules must establish a start date for the clean fuels program of no later than January 1, 2023.~~

~~(6) Beginning with the program year beginning in calendar year 2028, the department may not increase the carbon intensity reductions required by the applicable clean fuels program standard adopted by the department under subsection (5) of this section beyond a 10 percent reduction in carbon intensity until the department demonstrates that the following have occurred:~~

~~(a) At least a 15 percent net increase in the volume of in-state liquid biofuel production and the use of feedstocks grown or produced within the state relative to the start of the program; and~~

~~(b) At least one new or expanded biofuel production facility representing an increase in production capacity or producing, in total, in excess of 60,000,000 gallons of biofuels per year has or have received after July 1, 2021, all necessary siting, operating, and environmental permits post all timely and applicable appeals. As part of the threshold of 60,000,000 gallons of biofuel under this subsection, at least one new facility producing at least 10,000,000 gallons per year must have received all necessary siting, operating, and environmental permits. Timely and applicable appeals must be determined by the attorney general's office.~~

~~(7) Beginning with the program year beginning in calendar year 2031, the department may not increase the carbon intensity reductions required by the applicable clean fuels program standard adopted by the department under subsection (5) of this section beyond a 10 percent reduction in carbon intensity until the:~~

~~(a) Joint legislative audit and review committee report required in RCW 70A.535.140 has been completed; and~~

~~(b) 2033 regular legislative session has adjourned, in order to allow an opportunity for the legislature to amend the requirements of this chapter in light of the report required in (a) of this subsection.~~

~~(8)~~)) An additional five percent on January 1, 2026;

(iv) An additional four percent beginning January 1, 2027; and

(v) As determined by the department by rule, no less than an additional three percent and no more than an additional four percent each year beginning January 1, 2028, through January 1, 2038.

(b)(i) Taking effect no earlier than January 1, 2032, the department may adjust the carbon intensity standard established in (a) of this subsection to require a 55 percent reduction in the greenhouse gas emissions attributable to each unit of fuels by January 1, 2038, and may adjust the intermediate annual reduction targets for the years 2032 through 2037 established in (a) of this subsection accordingly, if:

(A) The department determines that as of January 1, 2030, at least one rule that is part of the zero emission vehicle program established under chapter 70A.30 RCW was not being enforced; or

(B) The department determines, based on the greenhouse gas emissions data reported under RCW 70A.15.2200 for calendar year 2030, that greenhouse gas emissions associated with transportation fuels covered under this chapter have not been proportionately reduced relative to the 45 percent reduction in RCW 70A.45.020, and that an increase of the carbon intensity standard to require a 55 percent reduction in the greenhouse gas emissions attributable to each unit of fuel by January 1, 2038, is necessary to proportionately reduce the greenhouse gas emissions associated with transportation fuels covered under this chapter relative to the 70 percent reduction in RCW 70A.45.020.

(ii) Taking into consideration the fuel supply forecasts produced under RCW 70A.535.100, the department may, at any time between now and 2038, adjust the carbon intensity standard for a calendar year to be up to two percent less than the percentage reduction in the carbon intensity standard for that year as established in (a) of this subsection if the department determines that doing so is necessary to avoid the department issuing a forecast deferral under RCW 70A.535.110.

(6) Beginning with the program year beginning in calendar year 2030, the department may not increase the carbon intensity reductions required by the applicable clean fuels program standard adopted by the department under subsection (5) of this section beyond a 20 percent reduction in carbon intensity until the department demonstrates that at least one new or expanded biofuel production facility has received a siting, operating, or environmental permit after January 1, 2025.

(7) Transportation fuels exported from Washington are not

subject to the greenhouse gas emissions reduction requirements in this section.

(((~~(9)~~))) (8) To the extent the requirements of this chapter conflict with the requirements of chapter 19.112 RCW, the requirements of this chapter prevail.

Sec. 2. RCW 70A.535.060 and 2021 c 317 s 7 are each amended to read as follows:

(1) Except where otherwise provided in this chapter, the department shall seek to adopt rules that are harmonized with the regulatory standards, exemptions, reporting obligations, rule updates, and other clean fuels program compliance requirements and methods for credit generation of other states that:

(a) Have adopted low carbon fuel standards or similar greenhouse gas emissions requirements applicable specifically to transportation fuels; and

(b)(i) Supply, or have the potential to supply, significant quantities of transportation fuel to Washington markets; or

(ii) To which Washington supplies, or has the potential to supply, significant quantities of transportation fuel.

(2) The department must establish and periodically consult a stakeholder advisory panel, including representatives of forestland and agricultural landowners, for purposes of soliciting input on how to best incentivize and allot credits for the sequestration of greenhouse gases through activities on agricultural and forestlands in a manner that is consistent with the goals and requirements of this chapter.

(3) The department must conduct a biennial review of innovative technologies and pathways that reduce carbon and increase credit generation opportunities and must modify rules or guidance as needed to maintain stable credit markets.

(4) In any reports to the legislature under RCW 70A.535.090, on the department's website, or in other public documents or communications that refer to assumed public health benefits associated with the program created in this chapter, the department must distinguish between public health benefits from small particulate matter and other conventional pollutant reductions achieved primarily as a result of vehicle emission standards established under chapter 70A.30 RCW, and the incremental benefits to air pollution attributable to the program created under this chapter.

NEW SECTION. **Sec. 3.** A new section is added to chapter 70A.535 RCW to read as follows:

(1)(a) All regulated parties and credit generators are required to submit reports under RCW 70A.535.070 in a timely manner to meet the entities' compliance obligations and shall comply with all requirements for recordkeeping, reporting, transacting credits, obtaining a carbon intensity calculation, and other provisions of this chapter.

(b) The department may issue a corrective action order to a person that does not comply with a requirement of this chapter.

(2) Each deficit for which a registered party does not retire a corresponding credit at the end of a compliance period constitutes a separate violation of this chapter unless that registered party participates in the credit clearance market as required under RCW 70A.535.030(8). For each violation, the department may issue a penalty of up to four times the maximum posted price of the most recent credit clearance market.

(3) The department may issue a penalty for any misreporting by a party that results in the claim of credits that does not meet the requirements of this chapter or the failure to report a deficit. The penalty issued under this subsection may be up to $1,000 per credit or deficit in violation of the requirements of this chapter. A registered party may not be penalized under this subsection if any misreporting in a quarterly report is corrected by the end of that quarter's reporting period.

(4) The department may issue a penalty of up to $10,000 per day each day a registered party does not submit a report under RCW 70A.535.070 by the reporting deadline.

(5) The department may issue a penalty for credits generated in exceedance of a carbon intensity standard adopted by the department for that year of up to $1,000 per credit for each illegitimate credit generated as a result of the incorrect carbon intensity score.

(6) The department may issue a penalty of up to $25,000 per month that a regulated party is not registered with the department in violation of RCW 70A.535.070.

(7) The department may issue to any participating electric utility a penalty of up to four times the credit revenue improperly spent in violation of RCW 70A.535.080 or rules adopted to implement that section.

(8) The department may issue a penalty of up to $50,000 or $10,000 per day for a violation of the third-party verification requirements adopted by the department under RCW 70A.535.030(3)(c) for as long as the registered party remains out of compliance with these requirements. However, the department shall not issue a penalty to a registered party for a violation of third-party verification requirements that the registered party demonstrates to the department was due to an error made by the third-party verifier.

(9) For violations other than those described in subsections (2) through (8) of this section, the department may issue a penalty of up to $10,000 per day per violation for each day any registered party violates the terms of this chapter or an order issued under this chapter.

(10) An electric utility must notify its retail customers in published form within three months of paying a monetary penalty under this section.

(11) Penalties and orders issued under this section may be appealed to the pollution control hearings board created in chapter 43.21B.RCW. Penalties collected under this chapter must be deposited in the carbon emissions reduction account created in RCW 70A.65.240.

NEW SECTION. **Sec. 4.** A new section is added to chapter 70A.535 RCW to read as follows:

(1) The department shall publish on its website analysis and forecasts of the credit markets created by this chapter, including:

(a) The prices of credits in Washington and the price of credits as compared to other jurisdictions implementing similar clean fuels policies;

(b) Trends in credit supply and demand;

(c) Activities in the credit markets, including volume of credits transferred and price per credit, categorized by fuel type;

(d) The share of deficits generated by fuel type, and the share of credits generated by fuel type; and

(e) Trends in in-state biofuel feedstock production types and volumes.

(2) The department must consider the analysis in subsection (1) of this section in adopting rules to implement the requirements of this chapter.

Sec. 5. RCW 70A.535.010 and 2023 c 232 s 2 are each reenacted and amended to read as follows:

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

(1) "Alternative jet fuel" means a fuel that can be blended and used with conventional petroleum jet fuels without the need to modify aircraft engines and existing fuel distribution infrastructure, and that have a lower carbon intensity than the applicable annual carbon intensity standard in Table 2 of WAC 173-424-900, as it existed on July 1, 2023. Alternative jet fuel includes jet fuels derived from coprocessed feedstocks at a

conventional petroleum refinery.

(2) "Carbon dioxide equivalents" has the same meaning as defined in RCW 70A.45.010.

(3) "Carbon intensity" means the quantity of life-cycle greenhouse gas emissions, per unit of fuel energy, expressed in grams of carbon dioxide equivalent per megajoule (gCO2e/MJ).

(4) "Clean fuels program" means the requirements established under this chapter.

(5) "Cost" means an expense connected to the manufacture, distribution, or other aspects of the provision of a transportation fuel product.

(6) "Credit" means a unit of measure generated when a transportation fuel with a carbon intensity that is less than the applicable standard adopted by the department under RCW 70A.535.025 is produced, imported, or dispensed for use in Washington, such that one credit is equal to one metric ton of carbon dioxide equivalents. A credit may also be generated through other activities consistent with this chapter.

(7) "Deficit" means a unit of measure generated when a transportation fuel with a carbon intensity that is greater than the applicable standard adopted by the department under RCW 70A.535.025 is produced, imported, or dispensed for use in Washington, such that one deficit is equal to one metric ton of carbon dioxide equivalents.

(8) "Department" means the department of ecology.

(9) "Electric utility" means a consumer-owned utility or investor-owned utility, as those terms are defined in RCW 19.29A.010.

(10) "Greenhouse gas" has the same meaning as defined in RCW 70A.45.010.

(11) "Military tactical vehicle" means a motor vehicle owned by the United States department of defense or the United States military services and that is used in combat, combat support, combat service support, tactical or relief operations, or training for such operations.

(12) "Motor vehicle" has the same meaning as defined in RCW 46.04.320.

(13) "Price" means the amount of payment or compensation provided as consideration for a specified quantity of transportation fuel by a consumer or end user of the transportation fuel.

(14) "Registered party" means a regulated party or credit generator registered under RCW 70A.535.070.

(15) "Regulated party" means a producer or importer of any amount of a transportation fuel that is ineligible to generate credits under this chapter.

(((~~(15)~~))) (16)(a) "Tactical support equipment" means equipment using a portable engine, including turbines, that meets military specifications, owned by the United States military services or its allies, and that is used in combat, combat support, combat service support, tactical or relief operations, or training for such operations.

(b) "Tactical support equipment" includes, but is not limited to, engines associated with portable generators, aircraft start carts, heaters, and lighting carts.

(((~~(16)~~))) (17) "Transportation fuel" means electricity and any liquid or gaseous fuel sold, supplied, offered for sale, or used for the propulsion of a motor vehicle or that is intended for use for transportation purposes.

Sec. 6. RCW 43.21B.110 and 2024 c 347 s 5, 2024 c 340 s 4, and 2024 c 339 s 16 are each reenacted and amended to read as follows:

(1) The hearings board shall only have jurisdiction to hear and decide appeals from the following decisions of the department, the director, local conservation districts, the air pollution control boards or authorities as established pursuant to chapter 70A.15 RCW, local health departments, the department of natural resources, the department of fish and wildlife, the parks and recreation commission, and authorized public entities described in chapter 79.100 RCW:

(a) Civil penalties imposed pursuant to chapter 70A.230 RCW and RCW 18.104.155, 70A.15.3160, 70A.300.090, 70A.20.050, 70A.230.020, 70A.205.280, 70A.355.070, 70A.430.070, 70A.500.260, 70A.505.100, 70A.505.110, 70A.530.040, 70A.350.070, 70A.515.060, 70A.245.040, 70A.245.050, 70A.245.070, 70A.245.080, 70A.245.130, 70A.245.140, 70A.65.200, 70A.455.090, section 3 of this act, 70A.550.030, 70A.555.110, 70A.560.020, 70A.565.030, 76.09.170, 77.55.440, 78.44.250, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 90.56.310, 90.56.330, and 90.64.102.

(b) Orders issued pursuant to RCW 18.104.043, 18.104.060, 18.104.130, 43.27A.190, 70A.15.2520, 70A.15.3010, 70A.15.4530, 70A.15.6010, 70A.205.280, 70A.214.140, 70A.300.120, 70A.350.070, 70A.245.020, 70A.65.200, section 3 of this act, 70A.505.100, 70A.555.110, 70A.560.020, 70A.565.030, 86.16.020, 88.46.070, 90.03.665, 90.14.130, 90.46.250, 90.48.120, 90.48.240, 90.56.330, and 90.64.040.

(c) Except as provided in RCW 90.03.210(2), the issuance, modification, or termination of any permit, certificate, or license by the department or any air authority in the exercise of its jurisdiction, including the issuance or termination of a waste disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste disposal permit, a decision to approve or deny a solid waste management plan under RCW 70A.205.055, approval or denial of an application for a beneficial use determination under RCW 70A.205.260, an application for a change under RCW 90.03.383, or a permit to distribute reclaimed water under RCW 90.46.220.

(d) Decisions of local health departments regarding the granting or denial of solid waste permits pursuant to chapter 70A.205 RCW, including appeals by the department as provided in RCW 70A.205.130.

(e) Decisions of local health departments regarding the issuance and enforcement of permits to use or dispose of biosolids under RCW 70A.226.090.

(f) Decisions of the department regarding waste-derived fertilizer or micronutrient fertilizer under RCW 15.54.820.

(g) Decisions of local conservation districts related to the denial of approval or denial of certification of a dairy nutrient management plan; conditions contained in a plan; application of any dairy nutrient management practices, standards, methods, and technologies to a particular dairy farm; and failure to adhere to the plan review and approval timelines in RCW 90.64.026 as provided in RCW 90.64.028.

(h) Any other decision by the department or an air authority which pursuant to law must be decided as an adjudicative proceeding under chapter 34.05 RCW.

(i) Decisions of the department of natural resources, the department of fish and wildlife, and the department that are reviewable under chapter 76.09 RCW, and the department of natural resources' appeals of county, city, or town objections under RCW 76.09.050(7).

(j) Forest health hazard orders issued by the commissioner of public lands under RCW 76.06.180.

(k) Decisions of the department of fish and wildlife to issue, deny, condition, or modify a hydraulic project approval permit under chapter 77.55 RCW, to issue a stop work order, to issue a notice to comply, to issue a civil penalty, or to issue a notice of intent to disapprove applications.

(l) Decisions of the department of natural resources that are reviewable under RCW 78.44.270.

(m) Decisions of an authorized public entity under RCW

79.100.010 to take temporary possession or custody of a vessel or to contest the amount of reimbursement owed that are reviewable by the hearings board under RCW 79.100.120.

(n) Decisions of the department of ecology that are appealable under RCW 70A.245.020 to set recycled minimum postconsumer content for covered products or to temporarily exclude types of covered products in plastic containers from minimum postconsumer recycled content requirements.

(o) Orders by the department of ecology under RCW 70A.455.080.

(2) The following hearings shall not be conducted by the hearings board:

(a) Hearings required by law to be conducted by the shorelines hearings board pursuant to chapter 90.58 RCW, except where appeals to the pollution control hearings board and appeals to the shorelines hearings board have been consolidated pursuant to RCW 43.21B.340.

(b) Hearings conducted by the department pursuant to RCW 70A.15.3010, 70A.15.3070, 70A.15.3080, 70A.15.3090, 70A.15.3100, 70A.15.3110, and 90.44.180.

(c) Appeals of decisions by the department under RCW 90.03.110 and 90.44.220.

(d) Hearings conducted by the department to adopt, modify, or repeal rules.

(3) Review of rules and regulations adopted by the hearings board shall be subject to review in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW.

Sec. 7. RCW 70A.15.3150 and 2023 c 470 s 1017 are each amended to read as follows:

(1) Any person who knowingly violates any of the provisions of this chapter, chapter 70A.25((,)) or 70A.60((, or 70A.535)) RCW, or any ordinance, resolution, or regulation in force pursuant thereto is guilty of a gross misdemeanor and upon conviction thereof shall be punished by a fine of not more than ((ten thousand dollars)) $10,000, or by imprisonment in the county jail for up to ((three hundred sixty-four)) 364 days, or by both for each separate violation.

(2) Any person who negligently releases into the ambient air any substance listed by the department of ecology as a hazardous air pollutant, other than in compliance with the terms of an applicable permit or emission limit, and who at the time negligently places another person in imminent danger of death or substantial bodily harm is guilty of a gross misdemeanor and shall, upon conviction, be punished by a fine of not more than ((ten thousand dollars)) $10,000, or by imprisonment for up to ((three hundred sixty-four)) 364 days, or both.

(3) Any person who knowingly releases into the ambient air any substance listed by the department of ecology as a hazardous air pollutant, other than in compliance with the terms of an applicable permit or emission limit, and who knows at the time that he or she thereby places another person in imminent danger of death or substantial bodily harm, is guilty of a class C felony and shall, upon conviction, be punished by a fine of not less than ((fifty thousand dollars)) $50,000, or by imprisonment for not more than five years, or both.

(4) Any person who knowingly fails to disclose a potential conflict of interest under RCW 70A.15.2000 is guilty of a gross misdemeanor, and upon conviction thereof shall be punished by a fine of not more than ((five thousand dollars)) $5,000.

Sec. 8. RCW 70A.15.3160 and 2022 c 179 s 15 are each amended to read as follows:

(1)(a) Except as provided in RCW 43.05.060 through 43.05.080 and 43.05.150, and in addition to or as an alternate to any other penalty provided by law, any person who violates any of the provisions of this chapter, chapter 70A.25, 70A.60, 70A.450, ((70A.535,)) or 70A.540 RCW, RCW 76.04.205, or any of the rules in force under such chapters or section may incur a civil penalty in an amount not to exceed ((ten thousand dollars)) $10,000 per day for each violation. Each such violation shall be a separate and distinct offense, and in case of a continuing violation, each day's continuance shall be a separate and distinct violation. Enforcement actions related to violations of RCW 76.04.205 must be consistent with the provisions of RCW 76.04.205.

(b) Any person who fails to take action as specified by an order issued pursuant to this chapter shall be liable for a civil penalty of not more than ((ten thousand dollars)) $10,000 for each day of continued noncompliance.

(2)(a) Penalties incurred but not paid shall accrue interest, beginning on the ninety-first day following the date that the penalty becomes due and payable, at the highest rate allowed by RCW 19.52.020 on the date that the penalty becomes due and payable. If violations or penalties are appealed, interest shall not begin to accrue until the thirty-first day following final resolution of the appeal.

(b) The maximum penalty amounts established in this section may be increased annually to account for inflation as determined by the state office of the economic and revenue forecast council.

(3) Each act of commission or omission which procures, aids or abets in the violation shall be considered a violation under the provisions of this section and subject to the same penalty. The penalties provided in this section shall be imposed pursuant to RCW 43.21B.300.

(4)(a) Except as provided in (b) of this subsection, all penalties recovered under this section by the department or the department of natural resources shall be paid into the state treasury and credited to the air pollution control account established in RCW 70A.15.1010 or, if recovered by the authority, shall be paid into the treasury of the authority and credited to its funds. If a prior penalty for the same violation has been paid to a local authority, the penalty imposed by the department under subsection (1) of this section shall be reduced by the amount of the payment.

(b) All penalties recovered for violations of chapter 70A.60 RCW must be paid into the state treasury and credited to the refrigerant emission management account created in RCW 70A.60.050.

(5) To secure the penalty incurred under this section, the state or the authority shall have a lien on any vessel used or operated in violation of this chapter which shall be enforced as provided in RCW 60.36.050.

(6) Public or private entities that are recipients or potential recipients of department grants, whether for air quality related activities or not, may have such grants rescinded or withheld by the department for failure to comply with provisions of this chapter.

(7) In addition to other penalties provided by this chapter, persons knowingly underreporting emissions or other information used to set fees, or persons required to pay emission or permit fees who are more than ninety days late with such payments may be subject to a penalty equal to three times the amount of the original fee owed.

(8) The department shall develop rules for excusing excess emissions from enforcement action if such excess emissions are unavoidable. The rules shall specify the criteria and procedures for the department and local air authorities to determine whether a period of excess emissions is excusable in accordance with the state implementation plan.

Sec. 9. RCW 70A.535.130 and 2021 c 317 s 14 are each amended to read as follows:

(1) The department may require that persons that are required

or elect to register or report under this chapter pay a fee. If the department elects to require program participants to pay a fee, the department must, after an opportunity for public review and comment, adopt rules to establish a process to determine the payment schedule and the amount of the fee charged. The amount of the fee must be set so as to equal but not exceed the projected direct and indirect costs to the department for developing and implementing the program and the projected direct and indirect costs to the department of commerce to carry out its responsibilities under RCW 70A.535.100. The department and the department of commerce must prepare a biennial workload analysis and provide an opportunity for public review of and comment on the workload analysis. The department shall enter into an interagency agreement with the department of commerce to implement this section.

(2) The clean fuels program account is created in the state treasury. All receipts from fees ((~~and penalties~~)) received under the program created in this chapter must be deposited into the account. Moneys in the account may be spent only after appropriation. The department may only use expenditures from the account for carrying out the program created in this chapter.

(3) All rule making authorized under chapter 317, Laws of 2021 must be conducted according to the standards for significant legislative rules provided in RCW 34.05.328.

NEW SECTION. **Sec. 10.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected."

On page 1, line 1 of the title, after "program;" strike the remainder of the title and insert "amending RCW 70A.535.025, 70A.535.060, 70A.15.3150, 70A.15.3160, and 70A.535.130; reenacting and amending RCW 70A.535.010 and 43.21B.110; adding new sections to chapter 70A.535 RCW; and prescribing penalties."

MOTION

Senator Wagoner moved that the following floor amendment no. 0406 by Senator Wagoner be adopted:

Beginning on page 1, line 3, strike all of section 1

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

On page 15, line 2, after "RCW" strike "70A.535.025,"

Senators Wagoner and Fortunato spoke in favor of adoption of the amendment.

Senator Shewmake spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0406 by Senator Wagoner on page 1, line 3 to the committee striking amendment.

The motion by Senator Wagoner did not carry and floor amendment no. 0406 was not adopted by voice vote.

Senator Shewmake spoke in favor of adoption of the committee striking amendment.

Senator Boehnke spoke against adoption of the committee striking amendment.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Environment, Energy & Technology to Second Substitute House Bill No. 1409.

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

MOTION

On motion of Senator Shewmake, the rules were suspended, Second Substitute House Bill No. 1409 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 Shewmake spoke in favor of passage of the bill.

Senators Boehnke, Dozier, Muzzall and Fortunato spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1409 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1409 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 25; Nays, 23; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Cleveland, Cortes, Dhingra, Frame, Hansen, Kauffman, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Chapman, Christian, Conway, Dozier, Fortunato, Gildon, Goehner, Harris, Hasegawa, Holy, King, Krishnadasan, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Slatter

SECOND SUBSTITUTE HOUSE BILL NO. 1409 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

SECOND SUBSTITUTE HOUSE BILL NO. 1975, by House Committee on Appropriations (originally sponsored by Fitzgibbon, Dye, and Parshley)

Amending the climate commitment act by adjusting auction price containment mechanisms and ceiling prices, addressing the department of ecology's authority to amend rules to facilitate linkage with other jurisdictions, and providing for market dynamic analysis.

The measure was read the second time.

MOTION

Senator Shewmake moved that the following committee striking amendment by the Committee on Environment, Energy & Technology be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A new section is added to chapter 70A.65 RCW to read as follows:

(1) The department shall provide analysis and forecasts of the compliance instrument markets created by this chapter, including:

(a) The prices in primary and secondary compliance instrument markets;

(b) Trends in compliance instrument supply and demand and prices;

(c) Activities in the markets, categorized by type of market

participant; and

(d) The share of the allowance budget consumed by various categories of registered entities.

(2) The department must consider the analysis in subsection (1) of this section in adopting rules and otherwise implementing the requirements of this chapter.

NEW SECTION. **Sec. 2.** A new section is added to chapter 70A.65 RCW to read as follows:

(1) The department shall periodically perform economic modeling for purposes of analyzing design features of the program created by this chapter. This analysis must include the following components:

(a) A baseline model assuming implementation of complementary emission reduction measures; and

(b) Additional modeling scenarios that department staff deem necessary, which must include current available technology and known adoption rates to better understand how to administer the program created by this chapter.

(2) Not later than December 31, 2026, the department must include a modeling scenario that reflects linkage with other jurisdictions.

(3) The department must post on its website the economic modeling results by December 31, 2026. The department must post updated economic modeling results by December 31, 2027, and by December 31st every two years thereafter.

(4) Economic modeling results posted by the department must contain:

(a) An estimate of program benefits including the total social cost of carbon;

(b) An estimate of the compliance cost for sectors regulated under this chapter;

(c) The department's identification of program design features contributing towards achieving the emission reduction limits established in RCW 70A.45.020; and

(d) A description of assumptions, policy decisions, and model design used in the baseline and each additional modeling scenario.

Sec. 3. RCW 70A.15.2200 and 2024 c 352 s 12 are each amended to read as follows:

(1) The board of any activated authority or the department, may classify air contaminant sources, by ordinance, resolution, rule or regulation, which in its judgment may cause or contribute to air pollution, according to levels and types of emissions and other characteristics which cause or contribute to air pollution, and may require registration or reporting or both for any such class or classes. Classifications made pursuant to this section may be for application to the area of jurisdiction of such authority, or the state as a whole or to any designated area within the jurisdiction, and shall be made with special reference to effects on health, economic and social factors, and physical effects on property.

(2) Except as provided in subsection (3) of this section, any person operating or responsible for the operation of air contaminant sources of any class for which the ordinances, resolutions, rules or regulations of the department or board of the authority, require registration or reporting shall register therewith and make reports containing information as may be required by such department or board concerning location, size and height of contaminant outlets, processes employed, nature of the contaminant emission and such other information as is relevant to air pollution and available or reasonably capable of being assembled. In the case of emissions of greenhouse gases as defined in RCW 70A.45.010 the department shall adopt rules requiring reporting of those emissions. The department or board may require that such registration or reporting be accompanied by a fee, and may determine the amount of such fee for such class or classes: PROVIDED, That the amount of the fee shall only be to compensate for the costs of administering such registration or reporting program which shall be defined as initial registration and annual or other periodic reports from the source owner providing information directly related to air pollution registration, on-site inspections necessary to verify compliance with registration requirements, data storage and retrieval systems necessary for support of the registration program, emission inventory reports and emission reduction credits computed from information provided by sources pursuant to registration program requirements, staff review, including engineering or other reliable analysis for accuracy and currentness, of information provided by sources pursuant to registration program requirements, clerical and other office support provided in direct furtherance of the registration program, and administrative support provided in directly carrying out the registration program: PROVIDED FURTHER, That any such registration made with either the board or the department shall preclude a further registration and reporting with any other board or the department, except that emissions of greenhouse gases as defined in RCW 70A.45.010 must be reported as required under subsection (5) of this section.

All registration program and reporting fees collected by the department shall be deposited in the air pollution control account. All registration program fees collected by the local air authorities shall be deposited in their respective treasuries.

(3) If a registration or report has been filed for a grain warehouse or grain elevator as required under this section, registration, reporting, or a registration program fee shall not, after January 1, 1997, again be required under this section for the warehouse or elevator unless the capacity of the warehouse or elevator as listed as part of the license issued for the facility has been increased since the date the registration or reporting was last made. If the capacity of the warehouse or elevator listed as part of the license is increased, any registration or reporting required for the warehouse or elevator under this section must be made by the date the warehouse or elevator receives grain from the first harvest season that occurs after the increase in its capacity is listed in the license.

This subsection does not apply to a grain warehouse or grain elevator if the warehouse or elevator handles more than 10,000,000 bushels of grain annually.

(4) For the purposes of subsection (3) of this section:

(a) A "grain warehouse" or "grain elevator" is an establishment classified in standard industrial classification (SIC) code 5153 for wholesale trade for which a license is required and includes, but is not limited to, such a licensed facility that also conducts cleaning operations for grain;

(b) A "license" is a license issued by the department of agriculture licensing a facility as a grain warehouse or grain elevator under chapter 22.09 RCW or a license issued by the federal government licensing a facility as a grain warehouse or grain elevator for purposes similar to those of licensure for the facility under chapter 22.09 RCW; and

(c) "Grain" means a grain or a pulse.

(5)(a) The department shall adopt rules requiring persons to report emissions of greenhouse gases as defined in RCW 70A.45.010 where those emissions from a single facility, or from fossil fuels sold in Washington by a single supplier or local distribution company, meet or exceed 10,000 metric tons of carbon dioxide equivalent annually. The department's rules may also require electric power entities to report emissions of greenhouse gases from all electricity that is purchased, sold, imported, exported, or exchanged in Washington. To the extent practicable, the department's rules must seek to minimize reporting burdens through the utilization of existing reports and

disclosures for electric power entities who report greenhouse gas emissions that equal 10,000 metric tons of carbon dioxide equivalent or less annually from all electricity that is purchased, sold, imported, exported, or exchanged in Washington. The rules adopted by the department must support implementation of the program created in RCW 70A.65.060. In addition, the rules must require that:

(i) Emissions of greenhouse gases resulting from the combustion of fossil fuels be reported separately from emissions of greenhouse gases resulting from the combustion of biomass; and

(ii) ((~~Each~~)) (A) Except as provided in (a)(ii)(B) of this subsection, each annual report must include emissions data for the preceding calendar year and must be submitted to the department by March 31st of the year in which the report is due, except for an electric power entity, which must submit its report by June 1st of the year in which the report is due; ((~~and~~

~~(iii) To the extent practicable, the department's rules must seek to minimize reporting burdens through the utilization of existing reports and disclosures for electric power entities who report greenhouse gas emissions that equal 10,000 metric tons of carbon dioxide equivalent or less annually from all electricity that is purchased, sold, imported, exported, or exchanged in Washington.~~))

(B) To ensure that the program created in chapter 70A.65 RCW remains implementable and capable of fulfilling a linkage agreement under RCW 70A.65.210, if the department determines that timely reporting under this section is infeasible due to actions attributable to a third party upon whom the agency relies to collect emissions data from entities required to report including, but not limited to, the United States environmental protection agency, the department may, by rule, including emergency rule, require any greenhouse gas emissions reports for emissions in any combination of the years 2024 through 2030 to be submitted at an alternate date of no later than June 1, 2031.

(b)(i) The department may by rule include additional gases to the definition of "greenhouse gas" in RCW 70A.45.010 only if the gas has been designated as a greenhouse gas by the United States congress, by the United States environmental protection agency, or included in external greenhouse gas emission trading programs with which Washington has linked pursuant to RCW 70A.65.210. Prior to including additional gases to the definition of "greenhouse gas" in RCW 70A.45.010, the department shall notify the appropriate committees of the legislature.

(ii) The department may by rule exempt persons who are required to report greenhouse gas emissions to the United States environmental protection agency and who emit less than 10,000 metric tons carbon dioxide equivalent annually.

(iii) The department must establish greenhouse gas emission reporting methodologies for persons who are required to report under this section. The department's reporting methodologies must be designed to address the needs of ensuring accuracy of reported emissions and maintaining consistency over time, and may, to the extent practicable, be similar to reporting methodologies of jurisdictions with which Washington has entered into a linkage agreement.

(iv) The department must establish a methodology for persons who are not required to report under this section to voluntarily report their greenhouse gas emissions.

(c) The department shall share any reporting information reported to it with the local air authority in which the person reporting under the rules adopted by the department operates.

(d) The fee provisions in subsection (2) of this section apply to reporting of emissions of greenhouse gases. Persons required to report under (a) of this subsection who fail to report or pay the fee required in subsection (2) of this section are subject to enforcement penalties under this chapter. The department shall enforce the reporting rule requirements. When a person that holds a compliance obligation under RCW 70A.65.080 fails to submit an emissions data report or fails to obtain a positive emissions data verification statement in accordance with (f)(ii) of this subsection, the department may assign an emissions level for that person.

(e) The energy facility site evaluation council shall, simultaneously with the department, adopt rules that impose greenhouse gas reporting requirements in site certifications on owners or operators of a facility permitted by the energy facility site evaluation council. The greenhouse gas reporting requirements imposed by the energy facility site evaluation council must be the same as the greenhouse gas reporting requirements imposed by the department. The department shall share any information reported to it from facilities permitted by the energy facility site evaluation council with the council, including notice of a facility that has failed to report as required. The energy facility site evaluation council shall contract with the department to monitor the reporting requirements adopted under this section.

(f)(i) The department must establish by rule the methods of verifying the accuracy of emissions reports.

(ii) Verification requirements apply at a minimum to persons required to report under (a) of this subsection with emissions that equal or exceed 25,000 metric tons of carbon dioxide equivalent emissions, including carbon dioxide from biomass-derived fuels, or to persons who have a compliance obligation under RCW 70A.65.080 in any year of the current compliance period. The department may adopt rules to accept verification reports from another jurisdiction with a linkage agreement pursuant to RCW 70A.65.180 in cases where the department deems that the methods or procedures are substantively similar.

(g)(i) The definitions in RCW 70A.45.010 apply throughout this subsection (5) unless the context clearly requires otherwise.

(ii) For the purpose of this subsection (5), the term "supplier" includes: (A) Suppliers that produce, import, or deliver, or any combination of producing, importing, or delivering, a quantity of fuel products in Washington that, if completely combusted, oxidized, or used in other processes, would result in the release of greenhouse gases in Washington equivalent to or higher than the threshold established under (a) of this subsection; and (B) suppliers of carbon dioxide that produce, import, or deliver a quantity of carbon dioxide in Washington that, if released, would result in emissions equivalent to or higher than the threshold established under (a) of this subsection.

(iii) For the purpose of this subsection (5), the term "person" includes: (A) An owner or operator of a facility; (B) a supplier; or (C) an electric power entity.

(iv) For the purpose of this subsection (5), the term "facility" includes facilities that directly emit greenhouse gases in Washington equivalent to the threshold established under (a) of this subsection with at least one source category listed in the United States environmental protection agency's mandatory greenhouse gas reporting regulation, 40 C.F.R. Part 98 Subparts C through II and RR through UU, as adopted on April 25, 2011.

(v) For the purpose of this subsection (5), the term "electric power entity" includes any of the following that supply electric power in Washington with associated emissions of greenhouse gases equal to or above the threshold established under (a) of this subsection: (A) Electricity importers and exporters; (B) retail providers, including multijurisdictional retail providers; and (C) first jurisdictional deliverers, as defined in RCW 70A.65.010, not otherwise included here.

Sec. 4. RCW 70A.65.150 and 2022 c 181 s 6 are each amended to read as follows:

(1) To help minimize allowance price volatility in the auction, the department shall adopt by rule an auction floor price and a schedule for the floor price to increase by a predetermined amount every year. The department may not sell allowances at bids lower than the auction floor price. The department's rules must specify holding limits that determine the maximum number of allowances that may be held for use or trade by a registered entity at any one time. The department shall also establish a reserve auction floor price to limit extraordinary prices and to determine when to offer allowances through the allowance price containment reserve auctions authorized under this section.

(2) For calendar years 2023 through 2026, the department must place no less than two percent of the total number of allowances available from the allowance budgets for those years in an allowance price containment reserve. The reserve must be designed as a mechanism to assist in containing compliance costs for covered and opt-in entities in the event of unanticipated high costs for compliance instruments.

(3)(a) The department shall adopt rules for holding auctions of allowances from the price containment reserve when the settlement prices in the preceding auction exceed the adopted reserve auction floor price. The auction must be separate from auctions of other allowances.

(b) Allowances must also be distributed from the allowance price containment reserve by auction when new covered and opt-in entities enter the program and allowances in the emissions containment reserve under RCW 70A.65.140(5) are exhausted.

(4) Only covered and opt-in entities may participate in the auction of allowances from the allowance price containment reserve.

(5) The process for reserve auctions is the same as the process provided in RCW 70A.65.100 and the proceeds from reserve auctions must be treated the same.

(6) The department shall by rule:

(a) Set the reserve auction floor price in advance of the reserve auction. The department may choose to establish multiple price tiers for the allowances from the reserve;

(b) Establish the requirements and schedule for the allowance price containment reserve auctions; and

(c) ((~~Establish the amount of allowances to be placed in the allowance price containment reserve after the first compliance period ending in 2026~~)) Place no less than two percent and no more than five percent of the total number of allowances from the allowance budgets from 2027 to 2040 in the allowance price containment reserve.

(7) In order to contain allowance prices in advance of the timeline for linkage with other jurisdictions, the department must amend the schedule of allowance allocations adopted by rule under subsection (6) of this section to place in the allowance price containment reserve and to make available, in the second compliance period of the program, all allowances scheduled to be placed in the allowance price containment reserve through 2040.

Sec. 5. RCW 70A.65.070 and 2024 c 352 s 3 are each amended to read as follows:

(1)(a)(i) The department shall commence the program by January 1, 2023, by determining an emissions baseline establishing the proportionate share that the total greenhouse gas emissions of covered entities for the first compliance period bears to the total anthropogenic greenhouse gas emissions in the state during 2015 through 2019, based on data reported to the department under RCW 70A.15.2200 or provided as required by this chapter, as well as other relevant data. By October 1, 2022, the department shall adopt annual allowance budgets for the first compliance period of the program, calendar years 2023 through 2026, to be distributed from January 1, 2023, through December 31, 2026.

(ii) If the department enters into a linkage agreement, and the linked jurisdictions do not amend their rules to synchronize with Washington's compliance periods, the department must amend its rules to synchronize Washington's compliance periods with those of the linked jurisdiction or jurisdictions. The department may not by rule amend the length of the first compliance period to end on a date other than December 31, 2026.

(b) By October 1, 2026, the department shall add to its emissions baseline by incorporating the proportionate share that the total greenhouse gas emissions of new covered entities in the second compliance period bear to the total anthropogenic greenhouse gas emissions in the state during 2015 through 2019. In determining the addition to the baseline, the department may exclude a year from the determination if the department identifies that year to have been an outlier due to a state of emergency. The department shall adopt annual allowance budgets for the second compliance period of the program that will be distributed during the second compliance period.

(c) By October 1, 2028, the department shall adopt by rule the annual allowance budgets for the end of the second compliance period through 2040.

(2) The annual allowance budgets must be set to achieve the share of reductions by covered entities necessary to achieve the 2030, 2040, and 2050 statewide emissions limits established in RCW 70A.45.020 by December 31st of each of those years, based on data reported to the department under chapter 70A.15 RCW or provided as required by this chapter. Annual allowance budgets must be set such that the use of offsets as compliance instruments, consistent with RCW 70A.65.170, does not prevent the achievement of the emissions limits established in RCW 70A.45.020. In so setting annual allowance budgets, the department must reduce the annual allowance budget relative to the limits in an amount equivalent to offset use, or in accordance with a similar methodology adopted by the department. The department must adopt annual allowance budgets for the program on a calendar year basis that provide for progressively equivalent reductions by December 31st of each year, year over year. An allowance distributed under the program, either directly by the department under RCW 70A.65.110 through 70A.65.130 or through auctions under RCW 70A.65.100, does not expire and may be held or banked consistent with RCW 70A.65.100(6) and 70A.65.150(1).

(3) The department must complete evaluations by December 31, 2027, and December 31st of the year following the conclusion of the third compliance period, of the performance of the program, including its performance in reducing greenhouse gases. If the evaluation shows that adjustments to the annual allowance budgets are necessary for covered entities to achieve their proportionate share of the 2030 and 2040 emission reduction limits identified in RCW 70A.45.020 by December 31, 2030, and December 31, 2040, as applicable, the department shall adjust the annual allowance budgets accordingly. The department must complete additional evaluations of the performance of the program by December 31st of the year following the conclusion of the fifth and sixth compliance periods, and make any necessary adjustments in the annual allowance budgets to ensure that covered entities achieve their proportionate share of the 2050 emission reduction limit identified in RCW 70A.45.020. Nothing in this subsection precludes the department from making additional adjustments to annual allowance budgets as necessary to ensure successful achievement of the proportionate emission reduction limits by covered entities. The department shall determine and make public the circumstances, metrics, and processes that would initiate the public consideration of

additional allowance budget adjustments to ensure successful achievement of the proportionate emission reduction limits.

(4) Data reported to the department under RCW 70A.15.2200 or provided as required by this chapter for 2015 through 2019 is deemed sufficient for the purpose of adopting annual allowance budgets and serving as the baseline by which covered entities demonstrate compliance under the first compliance period of the program. Data reported to the department under RCW 70A.15.2200 or provided as required by this chapter for 2023 through 2025 is deemed sufficient for adopting annual allowance budgets and serving as the baseline by which covered entities demonstrate compliance under the second compliance period of the program.

(5) The legislature intends to promote a growing and sustainable economy and to avoid leakage of emissions from manufacturing to other jurisdictions. Therefore, the legislature finds that implementation of this section is contingent upon the enactment of RCW 70A.65.110.

Sec. 6. RCW 70A.65.310 and 2024 c 352 s 10 are each amended to read as follows:

(1) A covered or opt-in entity has a compliance obligation for its emissions during each compliance period, with the first compliance period commencing January 1, 2023. The department shall by rule require that covered or opt-in entities annually transfer a percentage of compliance instruments, but must fully satisfy their compliance obligation, for each compliance period. To ensure that the program created in this chapter remains implementable and capable of fulfilling a linkage agreement under RCW 70A.65.210, the department may, by rule, including emergency rule, delay or adjust the annual requirement to transfer a percentage of compliance instruments for any years for which emissions reporting deadlines are adjusted by the department under RCW 70A.15.2200(5)(a)(ii)(B).

(2) Compliance occurs through the transfer of the required compliance instruments or price ceiling units, on or before the transfer date, from the holding account to the compliance account of the covered or opt-in entity as described in RCW 70A.65.080.

(3)(a) A covered entity may substitute the submission of compliance instruments with price ceiling units.

(b) A covered or opt-in entity submitting insufficient compliance instruments to meet its compliance obligation is subject to a penalty as provided in RCW 70A.65.200.

(4) Older vintage allowances must be retired before newer vintage allowances.

(5) Upon receipt by the department of all compliance instruments transferred by a covered entity or opt-in entity to meet its compliance obligation, the department shall retire the allowances or offset credits.

Sec. 7. RCW 70A.65.160 and 2022 c 181 s 7 are each amended to read as follows:

(1)(a) The ((~~department shall establish a~~)) price ceiling for calendar years 2026 and 2027 shall be $80 to provide cost protection for covered entities obligated to comply with this chapter. ((~~The ceiling must be set at a level sufficient to facilitate investments to achieve further emission reductions beyond those enabled by the price ceiling, with the intent that investments accelerate the state's achievement of greenhouse gas limits established under RCW 70A.45.020.~~)) The department must adjust the allowance price containment reserve tier 2 price to reflect the 2026 and 2027 price ceiling, and the price ceiling must increase annually in proportion to the reserve auction floor price established in RCW 70A.65.150(1).

(b) If the department enters into a linkage agreement, and the linked jurisdictions do not amend their rules to synchronize with Washington's price ceiling established in (a) of this subsection, the department may amend its rules to synchronize Washington's price ceiling with those of the linked jurisdictions. The price ceiling may not be set at a level below the ceiling specified in (a) of this subsection unless the director of the department determines that an amendment to the price ceiling is necessary in order to enter into a linkage agreement.

(2) In the event that no allowances remain in the allowance price containment reserve, the department must issue the number of price ceiling units for sale sufficient to provide cost protection for covered entities as established under subsection (1) of this section. Purchases must be limited to entities that do not have sufficient eligible compliance instruments in their holding and compliance accounts for the current compliance period and these entities may only purchase what they need to meet their compliance obligation for the current compliance period. Price ceiling units may not be sold or transferred and must be retired for compliance in the current compliance period. A price ceiling unit is not a property right.

(3) The price ceiling unit emission reduction investment account is created in the state treasury. All receipts from the sale of price ceiling units must be deposited in the account. Moneys in the account may only be spent after appropriation. Moneys in the account must be expended to achieve emissions reductions on at least a metric ton for metric ton basis that are real, permanent, quantifiable, verifiable, enforceable by the state, and in addition to any greenhouse gas emission reduction otherwise required by law or regulation and any other greenhouse gas emission reduction that otherwise would occur.

NEW SECTION. **Sec. 8.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

NEW SECTION. **Sec. 9.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected."

On page 1, line 5 of the title, after "analysis;" strike the remainder of the title and insert "amending RCW 70A.15.2200, 70A.65.150, 70A.65.070, 70A.65.310, and 70A.65.160; adding new sections to chapter 70A.65 RCW; and creating a new section."

Senators Shewmake and Boehnke spoke in favor of adoption of the committee striking amendment.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Environment, Energy & Technology to Second Substitute House Bill No. 1975.

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

MOTION

On motion of Senator Shewmake, the rules were suspended, Second Substitute House Bill No. 1975 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 Shewmake and Boehnke spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1975 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1975 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 45; Nays, 3; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Voting nay: Senators Christian, MacEwen and McCune

Excused: Senator Slatter

SECOND SUBSTITUTE HOUSE BILL NO. 1975 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.

Senator Hasegawa announced a meeting of the Democratic Caucus at 6:10 p.m.

Senator Warnick announced that the Republican Caucus would not meet.

MOTION

At 5:40 p.m., on motion of Senator Riccelli, the Senate was declared to be at ease for the purpose of caucuses and dinner.

The Senate was called to order at 7:00 p.m. by President Heck.

SECOND READING

SUBSTITUTE HOUSE BILL NO. 1774, by House Committee on Transportation (originally sponsored by Fey, Parshley, Ramel, Wylie, Paul, Peterson, Bronoske, Reed, Doglio, Taylor, Ryu, Gregerson, Fosse, Ormsby, Nance, Springer, Zahn, Morgan, Macri, Hill, Obras, Leavitt, and Thomas)

Modifying allowable terms for the lease of unused highway land.

The measure was read the second time.

MOTION

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

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature recognizes that certain property owned by the state of Washington under the jurisdiction of the department of transportation that is not presently needed for highway purposes could be used to serve pressing community purposes. The legislature believes that the department should be enabled to execute lease agreements with governmental entities and nonprofit organizations that can help serve these community purposes using lease terms that take into account the community benefit these leases will provide. Therefore, the legislature is establishing a framework for the department to use in developing lease agreements in this context. The legislature intends for the department to consider the authorization of these lease agreements urgent in light of the compelling needs that can be served by the leasing of certain properties under the jurisdiction of the department, and encourages the department to move forward developing the lease agreements it determines are appropriate, based on the factors provided below, as expeditiously as possible.

Sec. 2. RCW 47.12.120 and 2022 c 59 s 1 are each amended to read as follows:

The department may rent or lease any lands, improvements, or air space above or below any lands that are held for highway purposes but are not presently needed. The rental or lease:

(1) Must be upon such terms and conditions as the department may determine;

(2) Is subject to the provisions and requirements of zoning ordinances of political subdivisions of government;

(3) Includes lands used or to be used for both limited access and conventional highways that otherwise meet the requirements of this section;

(4) In the case of bus shelters provided by a local transit authority that include commercial advertising, may charge the transit authority only for commercial space; ((~~and~~))

(5) In the case of the project for community purposes established in RCW 47.12.380, must be consistent with the provisions of that section; and

(6)(a)(i) In the case of a lease agreement with a public agency, special purpose district, federally recognized tribe, state historical society under chapter 27.34 RCW, or community-based nonprofit organization, the department's process for determining adequate consideration for renting or leasing lands, improvements, or air space, may incorporate identified social, environmental, or economic benefits to be provided by the lessee for community purposes as a component of the consideration to be provided by the lessee when the use of the property by the lessee is for a community purpose. Use of this methodology is at the department's discretion. The following factors shall be considered by the department in its evaluation of a potential lease agreement under this methodology:

(A) The extent to which the community purpose will benefit overburdened communities and vulnerable populations, as these terms are defined in RCW 70A.02.010;

(B) The benefit of the community purpose to a broad number of members of the public;

(C) The likelihood that, during the term of the potential lease agreement being considered, the property has practical and economically feasible uses for which the department could obtain economic rent during this period; and

(D) The lessee's qualifications to perform the community purpose and to fulfill its terms of the lease agreement, through consideration of factors that include, but are not limited to, the lessee's prior performance related to the community purpose and the financial feasibility of the lessee performing the obligations required under the lease agreement.

(ii)(A) To the extent the department finds all or a portion of costs associated with the leasing process to be undertaken for community purpose projects identified under this subsection (6) cannot reasonably be assumed by the lessee, the department may use funds specifically appropriated for this purpose for these costs.

(B) To the extent specifically appropriated funds are unavailable, the department shall include a budget request to the legislature during the next legislative session for sufficient funds the department determines are necessary to complete a leasing process under (a)(ii)(A) of this subsection.

(b) As part of the consideration to the department, a lease agreement under (a) of this subsection must require the lessee to

maintain and secure the premises.

(c) A lease agreement under (a) of this subsection must include:

(i) A requirement that the use of the premises shall be limited to the designated community purposes;

(ii) Remedies that apply if the lessee of the property fails to use it for the designated community purposes or ceases to use it for these purposes;

(iii) To the extent applicable, a requirement that the lessee assumes liability for the lessee's uses of the property to which the requirements of 23 U.S.C. Sec. 138 and 49 U.S.C. Sec. 303, commonly known as section 4(f) of the department of transportation act of 1966, or 54 U.S.C. Sec. 200305, commonly known as section 6(f) of the land and water conservation fund act of 1965, apply; and

(iv) Evidence of commercial or self-insurance at levels deemed sufficient by the department, as well as appropriate indemnification.

(d) Leases under this subsection (6) may not be undertaken by the department for the community purposes described in (g)(i)(A) or (B) of this subsection (6) on the right-of-way of a state highway or in places that would place infrastructure or the traveling public in jeopardy.

(e) The department must provide an annual report to the transportation committees of the legislature by December 1st of each year with information on the active lease agreements authorized under this subsection, including the community purposes being served and a summary of relevant lease terms.

(f) In the case of a lease agreement with a community-based nonprofit organization, the proposed lease must first be presented to the transportation committees of the legislature as part of the department's budget submittal and then approved in an omnibus transportation appropriations act. However, this subsection (6)(f) does not apply to lease agreements regarding the temporary use of department property.

(g) For the purposes of this subsection (6):

(i) "Community purposes" means providing one or more of the following for public benefit purposes:

(A) Housing, housing assistance, and related services;

(B) Shelter programs including, but not limited to, indoor emergency shelters; transitional housing; emergency housing; supportive housing; and safe spaces, such as tiny home villages, pallet home villages, and recreational vehicle lots;

(C) Parks;

(D) Enhanced public spaces including, but not limited to, public plazas;

(E) Public recreation;

(F) Salmon habitat restoration, defined as the process of repairing, enhancing, or recreating natural environments that support salmon populations; or

(G) Public transportation uses.

(ii)(A) "Adequate consideration" means consideration that is comprised of:

(I) The performance of activities that fulfill the community purpose designated in the lease agreement;

(II) Maintenance and security of the premises to be provided under the lease agreement;

(III) A benefit to motor vehicle users; and

(IV) May include additional monetary or nonmonetary consideration as provided in (g)(ii)(B) of this subsection.

(B) The department may require additional monetary or nonmonetary consideration be provided to the extent it determines that consideration to be provided under (g)(ii)(A)(I) and (II) of this subsection are insufficient consideration for use of the property and that additional consideration is necessary."

On page 1, line 2 of the title, after "land;" strike the remainder of the title and insert "amending RCW 47.12.120; and creating a new section."

MOTION

Senator Alvarado moved that the following floor amendment no. 0421 by Senators Alvarado and King be adopted:

On page 3, line 37, after "property." insert "For purposes of this subsection (6)(f), "temporary use" means lease agreements lasting no longer than five years in duration, inclusive of lease renewals."

Senators Alvarado and King spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0421 by Senators Alvarado and King on page 3, line 37 to Substitute House Bill No. 1774.

The motion by Senator Alvarado carried and floor amendment no. 0421 was adopted by voice vote.

MOTION

Senator Liias moved that the following floor amendment no. 0379 by Senator Liias be adopted:

On page 4, line 19, after "agreement;" insert "and"

On page 4, beginning on line 20, after "(III)" strike all material through "(IV)" on line 21

Senator Liias spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0379 by Senator Liias on page 4, line 19 to Substitute House Bill No. 1774.

The motion by Senator Liias carried and floor amendment no. 0379 was adopted by voice vote.

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

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Transportation as amended to Substitute House Bill No. 1774.

The motion by Senator Liias carried and the committee striking amendment as amended was adopted by voice vote.

MOTION

On motion of Senator Liias, the rules were suspended, Substitute House Bill No. 1774 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 Liias spoke in favor of passage of the bill.

Senators King and Christian spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1774 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1774 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 29; Nays, 19; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon,

Shewmake, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Slatter

SUBSTITUTE HOUSE BILL NO. 1774 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. 1271, by House Committee on Appropriations (originally sponsored by Nance, Dent, Marshall, Bronoske, Leavitt, Salahuddin, Ryu, Davis, Mena, Ramel, Dye, Barkis, Klicker, Reed, Ormsby, Scott, Eslick, Parshley, Taylor, Kloba, Timmons, Peterson, Richards, Simmons, Hunt, and Hill)

Permitting early deployment of state fire service resources.

The measure was read the second time.

MOTION

Senator Stanford 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 43.43.960 and 2019 c 259 s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this subchapter.

(1) "All risk resources" means those resources regularly provided by fire departments, fire districts, and regional fire protection service authorities required to respond to natural or man-made incidents, including but not limited to:

(a) Wild land fires;

(b) Landslides;

(c) Earthquakes;

(d) Floods; and

(e) Contagious diseases.

(2) "Chief" means the chief of the Washington state patrol.

(3) "Fire chief" includes the chief officer of a statutorily authorized fire agency, or the fire chief's authorized representative. Also included are the department of natural resources fire control chief, and the department of natural resources regional managers.

(4) "Jurisdiction" means state, county, city, fire district, regional fire protection service authority, or port district units, or other units covered by this chapter.

(5) "Mobilization" means that all risk resources regularly provided by fire departments, fire districts, and regional fire protection service authorities beyond those available through existing agreements will be requested and, when available, sent in preparation of, or response to, an emergency or disaster situation that has ((~~exceeded~~)) or is predicted to exceed the capabilities of available local resources. During a large scale emergency, mobilization includes the redistribution of regional or statewide risk resources to either direct emergency incident assignments or to assignment in communities where resources are needed. All risk resources may not be mobilized to assist law enforcement with police activities during a civil protest or demonstration, or other exercise by the people of their constitutionally protected First Amendment rights, or other protected concerted activity, however, fire departments, fire districts, and regional fire protection service authorities are not restricted from providing medical care or aid and firefighting when mobilized for any purpose.

When mobilization is declared and authorized as provided in this chapter, all risk resources regularly provided by fire departments, fire districts, and regional fire protection service authorities including those of the host fire protection authorities, i.e. incident jurisdiction, shall be deemed as mobilized under this chapter, including those that responded earlier under existing mutual aid or other agreement. All nonhost fire protection authorities providing resources in response to a mobilization declaration shall be eligible for expense reimbursement as provided by this chapter from the time of the mobilization declaration.

This chapter shall not reduce or suspend the authority or responsibility of the department of natural resources under chapter 76.04 RCW.

(6) "Mutual aid" means emergency interagency assistance provided without compensation under an agreement between jurisdictions under chapter 39.34 RCW.

(7) "State fire marshal" means the director of fire protection in the Washington state patrol."

On page 1, line 2 of the title, after "resources;" strike the remainder of the title and insert "and amending RCW 43.43.960."

The President 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. 1271.

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

MOTION

On motion of Senator Stanford, the rules were suspended, Substitute House Bill No. 1271 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 Stanford and Gildon spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1271 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1271 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 Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

SUBSTITUTE HOUSE BILL NO. 1271 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. 1628, by Representatives Bronoske, Griffey, Schmidt, Simmons, Nance, Davis, and Salahuddin

Creating the fire service policy board.

The measure was read the second time.

MOTION

Senator Wilson, J. moved that the following floor amendment no. 0318 by Senator Wilson, J. be adopted:

On page 2, line 38, after "designee;" strike "and"
On page 3, line 2, after "designee" insert "; and
(f) The director of fire protection, or the director's designee, as a nonvoting ex officio member"

The President declared the question before the Senate to be the adoption of floor amendment no. 0318 by Senator Wilson, J. on page 2, line 38 to Engrossed House Bill No. 1628.

The motion by Senator Wilson, J. carried and floor amendment no. 0318 was adopted by voice vote.

MOTION

On motion of Senator Valdez, the rules were suspended, Engrossed House Bill No. 1628 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 Valdez and Wilson, J. spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed House Bill No. 1628 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed House Bill No. 1628 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 Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

ENGROSSED HOUSE BILL NO. 1628 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.

SIGNED BY THE PRESIDENT

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 1(5), the President announced the signing of and thereupon did sign in open session:

SUBSTITUTE SENATE BILL NO. 5030,
SENATE BILL NO. 5037,
SUBSTITUTE SENATE BILL NO. 5040,
SUBSTITUTE SENATE BILL NO. 5049,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5129,
SUBSTITUTE SENATE BILL NO. 5149,
SUBSTITUTE SENATE BILL NO. 5163,
ENGROSSED SECOND SUBSTITUTE
SENATE BILL NO. 5175,
SUBSTITUTE SENATE BILL NO. 5182,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5200,
SUBSTITUTE SENATE BILL NO. 5214,
SUBSTITUTE SENATE BILL NO. 5221,
SUBSTITUTE SENATE BILL NO. 5265,
ENGROSSED SECOND SUBSTITUTE
SENATE BILL NO. 5355,
SECOND SUBSTITUTE SENATE BILL NO. 5356,
SECOND SUBSTITUTE SENATE BILL NO. 5358,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5459,
SUBSTITUTE SENATE BILL NO. 5558.

SECOND READING

SECOND SUBSTITUTE HOUSE BILL NO. 1359, by House Committee on Appropriations (originally sponsored by Thai, Abbarno, Eslick, Goodman, and Davis)

Reviewing laws related to criminal insanity and competency to stand trial.

The measure was read the second time.

MOTION

Senator Dhingra 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:

"NEW SECTION. **Sec. 1.** (1)(a) A task force to review laws related to criminal insanity and competency to stand trial is established, with members as provided in this subsection.

(i) The secretary of the department of social and health services or the secretary's designee;

(ii) The secretary of the department of corrections or the secretary's designee;

(iii) The director of the health care authority or the director's designee;

(iv) The Washington state attorney general or the attorney general's designee;

(v) The director of the Washington state office of public defense or the director's designee; and

(vi) The department of social and health services shall appoint 21 members representing the following:

(A) One member representing superior courts, to be designated by the Washington state superior court judges association;

(B) One member representing courts of limited jurisdiction, to be designated by the Washington state district and municipal courts judges association;

(C) One member representing prosecutors practicing in courts of limited jurisdiction, to be designated by the Washington association of prosecuting attorneys;

(D) One member representing prosecutors practicing in superior courts, to be designated by the Washington association of prosecuting attorneys;

(E) One member representing trial-level criminal defense attorneys practicing in courts of limited jurisdiction, to be designated by the Washington defender association;

(F) One member representing trial-level criminal defense attorneys practicing in superior courts, to be designated by the Washington defender association;

(G) One member representing law enforcement, to be designated by the Washington association of sheriffs and police chiefs;

(H) One member representing the interests of victims, to be designated by the office of crime victims advocacy;

(I) One member designated by disability rights Washington;

(J) One member designated by the national alliance on mental illness Washington;

(K) One member designated by the plaintiff's counsel in *A.B., by and through Trueblood, et al., v. DSHS, et al.,* No. 15-35462 ("Trueblood");

(L) A representative of a behavioral health administrative services organization;

(M) A representative of a medicaid managed care organization;

(N) A representative of county governments, to be designated by the Washington state association of counties;

(O) A representative of city governments, to be designated by the association of Washington cities;

(P) A labor representative, to be designated by the Washington federation of state employees;

(Q) A representative of western state hospital;

(R) A representative of eastern state hospital; and

(S) Three individuals with direct lived experience of the forensic mental health system, including at least one person who is a former competency restoration patient and at least one person with experience of commitment related to criminal insanity.

(b) The task force shall choose its cochairs from among its membership. The Washington state association of counties shall convene the initial meeting of the task force.

(2) The task force shall undertake the following tasks:

(a) A comprehensive review of the laws in chapter 10.77 RCW to modernize and clean up issues that present barriers to administration, public safety, consistency, fairness, efficiency, and comprehension by victims, committed individuals, families, and the courts;

(b) Consider potential terminology and language changes to promote patient-centered language, improve coherence between legal and medical terminology, reduce stigma, and improve understanding of the competency evaluation process; and

(c) Make recommendations concerning law changes that would remove barriers to diversion, promote effective treatment, and increase services that would facilitate safe and responsible hospital discharges.

(3) The task force may form subcommittees to assist its work. The task force may contract with additional persons with specific technical expertise if necessary to carry out the mandates of the study. Such contracts may only be entered if an appropriation is specifically provided for this purpose.

(4) Staff support for the task force must be provided by the Washington state association of counties. The Washington state association of counties must provide reporting under RCW 43.18A.030.

(5) All meetings of the task force must be held in a virtual format.

(6) The task force shall report its findings and recommendations to the governor and the appropriate committees of the legislature by December 1, 2026.

(7) This section expires December 31, 2026.

NEW SECTION. **Sec. 2.** (1) The code reviser shall recodify, as necessary, the following sections of chapter 10.77 RCW in the following order within chapter 10.77 RCW, using the indicated chapter headings:

Definitions
RCW 10.77.010
General Provisions
RCW 10.77.020
RCW 10.77.027
RCW 10.77.0942
RCW 10.77.095
RCW 10.77.097
RCW 10.77.210
RCW 10.77.230
RCW 10.77.240
RCW 10.77.250
RCW 10.77.255
RCW 10.77.260
RCW 10.77.270
RCW 10.77.275
RCW 10.77.280
RCW 10.77.300
Authorized Leave and Furloughs
RCW 10.77.145
RCW 10.77.163
Community Notifications
RCW 10.77.165
RCW 10.77.205
RCW 10.77.207
Evaluations Under This Chapter
RCW 10.77.060
RCW 10.77.065
RCW 10.77.070
RCW 10.77.100
Criminal Insanity
RCW 10.77.025
RCW 10.77.030
RCW 10.77.040
RCW 10.77.080
RCW 10.77.091
RCW 10.77.094
RCW 10.77.110
RCW 10.77.120
RCW 10.77.132
RCW 10.77.140
RCW 10.77.150
RCW 10.77.152
RCW 10.77.155
RCW 10.77.160
RCW 10.77.170
RCW 10.77.175
RCW 10.77.180
RCW 10.77.190
RCW 10.77.195
RCW 10.77.200
RCW 10.77.220
Competency to Stand Trial
RCW 10.77.050
RCW 10.77.068
RCW 10.77.072
RCW 10.77.074
RCW 10.77.075
RCW 10.77.078
RCW 10.77.079
RCW 10.77.084

RCW 10.77.0845
RCW 10.77.086
RCW 10.77.088
RCW 10.77.0885
RCW 10.77.089
RCW 10.77.092
RCW 10.77.093
RCW 10.77.202
RCW 10.77.320

(2) The code reviser shall correct all statutory references to sections recodified by this section.

NEW SECTION. **Sec. 3.** The following sections are decodified:

(1) RCW 10.77.2101 (Implementation of legislative intent);

(2) RCW 10.77.290 (Secretary to adopt rules—2015 1st sp.s. c 7);

(3) RCW 10.77.310 (Health care authority contracts—Compensation of staff in outpatient competency restoration programs);

(4) RCW 10.77.940 (Equal application of 1989 c 420—Evaluation for developmental disability); and

(5) RCW 10.77.950 (Construction—Chapter applicable to state registered domestic partnerships—2009 c 521).

NEW SECTION. **Sec. 4.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void."

On page 1, line 2 of the title, after "trial;" strike the remainder of the title and insert "adding new sections to chapter 10.77 RCW; creating new sections; recodifying RCW 10.77.020, 10.77.027, 10.77.0942, 10.77.095, 10.77.097, 10.77.210, 10.77.230, 10.77.240, 10.77.250, 10.77.255, 10.77.260, 10.77.270, 10.77.275, 10.77.280, 10.77.300, 10.77.145, 10.77.163, 10.77.165, 10.77.205, 10.77.207, 10.77.060, 10.77.065, 10.77.070, 10.77.100, 10.77.025, 10.77.030, 10.77.040, 10.77.080, 10.77.091, 10.77.094, 10.77.110, 10.77.120, 10.77.132, 10.77.140, 10.77.150, 10.77.152, 10.77.155, 10.77.160, 10.77.170, 10.77.175, 10.77.180, 10.77.190, 10.77.195, 10.77.200, 10.77.220, 10.77.050, 10.77.068, 10.77.072, 10.77.074, 10.77.075, 10.77.079, 10.77.084, 10.77.0845, 10.77.086, 10.77.088, 10.77.0885, 10.77.089, 10.77.092, 10.77.093, 10.77.202, and 10.77.320; decodifying RCW 10.77.2101, 10.77.290, 10.77.310, 10.77.940, and 10.77.950; and providing an expiration date."

Senators Dhingra and Fortunato spoke in favor of adoption of the committee striking amendment.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Law & Justice to Second Substitute House Bill No. 1359.

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, Second Substitute House Bill No. 1359 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 Dhingra spoke in favor of passage of the bill.

Senator Holy spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1359 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1359 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 31; Nays, 17; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Harris, Hasegawa, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Torres, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Wagoner, Warnick and Wilson, J.

Excused: Senator Slatter

SECOND SUBSTITUTE HOUSE BILL NO. 1359 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

SECOND SUBSTITUTE HOUSE BILL NO. 1715, by House Committee on Appropriations (originally sponsored by Dye)

Regarding the costs of compliance with the state energy performance standard.

The measure was read the second time.

MOTION

On motion of Senator Boehnke, the rules were suspended, Second Substitute House Bill No. 1715 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Boehnke and Shewmake spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1715.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1715 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

SECOND SUBSTITUTE HOUSE BILL NO. 1715, 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. 1272, by House Committee on Appropriations (originally sponsored by Callan, Eslick, Berry, Leavitt, Salahuddin, Davis, Reed, Nance, Kloba, Timmons, Macri, Simmons, Hunt, and Fey)

Extending the program to address complex cases of children in crisis.

The measure was read the second time.

MOTION

On motion of Senator Wilson, C., the rules were suspended, Substitute House Bill No. 1272 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Wilson, C. and Christian spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1272.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1272 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

SUBSTITUTE HOUSE BILL NO. 1272, 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. 1130, by Representatives Farivar, Couture, Leavitt, Taylor, Reed, Callan, Doglio, Timmons, Simmons, Pollet, Fey, Ormsby, Salahuddin, and Hill

Concerning utilization of developmental disabilities waivers.

The measure was read the second time.

MOTION

Senator Wilson, C. moved that the following committee striking amendment by the Committee on Human Services be not adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that resources to support people with developmental disabilities are limited and many are in dire need of support. Enrollment into and receipt of developmental disabilities administration home and community-based services and supports can prevent traumatic and expensive hospital stays and institutionalization as well as harm in communities leading to incarceration. The legislature recognizes that until the state can achieve a system capable of providing help as soon as help is needed for all individuals with developmental disabilities, it is imperative to strategically intervene at times of crisis so that populations for which intervention is most critical are served without delay. Therefore, the legislature intends to provide a clear prioritization of populations most in need for developmental disabilities services and supports.

NEW SECTION. **Sec. 2.** A new section is added to chapter 71A.10 RCW to read as follows:

(1) When enrolling eligible clients in open home and community-based services waiver slots and for the purposes of determining access to specific waiver services, to the extent consistent with federal law and federal funding requirements, the administration shall prioritize clients in the following populations:

(a) Persons who are age 45 and older;

(b) Persons who, within the previous six months, have remained in a hospital without a safe discharge plan;

(c) Persons with intellectual or developmental disabilities who are transitioning from high school to ensure they are added to a waiver with supported employment services;

(d) Persons who are discharging from institutional settings including residential habilitation centers and state hospitals;

(e) Persons the administration has determined to be in immediate risk of admission to an intermediate care facility due to unmet health and welfare needs;

(f) Persons who have been found incompetent to stand trial in a criminal matter due to a developmental disability;

(g) Persons eligible for services under RCW 71A.12.090; and

(h) Persons eligible for services through a community protection waiver in the interest of enhancing the safety of the community, caretakers, and others.

(2) Persons who meet the criteria outlined in RCW 71A.12.370 shall be enrolled in waiver services, to the extent consistent with federal law and federal funding requirements.

(3) The administration shall align its rules to provide for the prioritization for waiver slots and services for the populations identified in subsection (1) of this section.

(4) The administration shall routinely collect data on the following items related to home and community-based services waivers and make the data publicly available on the administration's website:

(a) The number of people enrolled in each waiver;

(b) The capacity and waitlist, if any, for each waiver, including the number of people from the prioritized populations identified in subsection (1) of this section who are on a waitlist for waiver enrollment;

(c) The number of people from the prioritized populations identified in subsection (1) of this section that have been enrolled on each waiver since the last report;

(d) Any requests for waiver services that have not been fulfilled and the reason the request has not been fulfilled; and

(e) Any unfulfilled requests for waiver services from the prioritized populations identified in subsection (1) of this section, including the type of service and the reason the request has not been fulfilled."

On page 1, line 2 of the title, after "waivers;" strike the remainder of the title and insert "adding a new section to chapter 71A.10 RCW; and creating a new section."

The President declared the question before the Senate to be to not adopt the committee striking amendment by the Committee on Human Services to House Bill No. 1130.

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

MOTION

Senator Wilson, C. moved that the following striking floor amendment no. 0347 by Senator Wilson, C. be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that resources to support people with developmental disabilities are limited and many are in dire need of support. Enrollment into and receipt of developmental disabilities administration home and community-based services and supports can prevent traumatic and expensive hospital stays and institutionalization as well as harm in communities leading to incarceration. The legislature recognizes that until the state can achieve a system capable of providing help as soon as help is needed for all individuals with developmental disabilities, it is imperative to strategically intervene at times of crisis so that populations for which intervention is most critical are served without delay. Therefore, the legislature intends to provide a clear prioritization of populations most in need for developmental disabilities services and supports.

NEW SECTION. **Sec. 2.** A new section is added to chapter 71A.10 RCW to read as follows:

(1) When enrolling eligible clients in open home and community-based services waiver slots and for the purposes of determining access to specific waiver services, to the extent consistent with federal law and federal funding requirements, the administration shall prioritize clients in the following populations:

(a) Persons who are age 45 and older;

(b) Persons who, within the previous six months, have remained in a hospital without a safe discharge plan;

(c) Persons with intellectual or developmental disabilities who are transitioning from high school and need a waiver with supported employment services;

(d) Persons who are discharging from institutional settings including residential habilitation centers and state hospitals;

(e) Persons the administration has determined to be in immediate risk of admission to an intermediate care facility due to unmet health and welfare needs;

(f) Persons who have been found incompetent to stand trial in a criminal matter due to a developmental disability;

(g) Persons eligible for services under RCW 71A.12.090; and

(h) Persons currently and formerly eligible for services through a community protection waiver in the interest of enhancing the safety of the community, caretakers, and others.

(2) Persons who meet the criteria outlined in RCW 71A.12.370 shall be enrolled in waiver services, to the extent consistent with federal law and federal funding requirements.

(3) The administration shall align its rules to provide for the prioritization for waiver slots and services for the populations identified in subsection (1) of this section.

(4) The administration shall routinely collect data on the following items related to home and community-based services waivers and make the data publicly available on the administration's website:

(a) The number of people enrolled in each waiver;

(b) The capacity and waitlist, if any, for each waiver, including the number of people from the prioritized populations identified in subsection (1) of this section as well as persons identified in subsection (2) of this section who are on a waitlist for waiver enrollment;

(c) The number of people from the prioritized populations identified in subsection (1) of this section as well as persons identified in subsection (2) of this section that have been enrolled on each waiver since the last report;

(d) Any requests for waiver services that have not been fulfilled and the reason the request has not been fulfilled; and

(e) Any unfulfilled requests for waiver services from the prioritized populations identified in subsection (1) of this section as well as persons identified in subsection (2) of this section, including the type of service and the reason the request has not been fulfilled."

On page 1, line 2 of the title, after "waivers;" strike the remainder of the title and insert "adding a new section to chapter 71A.10 RCW; and creating a new section."

Senators Wilson, C. and Christian spoke in favor of adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of striking floor amendment no. 0347 by Senator Wilson, C. to House Bill No. 1130.

The motion by Senator Wilson, C. carried and striking floor amendment no. 0347 was adopted by voice vote.

MOTION

On motion of Senator Wilson, C., the rules were suspended, House Bill No. 1130 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 Wilson, C. and Christian spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 1130 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1130 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 Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senator Slatter

HOUSE BILL NO. 1130 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.

Senator Hasegawa announced a meeting of the Democratic Caucus immediately.

Senator Warnick announced the Republican Caucus would not meet.

MOTION

At 7:51 p.m., on motion of Senator Riccelli, the Senate adjourned until 10 o'clock a.m. Wednesday, April 16, 2025.

DENNY HECK, President of the Senate

SARAH BANNISTER, Secretary of the Senate