

ONE HUNDRED FOURTH DAY

MORNING SESSION

Senate Chamber, Olympia
Saturday, April 24, 2021

The Senate was called to order at 11:02 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 Washington State Patrol Honor Guard presented the Colors.

First grade students from Ilalko Elementary School, Auburn led the Senate in the Pledge of Allegiance. The students were guests of Senator Claire Wilson.

The prayer was offered by Father Otto Kulenberg (Retired), Leavenworth. Father Kulenberg was a guest of Senator Fortunato.

MOTIONS

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

On motion of Senator Liias, Senate Emergency Rule K was suspended for the rest of the day.

EDITOR'S NOTE: Senate Emergency Rule K establishes rules for the consideration of bills and amendments.

MOTION TO LIMIT DEBATE

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

MOTION

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

MESSAGES FROM THE HOUSE

April 23, 2021

MR. PRESIDENT:

The Speaker has signed:

- SUBSTITUTE SENATE BILL NO. 5009,
- SUBSTITUTE SENATE BILL NO. 5013,
- ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5022,
- ENGROSSED SUBSTITUTE SENATE BILL NO. 5024,
- SUBSTITUTE SENATE BILL NO. 5025,
- SENATE BILL NO. 5040,
- ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5071,
- SUBSTITUTE SENATE BILL NO. 5073,
- SENATE BILL NO. 5101,
- ENGROSSED SUBSTITUTE SENATE BILL NO. 5115,
- ENGROSSED SUBSTITUTE SENATE BILL NO. 5118,
- ENGROSSED SUBSTITUTE SENATE BILL NO. 5121,
- SENATE BILL NO. 5133,
- SUBSTITUTE SENATE BILL NO. 5157,
- ENGROSSED SECOND SUBSTITUTE SENATE BILL NO.

- 5163,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5172,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5178,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5180,
 - SECOND SUBSTITUTE SENATE BILL NO. 5183,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5190,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5193,
 - ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5194,
 - SECOND SUBSTITUTE SENATE BILL NO. 5195,
 - SECOND SUBSTITUTE SENATE BILL NO. 5214,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5226,
 - ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5227,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5235,
 - SUBSTITUTE SENATE BILL NO. 5236,
 - SECOND SUBSTITUTE SENATE BILL NO. 5253,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5295,
 - SENATE BILL NO. 5299,
 - SECOND SUBSTITUTE SENATE BILL NO. 5313,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5353,
 - SECOND SUBSTITUTE SENATE BILL NO. 5368,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5370,
 - ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5377,
 - SUBSTITUTE SENATE BILL NO. 5378,
 - SUBSTITUTE SENATE BILL NO. 5381,
 - ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5399,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5408,
 - SUBSTITUTE SENATE BILL NO. 5423,
 - SENATE BILL NO. 5430,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5432,
- and the same are herewith transmitted.
MELISSA PALMER, Deputy Chief Clerk

April 23, 2021

MR. PRESIDENT:

The Speaker has signed:

- HOUSE BILL NO. 1022,
 - ENGROSSED SUBSTITUTE HOUSE BILL NO. 1120,
 - SECOND SUBSTITUTE HOUSE BILL NO. 1168,
 - ENGROSSED SUBSTITUTE HOUSE BILL NO. 1189,
 - SUBSTITUTE HOUSE BILL NO. 1218,
 - HOUSE BILL NO. 1316,
 - SUBSTITUTE HOUSE BILL NO. 1348,
 - ENGROSSED HOUSE BILL NO. 1386,
 - ENGROSSED SUBSTITUTE HOUSE BILL NO. 1410,
 - SUBSTITUTE HOUSE BILL NO. 1411,
 - SUBSTITUTE HOUSE BILL NO. 1438,
 - ENGROSSED HOUSE BILL NO. 1482,
- and the same are herewith transmitted.
MELISSA PALMER, Deputy Chief Clerk

MOTION

At 11:10 a.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President.

AFTERNOON SESSION

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

MESSAGES FROM THE HOUSE

April 23, 2021

MR. PRESIDENT:

The House grants the request for a conference on ENGROSSED THIRD SUBSTITUTE HOUSE BILL NO. 1091. The Speaker has appointed the following members as Conferees: Representatives Fitzgibbon, Slatter, Dye and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

April 23, 2021

MR. PRESIDENT:

The House has passed ENGROSSED SENATE BILL NO. 5330. and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

April 23, 2021

MR. PRESIDENT:

The House grants the request for a conference on ENGROSSED SUBSTITUTE SENATE BILL NO. 5096. The Speaker has appointed the following members as Conferees: Representatives Frame, Sullivan, Orcutt and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

MOTION

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

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Warnick moved that Nathaniel L. McMillion, Senate Gubernatorial Appointment No. 9175, be confirmed as a member of the Central Washington University Board of Trustees.

Senator Warnick spoke in favor of the motion.

APPOINTMENT OF NATHANIEL L. McMILLION

The President declared the question before the Senate to be the confirmation of Nathaniel L. McMillion, Senate Gubernatorial Appointment No. 9175, as a member of the Central Washington University Board of Trustees.

The Secretary called the roll on the confirmation of Nathaniel L. McMillion, Senate Gubernatorial Appointment No. 9175, as a member of the Central Washington University Board of Trustees and the appointment was confirmed by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Dozier, Ericksen, Fortunato, Frockt, Gildon, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCune, Mullet, Muzzall, Nguyen, Nobles, Padden, Pedersen, Randall, Rivers, Robinson, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Stanford, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, J. and Wilson, L.

Nathaniel L. McMillion, Senate Gubernatorial Appointment No. 9175, having received the constitutional majority was declared confirmed as a member of the Central Washington

University Board of Trustees.

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Randall moved that Kristina S. Pogolian, Senate Gubernatorial Appointment No. 9182, be confirmed as a member of the University of Washington Board of Regents.

Senator Randall spoke in favor of the motion.

APPOINTMENT OF KRISTINA S. POGOSIAN

The President declared the question before the Senate to be the confirmation of Kristina S. Pogolian, Senate Gubernatorial Appointment No. 9182, as a member of the University of Washington Board of Regents.

The Secretary called the roll on the confirmation of Kristina S. Pogolian, Senate Gubernatorial Appointment No. 9182, as a member of the University of Washington Board of Regents and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 1; Excused, 0.

Voting yea: Senators Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Dozier, Fortunato, Frockt, Gildon, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCune, Mullet, Muzzall, Nguyen, Nobles, Padden, Pedersen, Randall, Rivers, Robinson, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Stanford, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, J. and Wilson, L.

Absent: Senator Ericksen

Kristina S. Pogolian, Senate Gubernatorial Appointment No. 9182, having received the constitutional majority was declared confirmed as a member of the University of Washington Board of Regents.

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:

HOUSE BILL NO. 1022,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1120,
SECOND SUBSTITUTE HOUSE BILL NO. 1168,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1189,
SUBSTITUTE HOUSE BILL NO. 1218,
HOUSE BILL NO. 1316,
SUBSTITUTE HOUSE BILL NO. 1348,
ENGROSSED HOUSE BILL NO. 1386,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1410,
SUBSTITUTE HOUSE BILL NO. 1411,
SUBSTITUTE HOUSE BILL NO. 1438,
and ENGROSSED HOUSE BILL NO. 1482.

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Randall moved that Arliegh P. Cayanan, Senate Gubernatorial Appointment No. 9184, be confirmed as a member of the Washington State University Board of Regents.

Senator Randall spoke in favor of the motion.

MOTION

On motion of Senator Wagoner, Senator Ericksen was excused.

APPOINTMENT OF ARLIEGH P. CAYANAN

The President declared the question before the Senate to be the confirmation of Arliegh P. Cayanan, Senate Gubernatorial Appointment No. 9184, as a member of the Washington State University Board of Regents.

The Secretary called the roll on the confirmation of Arliegh P. Cayanan, Senate Gubernatorial Appointment No. 9184, as a member of the Washington State University Board of Regents and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Dozier, Fortunato, Frockt, Gildon, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCune, Mullet, Muzzall, Nguyen, Nobles, Padden, Pedersen, Randall, Rivers, Robinson, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Stanford, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, J. and Wilson, L.

Excused: Senator Ericksen

Arliegh P. Cayanan, Senate Gubernatorial Appointment No. 9184, having received the constitutional majority was declared confirmed as a member of the Washington State University Board of Regents.

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Randall moved that Athmar Al-ghanim, Senate Gubernatorial Appointment No. 9191, be confirmed as a member of the Edmonds Community College Board of Trustees.

Senator Randall spoke in favor of the motion.

APPOINTMENT OF ATHMAR AL-GHANIM

The President declared the question before the Senate to be the confirmation of Athmar Al-ghanim, Senate Gubernatorial Appointment No. 9191, as a member of the Edmonds Community College Board of Trustees.

The Secretary called the roll on the confirmation of Athmar Al-ghanim, Senate Gubernatorial Appointment No. 9191, as a member of the Edmonds Community College Board of Trustees and the appointment was confirmed by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Dozier, Ericksen, Fortunato, Frockt, Gildon, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCune, Mullet, Muzzall, Nguyen, Nobles, Padden, Pedersen, Randall, Rivers, Robinson, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Stanford, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, J. and Wilson, L.

Athmar Al-ghanim, Senate Gubernatorial Appointment No. 9191, having received the constitutional majority was declared confirmed as a member of the Edmonds Community College Board of Trustees.

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Randall moved that Alejandro Alcantar, Senate Gubernatorial Appointment No. 9192, be confirmed as a member of the Washington Student Achievement Council.

Senator Randall spoke in favor of the motion.

APPOINTMENT OF ALEJANDRO ALCANTAR

The President declared the question before the Senate to be the confirmation of Alejandro Alcantar, Senate Gubernatorial Appointment No. 9192, as a member of the Washington Student Achievement Council.

The Secretary called the roll on the confirmation of Alejandro Alcantar, Senate Gubernatorial Appointment No. 9192, as a member of the Washington Student Achievement Council and the appointment was confirmed by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Dozier, Ericksen, Fortunato, Frockt, Gildon, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCune, Mullet, Muzzall, Nguyen, Nobles, Padden, Pedersen, Randall, Rivers, Robinson, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Stanford, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, J. and Wilson, L.

Alejandro Alcantar, Senate Gubernatorial Appointment No. 9192, having received the constitutional majority was declared confirmed as a member of the Washington Student Achievement Council.

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:

SECOND SUBSTITUTE SENATE BILL NO. 5192,
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO.

5237,

SUBSTITUTE SENATE BILL NO. 5317,
SUBSTITUTE SENATE BILL NO. 5318,
ENGROSSED SENATE BILL NO. 5330.

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Randall moved that Melinda L. Bratsch-Horsager, Senate Gubernatorial Appointment No. 9201, be confirmed as a member of the The Evergreen State College Board of Trustees.

Senator Randall spoke in favor of the motion.

APPOINTMENT OF MELINDA L. BRATSCH-HORSAGER

The President declared the question before the Senate to be the confirmation of Melinda L. Bratsch-Horsager, Senate Gubernatorial Appointment No. 9201, as a member of the The Evergreen State College Board of Trustees.

The Secretary called the roll on the confirmation of Melinda L. Bratsch-Horsager, Senate gubernatorial appointment No. 9201, as a member of the The Evergreen State College Board of Trustees and the appointment was confirmed by the following vote: Yeas, 42; Nays, 7; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Dozier, Frockt, Gildon, Hasegawa, Hawkins, Hobbs, Holy, Hunt, Keiser, King, Kuderer, Lias, Lovelett, Mullet, Muzzall, Nguyen, Nobles, Pedersen, Randall, Rivers, Robinson, Rolfes, Saldaña, Salomon, Sheldon, Short, Stanford, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, J. and Wilson, L.

Voting nay: Senators Braun, Ericksen, Fortunato, Honeyford, McCune, Padden and Schoesler

Melinda L. Bratsch-Horsager, Senate gubernatorial appointment No. 9201, having received the constitutional majority was declared confirmed as a member of the The Evergreen State College Board of Trustees.

MOTION

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

REPORT OF THE CONFERENCE COMMITTEE Engrossed Second Substitute House Bill No. 1477 April 23, 2021

MR. PRESIDENT:

MR. SPEAKER:

We of your conference committee, to whom was referred Engrossed Second Substitute House Bill No. 1477, have had the same under consideration and recommend that all previous amendments not be adopted and that the following striking amendment be adopted:

Strike everything after the enacting clause and insert the following:

"PART I

CRISIS CALL CENTER HUBS AND CRISIS SERVICES

NEW SECTION. **Sec. 101.** (1) The legislature finds that:

(a) Nearly 6,000 Washington adults and children died by suicide in the last five years, according to the federal centers for disease control and prevention, tragically reflecting a state increase of 36 percent in the last 10 years.

(b) Suicide is now the single leading cause of death for Washington young people ages 10 through 24, with total deaths 22 percent higher than for vehicle crashes.

(c) Groups with suicide rates higher than the general population include veterans, American Indians/Alaska Natives, LGBTQ youth, and people living in rural counties across the state.

(d) More than one in five Washington residents are currently living with a behavioral health disorder.

(e) The COVID-19 pandemic has increased stressors and substance use among Washington residents.

(f) An improved crisis response system will reduce reliance on emergency room services and the use of law enforcement response to behavioral health crises and will stabilize individuals in the community whenever possible.

(g) To accomplish effective crisis response and suicide prevention, Washington state must continue its integrated approach to address mental health and substance use disorder in tandem under the umbrella of behavioral health disorders, consistently with chapter 71.24 RCW and the state's approach to integrated health care. This is particularly true in the domain of

suicide prevention, because of the prevalence of substance use as both a risk factor and means for suicide.

(2) The legislature intends to:

(a) Establish crisis call center hubs and expand the crisis response system in a deliberate, phased approach that includes the involvement of partners from a range of perspectives to:

(i) Save lives by improving the quality of and access to behavioral health crisis services;

(ii) Further equity in addressing mental health and substance use treatment and assure a culturally and linguistically competent response to behavioral health crises;

(iii) Recognize that, historically, crisis response placed marginalized communities, including those experiencing behavioral health crises, at disproportionate risk of poor outcomes and criminal justice involvement;

(iv) Comply with the national suicide hotline designation act of 2020 and the federal communications commission's rules adopted July 16, 2020, to assure that all Washington residents receive a consistent and effective level of 988 suicide prevention and other behavioral health crisis response and suicide prevention services no matter where they live, work, or travel in the state; and

(v) Provide higher quality support for people experiencing behavioral health crises through investment in new technology to create a crisis call center hub system to triage calls and link individuals to follow-up care.

(b) Make additional investments to enhance the crisis response system, including the expansion of crisis teams, to be known as mobile rapid response crisis teams, and deployment of a wide array of crisis stabilization services, such as 23-hour crisis stabilization units based on the living room model, crisis stabilization centers, short-term respite facilities, peer-run respite centers, and same-day walk-in behavioral health services. The overall crisis system shall contain components that operate like hospital emergency departments that accept all walk-ins and ambulance, fire, and police drop-offs. Certified peer counselors as well as peers in other roles providing support must be incorporated within the crisis system and along the continuum of crisis care.

NEW SECTION. **Sec. 102.** A new section is added to chapter 71.24 RCW to read as follows:

(1) Establishing the state crisis call center hubs and enhancing the crisis response system will require collaborative work between the department and the authority within their respective roles. The department shall have primary responsibility for establishing and designating the crisis call center hubs. The authority shall have primary responsibility for developing and implementing the crisis response system and services to support the work of the crisis call center hubs. In any instance in which one agency is identified as the lead, the expectation is that agency will be communicating and collaborating with the other to ensure seamless, continuous, and effective service delivery within the statewide crisis response system.

(2) The department shall provide adequate funding for the state's crisis call centers to meet an expected increase in the use of the call centers based on the implementation of the 988 crisis hotline. The funding level shall be established at a level anticipated to achieve an in-state call response rate of at least 90 percent by July 22, 2022. The funding level shall be determined by considering standards and cost per call predictions provided by the administrator of the national suicide prevention lifeline, call volume predictions, guidance on crisis call center performance metrics, and necessary technology upgrades.

(3) The department shall adopt rules by July 1, 2023, to establish standards for designation of crisis call centers as crisis call center hubs. The department shall collaborate with the authority and other agencies to assure coordination and

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availability of services, and shall consider national guidelines for behavioral health crisis care as determined by the federal substance abuse and mental health services administration, national behavioral health accrediting bodies, and national behavioral health provider associations to the extent they are appropriate, and recommendations from the crisis response improvement strategy committee created in section 103 of this act.

(4) The department shall designate crisis call center hubs by July 1, 2024. The crisis call center hubs shall provide crisis intervention services, triage, care coordination, referrals, and connections to individuals contacting the 988 crisis hotline from any jurisdiction within Washington 24 hours a day, seven days a week, using the system platform developed under subsection (5) of this section.

(a) To be designated as a crisis call center hub, the applicant must demonstrate to the department the ability to comply with the requirements of this section and to contract to provide crisis call center hub services. The department may revoke the designation of any crisis call center hub that fails to substantially comply with the contract.

(b) The contracts entered shall require designated crisis call center hubs to:

(i) Have an active agreement with the administrator of the national suicide prevention lifeline for participation within its network;

(ii) Meet the requirements for operational and clinical standards established by the department and based upon the national suicide prevention lifeline best practices guidelines and other recognized best practices;

(iii) Employ highly qualified, skilled, and trained clinical staff who have sufficient training and resources to provide empathy to callers in acute distress, de-escalate crises, assess behavioral health disorders and suicide risk, triage to system partners, and provide case management and documentation. Call center staff shall be trained to make every effort to resolve cases in the least restrictive environment and without law enforcement involvement whenever possible. Call center staff shall coordinate with certified peer counselors to provide follow-up and outreach to callers in distress as available. It is intended for transition planning to include a pathway for continued employment and skill advancement as needed for experienced crisis call center employees;

(iv) Collaborate with the authority, the national suicide prevention lifeline, and veterans crisis line networks to assure consistency of public messaging about the 988 crisis hotline; and

(v) Provide data and reports and participate in evaluations and related quality improvement activities, according to standards established by the department in collaboration with the authority.

(c) The department and the authority shall incorporate recommendations from the crisis response improvement strategy committee created under section 103 of this act in its agreements with crisis call center hubs, as appropriate.

(5) The department and authority must coordinate to develop the technology and platforms necessary to manage and operate the behavioral health crisis response and suicide prevention system. The technologies developed must include:

(a) A new technologically advanced behavioral health and suicide prevention crisis call center system platform using technology demonstrated to be interoperable across crisis and emergency response systems used throughout the state, such as 911 systems, emergency medical services systems, and other nonbehavioral health crisis services, for use in crisis call center hubs designated by the department under subsection (4) of this section. This platform, which shall be fully funded by July 1,

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2023, shall be developed by the department and must include the capacity to receive crisis assistance requests through phone calls, texts, chats, and other similar methods of communication that may be developed in the future that promote access to the behavioral health crisis system; and

(b) A behavioral health integrated client referral system capable of providing system coordination information to crisis call center hubs and the other entities involved in behavioral health care. This system shall be developed by the authority.

(6) In developing the new technologies under subsection (5) of this section, the department and the authority must coordinate to designate a primary technology system to provide each of the following:

(a) Access to real-time information relevant to the coordination of behavioral health crisis response and suicide prevention services, including:

(i) Real-time bed availability for all behavioral health bed types, including but not limited to crisis stabilization services, triage facilities, psychiatric inpatient, substance use disorder inpatient, withdrawal management, peer-run respite centers, and crisis respite services, inclusive of both voluntary and involuntary beds, for use by crisis response workers, first responders, health care providers, emergency departments, and individuals in crisis; and

(ii) Real-time information relevant to the coordination of behavioral health crisis response and suicide prevention services for a person, including the means to access:

(A) Information about any less restrictive alternative treatment orders or mental health advance directives related to the person; and

(B) Information necessary to enable the crisis call center hub to actively collaborate with emergency departments, primary care providers and behavioral health providers within managed care organizations, behavioral health administrative services organizations, and other health care payers to establish a safety plan for the person in accordance with best practices and provide the next steps for the person's transition to follow-up noncrisis care. To establish information-sharing guidelines that fulfill the intent of this section the authority shall consider input from the confidential information compliance and coordination subcommittee established under section 103 of this act;

(b) The means to request deployment of appropriate crisis response services, which may include mobile rapid response crisis teams, co-responder teams, designated crisis responders, fire department mobile integrated health teams, or community assistance referral and educational services programs under RCW 35.21.930, according to best practice guidelines established by the authority, and track local response through global positioning technology; and

(c) The means to track the outcome of the 988 call to enable appropriate follow up, cross-system coordination, and accountability, including as appropriate: (i) Any immediate services dispatched and reports generated from the encounter; (ii) the validation of a safety plan established for the caller in accordance with best practices; (iii) the next steps for the caller to follow in transition to noncrisis follow-up care, including a next-day appointment for callers experiencing urgent, symptomatic behavioral health care needs; and (iv) the means to verify and document whether the caller was successful in making the transition to appropriate noncrisis follow-up care indicated in the safety plan for the person, to be completed either by the care coordinator provided through the person's managed care organization, health plan, or behavioral health administrative services organization, or if such a care coordinator is not available or does not follow through, by the staff of the crisis call center

hub;

(d) A means to facilitate actions to verify and document whether the person's transition to follow up noncrisis care was completed and services offered, to be performed by a care coordinator provided through the person's managed care organization, health plan, or behavioral health administrative services organization, or if such a care coordinator is not available or does not follow through, by the staff of the crisis call center hub;

(e) The means to provide geographically, culturally, and linguistically appropriate services to persons who are part of high-risk populations or otherwise have need of specialized services or accommodations, and to document these services or accommodations; and

(f) When appropriate, consultation with tribal governments to ensure coordinated care in government-to-government relationships, and access to dedicated services to tribal members.

(7) To implement this section the department and the authority shall collaborate with the state enhanced 911 coordination office, emergency management division, and military department to develop technology that is demonstrated to be interoperable between the 988 crisis hotline system and crisis and emergency response systems used throughout the state, such as 911 systems, emergency medical services systems, and other nonbehavioral health crisis services, as well as the national suicide prevention lifeline, to assure cohesive interoperability, develop training programs and operations for both 911 public safety telecommunicators and crisis line workers, develop suicide and other behavioral health crisis assessments and intervention strategies, and establish efficient and equitable access to resources via crisis hotlines.

(8) The authority shall:

(a) Collaborate with county authorities and behavioral health administrative services organizations to develop procedures to dispatch behavioral health crisis services in coordination with crisis call center hubs to effectuate the intent of this section;

(b) Establish formal agreements with managed care organizations and behavioral health administrative services organizations by January 1, 2023, to provide for the services, capacities, and coordination necessary to effectuate the intent of this section, which shall include a requirement to arrange next-day appointments for persons contacting the 988 crisis hotline experiencing urgent, symptomatic behavioral health care needs with geographically, culturally, and linguistically appropriate primary care or behavioral health providers within the person's provider network, or, if uninsured, through the person's behavioral health administrative services organization;

(c) Create best practices guidelines by July 1, 2023, for deployment of appropriate and available crisis response services by crisis call center hubs to assist 988 hotline callers to minimize nonessential reliance on emergency room services and the use of law enforcement, considering input from relevant stakeholders and recommendations made by the crisis response improvement strategy committee created under section 103 of this act;

(d) Develop procedures to allow appropriate information sharing and communication between and across crisis and emergency response systems for the purpose of real-time crisis care coordination including, but not limited to, deployment of crisis and outgoing services, follow-up care, and linked, flexible services specific to crisis response; and

(e) Establish guidelines to appropriately serve high-risk populations who request crisis services. The authority shall design these guidelines to promote behavioral health equity for all populations with attention to circumstances of race, ethnicity, gender, socioeconomic status, sexual orientation, and geographic location, and include components such as training requirements

for call response workers, policies for transferring such callers to an appropriate specialized center or subnetwork within or external to the national suicide prevention lifeline network, and procedures for referring persons who access the 988 crisis hotline to linguistically and culturally competent care.

NEW SECTION. Sec. 103. A new section is added to chapter 71.24 RCW to read as follows:

(1) The crisis response improvement strategy committee is established for the purpose of providing advice in developing an integrated behavioral health crisis response and suicide prevention system containing the elements described in this section. The work of the committee shall be received and reviewed by a steering committee, which shall in turn form subcommittees to provide the technical analysis and input needed to formulate system change recommendations.

(2) The office of financial management shall contract with the behavioral health institute at Harborview medical center to facilitate and provide staff support to the steering committee and to the crisis response improvement strategy committee.

(3) The steering committee shall select three cochairs from among its members to lead the crisis response improvement strategy committee. The crisis response improvement strategy committee shall consist of the following members, who shall be appointed or requested by the authority, unless otherwise noted:

(a) The director of the authority, or his or her designee, who shall also serve on the steering committee;

(b) The secretary of the department, or his or her designee, who shall also serve on the steering committee;

(c) A member representing the office of the governor, who shall also serve on the steering committee;

(d) The Washington state insurance commissioner, or his or her designee;

(e) Up to two members representing federally recognized tribes, one from eastern Washington and one from western Washington, who have expertise in behavioral health needs of their communities;

(f) One member from each of the two largest caucuses of the senate, one of whom shall also be designated to participate on the steering committee, to be appointed by the president of the senate;

(g) One member from each of the two largest caucuses of the house of representatives, one of whom shall also be designated to participate on the steering committee, to be appointed by the speaker of the house of representatives;

(h) The director of the Washington state department of veterans affairs, or his or her designee;

(i) The state enhanced 911 coordinator, or his or her designee;

(j) A member with lived experience of a suicide attempt;

(k) A member with lived experience of a suicide loss;

(l) A member with experience of participation in the crisis system related to lived experience of a mental health disorder;

(m) A member with experience of participation in the crisis system related to lived experience with a substance use disorder;

(n) A member representing each crisis call center in Washington that is contracted with the national suicide prevention lifeline;

(o) Up to two members representing behavioral health administrative services organizations, one from an urban region and one from a rural region;

(p) A member representing the Washington council for behavioral health;

(q) A member representing the association of alcoholism and addiction programs of Washington state;

(r) A member representing the Washington state hospital association;

(s) A member representing the national alliance on mental illness Washington;

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(t) A member representing the behavioral health interests of persons of color recommended by Sea Mar community health centers;

(u) A member representing the behavioral health interests of persons of color recommended by Asian counseling and referral service;

(v) A member representing law enforcement;

(w) A member representing a university-based suicide prevention center of excellence;

(x) A member representing an emergency medical services department with a CARES program;

(y) A member representing medicaid managed care organizations, as recommended by the association of Washington healthcare plans;

(z) A member representing commercial health insurance, as recommended by the association of Washington healthcare plans;

(aa) A member representing the Washington association of designated crisis responders;

(bb) A member representing the children and youth behavioral health work group;

(cc) A member representing a social justice organization addressing police accountability and the use of deadly force; and

(dd) A member representing an organization specializing in facilitating behavioral health services for LGBTQ populations.

(4) The crisis response improvement strategy committee shall assist the steering committee to identify potential barriers and make recommendations necessary to implement and effectively monitor the progress of the 988 crisis hotline in Washington and make recommendations for the statewide improvement of behavioral health crisis response and suicide prevention services.

(5) The steering committee must develop a comprehensive assessment of the behavioral health crisis response and suicide prevention services system by January 1, 2022, including an inventory of existing statewide and regional behavioral health crisis response, suicide prevention, and crisis stabilization services and resources, and taking into account capital projects which are planned and funded. The comprehensive assessment shall identify:

(a) Statewide and regional insufficiencies and gaps in behavioral health crisis response and suicide prevention services and resources needed to meet population needs;

(b) Quantifiable goals for the provision of statewide and regional behavioral health crisis services and targeted deployment of resources, which consider factors such as reported rates of involuntary commitment detentions, single-bed certifications, suicide attempts and deaths, substance use disorder-related overdoses, overdose or withdrawal-related deaths, and incarcerations due to a behavioral health incident;

(c) A process for establishing outcome measures, benchmarks, and improvement targets, for the crisis response system; and

(d) Potential funding sources to provide statewide and regional behavioral health crisis services and resources.

(6) The steering committee, taking into account the comprehensive assessment work under subsection (5) of this section as it becomes available, after discussion with the crisis response improvement strategy committee and hearing reports from the subcommittees, shall report on the following:

(a) A recommended vision for an integrated crisis network in Washington that includes, but is not limited to: An integrated 988 crisis hotline and crisis call center hubs; mobile rapid response crisis teams; mobile crisis response units for youth, adult, and geriatric population; a range of crisis stabilization services; an integrated involuntary treatment system; access to peer-run services, including peer-run respite centers; adequate crisis respite services; and data resources;

(b) Recommendations to promote equity in services for individuals of diverse circumstances of culture, race, ethnicity, gender, socioeconomic status, sexual orientation, and for individuals in tribal, urban, and rural communities;

(c) Recommendations for a work plan with timelines to implement appropriate local responses to calls to the 988 crisis hotline within Washington in accordance with the time frames required by the national suicide hotline designation act of 2020;

(d) The necessary components of each of the new technologically advanced behavioral health crisis call center system platform and the new behavioral health integrated client referral system, as provided under section 102 of this act, for assigning and tracking response to behavioral health crisis calls and providing real-time bed and outpatient appointment availability to 988 operators, emergency departments, designated crisis responders, and other behavioral health crisis responders, which shall include but not be limited to:

(i) Identification of the components crisis call center hub staff need to effectively coordinate crisis response services and find available beds and available primary care and behavioral health outpatient appointments;

(ii) Evaluation of existing bed tracking models currently utilized by other states and identifying the model most suitable to Washington's crisis behavioral health system;

(iii) Evaluation of whether bed tracking will improve access to all behavioral health bed types and other impacts and benefits; and

(iv) Exploration of how the bed tracking and outpatient appointment availability platform can facilitate more timely access to care and other impacts and benefits;

(e) The necessary systems and capabilities that licensed or certified behavioral health agencies, behavioral health providers, and any other relevant parties will require to report, maintain, and update inpatient and residential bed and outpatient service availability in real time to correspond with the crisis call center system platform or behavioral health integrated client referral system identified in section 102 of this act, as appropriate;

(f) A work plan to establish the capacity for the crisis call center hubs to integrate Spanish language interpreters and Spanish-speaking call center staff into their operations, and to ensure the availability of resources to meet the unique needs of persons in the agricultural community who are experiencing mental health stresses, which explicitly addresses concerns regarding confidentiality;

(g) A work plan with timelines to enhance and expand the availability of community-based mobile rapid response crisis teams based in each region, including specialized teams as appropriate to respond to the unique needs of youth, including American Indian and Alaska Native youth and LGBTQ youth, and geriatric populations, including older adults of color and older adults with comorbid dementia;

(h) The identification of other personal and systemic behavioral health challenges which implementation of the 988 crisis hotline has the potential to address in addition to suicide response and behavioral health crises;

(i) The development of a plan for the statewide equitable distribution of crisis stabilization services, behavioral health beds, and peer-run respite services;

(j) Recommendations concerning how health plans, managed care organizations, and behavioral health administrative services organizations shall fulfill requirements to provide assignment of a care coordinator and to provide next-day appointments for enrollees who contact the behavioral health crisis system;

(k) Appropriate allocation of crisis system funding responsibilities among medicaid managed care organizations,

commercial insurers, and behavioral health administrative services organizations;

(l) Recommendations for constituting a statewide behavioral health crisis response and suicide prevention oversight board or similar structure for ongoing monitoring of the behavioral health crisis system and where this should be established; and

(m) Cost estimates for each of the components of the integrated behavioral health crisis response and suicide prevention system.

(7) The steering committee shall consist only of members appointed to the steering committee under this section. The steering committee shall convene the committee, form subcommittees, assign tasks to the subcommittees, and establish a schedule of meetings and their agendas.

(8) The subcommittees of the crisis response improvement strategy committee shall focus on discrete topics. The subcommittees may include participants who are not members of the crisis response improvement strategy committee, as needed to provide professional expertise and community perspectives. Each subcommittee shall have at least one member representing the interests of stakeholders in a rural community, at least one member representing the interests of stakeholders in an urban community, and at least one member representing the interests of youth stakeholders. The steering committee shall form the following subcommittees:

(a) A Washington tribal 988 subcommittee, which shall examine and make recommendations with respect to the needs of tribes related to the 988 system, and which shall include representation from the American Indian health commission;

(b) A credentialing and training subcommittee, to recommend workforce needs and requirements necessary to implement this act, including minimum education requirements such as whether it would be appropriate to allow crisis call center hubs to employ clinical staff without a bachelor's degree or master's degree based on the person's skills and life or work experience;

(c) A technology subcommittee, to examine issues and requirements related to the technology needed to implement this act;

(d) A cross-system crisis response collaboration subcommittee, to examine and define the complementary roles and interactions between mobile rapid response crisis teams, designated crisis responders, law enforcement, emergency medical services teams, 911 and 988 operators, public and private health plans, behavioral health crisis response agencies, nonbehavioral health crisis response agencies, and others needed to implement this act;

(e) A confidential information compliance and coordination subcommittee, to examine issues relating to sharing and protection of health information needed to implement this act; and

(f) Any other subcommittee needed to facilitate the work of the committee, at the discretion of the steering committee.

(9) The proceedings of the crisis response improvement strategy committee must be open to the public and invite testimony from a broad range of perspectives. The committee shall seek input from tribes, veterans, the LGBTQ community, and communities of color to help discern how well the crisis response system is currently working and recommend ways to improve the crisis response system.

(10) Legislative members of the crisis response improvement strategy committee shall be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members are not entitled to be reimbursed for travel expenses if they are elected officials or are participating on behalf of an employer, governmental entity, or other organization. Any reimbursement for other nonlegislative members is subject to chapter 43.03 RCW.

(11) The steering committee, with the advice of the crisis response improvement strategy committee, shall provide a

progress report and the result of its comprehensive assessment under subsection (5) of this section to the governor and appropriate policy and fiscal committee of the legislature by January 1, 2022. The steering committee shall report the crisis response improvement strategy committee's further progress and the steering committee's recommendations related to crisis call center hubs to the governor and appropriate policy and fiscal committees of the legislature by January 1, 2023. The steering committee shall provide its final report to the governor and the appropriate policy and fiscal committees of the legislature by January 1, 2024.

(12) This section expires June 30, 2024.

NEW SECTION. Sec. 104. A new section is added to chapter 71.24 RCW to read as follows:

(1) The steering committee of the crisis response improvement strategy committee established under section 103 of this act must monitor and make recommendations related to the funding of crisis response services out of the account created in section 205 of this act. The crisis response improvement strategy steering committee must analyze:

(a) The projected expenditures from the account created under section 205 of this act, taking into account call volume, utilization projections, and other operational impacts;

(b) The costs of providing statewide coverage of mobile rapid response crisis teams or other behavioral health first responder services recommended by the crisis response improvement strategy committee, based on 988 crisis hotline utilization and taking into account existing state and local funding;

(c) Potential options to reduce the tax imposed in section 202 of this act, given the expected level of costs related to infrastructure development and operational support of the 988 crisis hotline and crisis call center hubs; and

(d) The viability of providing funding for in-person mobile rapid response crisis services or other behavioral health first responder services recommended by the crisis response improvement strategy committee funded from the account created in section 205 of this act, given the expected revenues to the account and the level of expenditures required under (a) of this subsection.

(2) If the steering committee finds that funding in-person mobile rapid response crisis services or other behavioral health first responder services recommended by the crisis response improvement strategy committee is viable from the account given the level of expenditures necessary to support the infrastructure development and operational support of the 988 crisis hotline and crisis call center hubs, the steering committee must analyze options for the location and composition of such services given need and available resources with the requirement that funds from the account supplement, not supplant, existing behavioral health crisis funding.

(3) The work of the steering committee under this section must be facilitated by the behavioral health institute at Harborview medical center through its contract with the office of financial management under section 103 of this act with assistance provided by staff from senate committee services, the office of program research, and the office of financial management.

(4) The steering committee shall submit preliminary recommendations to the governor and the appropriate policy and fiscal committees of the legislature by January 1, 2022, and final recommendations to the governor and the appropriate policy and fiscal committees of the legislature by January 1, 2023.

(5) This section expires on July 1, 2023.

NEW SECTION. Sec. 105. A new section is added to chapter 71.24 RCW to read as follows:

(1) The department and authority shall provide an annual report regarding the usage of the 988 crisis hotline, call outcomes, and

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the provision of crisis services inclusive of mobile rapid response crisis teams and crisis stabilization services. The report shall be submitted to the governor and the appropriate committees of the legislature each November beginning in 2023. The report shall include information on the fund deposits and expenditures of the account created in section 205 of this act.

(2) The department and authority shall coordinate with the department of revenue, and any other agency that is appropriated funding under the account created in section 205 of this act, to develop and submit information to the federal communications commission required for the completion of fee accountability reports pursuant to the national suicide hotline designation act of 2020.

(3) The joint legislative audit and review committee shall schedule an audit to begin after the full implementation of this act, to provide transparency as to how funds from the statewide 988 behavioral health crisis response and suicide prevention line account have been expended, and to determine whether funds used to provide acute behavioral health, crisis outreach, and stabilization services are being used to supplement services identified as baseline services in the comprehensive analysis provided under section 103 of this act, or to supplant baseline services. The committee shall provide a report by November 1, 2027, which includes recommendations as to the adequacy of the funding provided to accomplish the intent of the act and any other recommendations for alteration or improvement.

NEW SECTION. Sec. 106. A new section is added to chapter 48.43 RCW to read as follows:

Health plans issued or renewed on or after January 1, 2023, must make next-day appointments available to enrollees experiencing urgent, symptomatic behavioral health conditions to receive covered behavioral health services. The appointment may be with a licensed provider other than a licensed behavioral health professional, as long as that provider is acting within their scope of practice, and may be provided through telemedicine consistent with RCW 48.43.735. Need for urgent symptomatic care is associated with the presentation of behavioral health signs or symptoms that require immediate attention, but are not emergent.

NEW SECTION. Sec. 107. A new section is added to chapter 43.06 RCW to read as follows:

(1) The governor shall appoint a 988 hotline and behavioral health crisis system coordinator to provide project coordination and oversight for the implementation and administration of the 988 crisis hotline, other requirements of this act, and other projects supporting the behavioral health crisis system. The coordinator shall:

(a) Oversee the collaboration between the department of health and the health care authority in their respective roles in supporting the crisis call center hubs, providing the necessary support services for 988 callers, and establishing adequate requirements and guidance for their contractors to fulfill the requirements of this act;

(b) Ensure coordination and facilitate communication between stakeholders such as crisis call center hub contractors, behavioral health administrative service organizations, county authorities, other crisis hotline centers, managed care organizations, and, in collaboration with the state enhanced 911 coordination office, with 911 emergency communications systems;

(c) Review the development of adequate and consistent training for crisis call center personnel and, in coordination with the state enhanced 911 coordination office, for 911 operators with respect to their interactions with the crisis hotline center; and

(d) Coordinate implementation of other behavioral health initiatives among state agencies and educational institutions, as appropriate, including coordination of data between agencies.

(2) This section expires June 30, 2024.

NEW SECTION. Sec. 108. A new section is added to chapter 71.24 RCW to read as follows:

(1) When acting in their statutory capacities pursuant to this act, the state, department, authority, state enhanced 911 coordination office, emergency management division, military department, any other state agency, and their officers, employees, and agents are deemed to be carrying out duties owed to the public in general and not to any individual person or class of persons separate and apart from the public. Nothing contained in this act may be construed to evidence a legislative intent that the duties to be performed by the state, department, authority, state enhanced 911 coordination office, emergency management division, military department, any other state agency, and their officers, employees, and agents, as required by this act, are owed to any individual person or class of persons separate and apart from the public in general.

(2) Each crisis call center hub designated by the department under any contract or agreement pursuant to this act shall be deemed to be an independent contractor, separate and apart from the department and the state.

NEW SECTION. Sec. 109. A new section is added to chapter 71.24 RCW to read as follows:

For the purpose of development and implementation of technology and platforms by the department and the authority under section 102 of this act, the department and the authority shall create a sophisticated technical and operational plan. The plan shall not conflict with, nor delay, the department meeting and satisfying existing 988 federal requirements that are already underway and must be met by July 16, 2022, nor is it intended to delay the initial planning phase of the project, or the planning and deliverables tied to any grant award received and allotted by the department or the authority prior to April 1, 2021. To the extent that funds are appropriated for this specific purpose, the department and the authority must contract for a consultant to critically analyze the development and implementation technology and platforms and operational challenges to best position the solutions for success. Prior to initiation of a new information technology development, which does not include the initial planning phase of this project or any contracting needed to complete the initial planning phase, the department and authority shall submit the technical and operational plan to the governor, office of financial management, steering committee of the crisis response improvement strategy committee created under section 103 of this act, and appropriate policy and fiscal committees of the legislature, which shall include the committees referenced in this section. The plan must be approved by the office of the chief information officer, the director of the office of financial management, and the steering committee of the crisis response improvement strategy committee, which shall consider any feedback received from the senate ways and means committee chair, the house of representatives appropriations committee chair, the senate environment, energy and technology committee chair, the senate behavioral health subcommittee chair, and the house of representatives health care and wellness committee chair, before any funds are expended for the solutions, other than those funds needed to complete the initial planning phase. A draft technical and operational plan must be submitted no later than January 1, 2022, and a final plan by August 31, 2022.

The plan submitted must include, but not be limited to:

- (1) Data management;
- (2) Data security;
- (3) Data flow;
- (4) Data access and permissions;
- (5) Protocols to ensure staff are following proper health

information privacy procedures;

- (6) Cybersecurity requirements and how to meet these;
- (7) Service level agreements by vendor;
- (8) Maintenance and operations costs;
- (9) Identification of what existing software as a service products might be applicable, to include the:
 - (a) Vendor name;
 - (b) Vendor offerings to include product module and functionality detail and whether each represent add-ons that must be paid separately;
 - (c) Vendor pricing structure by year through implementation; and
 - (d) Vendor pricing structure by year post implementation;
- (10) Integration limitations by system;
- (11) Data analytic and performance metrics to be required by system;
- (12) Liability;
- (13) Which agency will host the electronic health record software as a service;
- (14) Regulatory agency;
- (15) The timeline by fiscal year from initiation to implementation for each solution in this act;
- (16) How to plan in a manner that ensures efficient use of state resources and maximizes federal financial participation; and
- (17) A complete comprehensive business plan analysis.

PART II

TAX

NEW SECTION. Sec. 201. DEFINITIONS. (1) The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (a) "988 crisis hotline" has the same meaning as in RCW 71.24.025.
- (b) "Crisis call center hub" has the same meaning as in RCW 71.24.025.

(2) The definitions in RCW 82.14B.020 apply to this chapter.

NEW SECTION. Sec. 202. TAX IMPOSED. (1)(a) A statewide 988 behavioral health crisis response and suicide prevention line tax is imposed on the use of all radio access lines:

- (i) By subscribers whose place of primary use is located within the state in the amount set forth in (a)(ii) of this subsection (1) per month for each radio access line. The tax must be uniform for each radio access line under this subsection (1); and
- (ii) By consumers whose retail transaction occurs within the state in the amount set forth in this subsection (1)(a)(ii) per retail transaction. The amount of tax must be uniform for each retail transaction under this subsection (1) and is as follows:

(A) Beginning October 1, 2021, through December 31, 2022, the tax rate is 24 cents for each radio access line; and

(B) Beginning January 1, 2023, the tax rate is 40 cents for each radio access line.

(b) The tax imposed under this subsection (1) must be remitted to the department by radio communications service companies, including those companies that resell radio access lines, and sellers of prepaid wireless telecommunications service, on a tax return provided by the department. Tax proceeds must be deposited by the treasurer into the statewide 988 behavioral health crisis response and suicide prevention line account created in section 205 of this act.

(c) For the purposes of this subsection (1), the retail transaction is deemed to occur at the location where the transaction is sourced under RCW 82.32.520(3)(c).

(2) A statewide 988 behavioral health crisis response and suicide prevention line tax is imposed on all interconnected voice over internet protocol service lines in the state. The amount of tax must be uniform for each line and must be levied on no more than the number of voice over internet protocol service lines on an

account that is capable of simultaneous unrestricted outward calling to the public switched telephone network. The tax imposed under this subsection (2) must be remitted to the department by interconnected voice over internet protocol service companies on a tax return provided by the department. The amount of tax for each interconnected voice over internet protocol service line whose place of primary use is located in the state is as follows:

(a) Beginning October 1, 2021, through December 31, 2022, the tax rate is 24 cents for an interconnected voice over internet protocol service line; and

(b) Beginning January 1, 2023, the tax rate is 40 cents for an interconnected voice over internet protocol service line.

(3) A statewide 988 behavioral health crisis response and suicide prevention line tax is imposed on all switched access lines in the state. The amount of tax must be uniform for each line and must be levied on no more than the number of switched access lines on an account that is capable of simultaneous unrestricted outward calling to the public switched telephone network. The tax imposed under this subsection (3) must be remitted to the department by local exchange companies on a tax return provided by the department. The amount of tax for each switched access line whose place of primary use is located in the state is as follows:

(a) Beginning October 1, 2021, through December 31, 2022, the tax rate is 24 cents for each switched access line; and

(b) Beginning January 1, 2023, the tax rate is 40 cents for each switched access line.

(4) Tax proceeds collected pursuant to this section must be deposited by the treasurer into the statewide 988 behavioral health crisis response and suicide prevention line account created in section 205 of this act.

NEW SECTION. Sec. 203. COLLECTION OF TAX. (1) Except as provided otherwise in subsection (2) of this section:

(a) The statewide 988 behavioral health crisis response and suicide prevention line tax on radio access lines must be collected from the subscriber by the radio communications service company, including those companies that resell radio access lines, providing the radio access line to the subscriber, and the seller of prepaid wireless telecommunications services.

(b) The statewide 988 behavioral health crisis response and suicide prevention line tax on interconnected voice over internet protocol service lines must be collected from the subscriber by the interconnected voice over internet protocol service company providing the interconnected voice over internet protocol service line to the subscriber.

(c) The statewide 988 behavioral health crisis response and suicide prevention line tax on switched access lines must be collected from the subscriber by the local exchange company.

(d) The amount of the tax must be stated separately on the billing statement which is sent to the subscriber.

(2)(a) The statewide 988 behavioral health crisis response and suicide prevention line tax imposed by this chapter must be collected from the consumer by the seller of a prepaid wireless telecommunications service for each retail transaction occurring in this state.

(b) The department must transfer all tax proceeds remitted by a seller under this subsection (2) to the statewide 988 behavioral health crisis response and suicide prevention line account created in section 205 of this act.

(c) The taxes required by this subsection to be collected by the seller must be separately stated in any sales invoice or instrument of sale provided to the consumer.

NEW SECTION. Sec. 204. PAYMENT AND COLLECTION. (1)(a) The statewide 988 behavioral health crisis response and suicide prevention line tax imposed by this

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chapter must be paid by the subscriber to the radio communications service company providing the radio access line, the local exchange company, or the interconnected voice over internet protocol service company providing the interconnected voice over internet protocol service line.

(b) Each radio communications service company, each local exchange company, and each interconnected voice over internet protocol service company, must collect from the subscriber the full amount of the taxes payable. The statewide 988 behavioral health crisis response and suicide prevention line tax required by this chapter to be collected by a company or seller, are deemed to be held in trust by the company or seller until paid to the department. Any radio communications service company, local exchange company, or interconnected voice over internet protocol service company that appropriates or converts the tax collected to its own use or to any use other than the payment of the tax to the extent that the money collected is not available for payment on the due date as prescribed in this chapter is guilty of a gross misdemeanor.

(2) If any radio communications service company, local exchange company, or interconnected voice over internet protocol service company fails to collect the statewide 988 behavioral health crisis response and suicide prevention line tax or, after collecting the tax, fails to pay it to the department in the manner prescribed by this chapter, whether such failure is the result of its own act or the result of acts or conditions beyond its control, the company or seller is personally liable to the state for the amount of the tax, unless the company or seller has taken from the buyer in good faith documentation, in a form and manner prescribed by the department, stating that the buyer is not a subscriber or consumer or is otherwise not liable for the statewide 988 behavioral health crisis response and suicide prevention line tax.

(3) The amount of tax, until paid by the subscriber to the radio communications service company, local exchange company, the interconnected voice over internet protocol service company, or to the department, constitutes a debt from the subscriber to the company, or from the consumer to the seller. Any company or seller that fails or refuses to collect the tax as required with intent to violate the provisions of this chapter or to gain some advantage or benefit, either direct or indirect, and any subscriber or consumer who refuses to pay any tax due under this chapter is guilty of a misdemeanor. The statewide 988 behavioral health crisis response and suicide prevention line tax required by this chapter to be collected by the radio communications service company, local exchange company, or interconnected voice over internet protocol service company must be stated separately on the billing statement that is sent to the subscriber.

(4) If a subscriber has failed to pay to the radio communications service company, local exchange company, or interconnected voice over internet protocol service company, the statewide 988 behavioral health crisis response and suicide prevention line tax imposed by this chapter and the company or seller has not paid the amount of the tax to the department, the department may, in its discretion, proceed directly against the subscriber or consumer for collection of the tax, in which case a penalty of 10 percent may be added to the amount of the tax for failure of the subscriber or consumer to pay the tax to the company or seller, regardless of when the tax is collected by the department.

NEW SECTION. Sec. 205. ACCOUNT CREATION. (1) The statewide 988 behavioral health crisis response and suicide prevention line account is created in the state treasury. All receipts from the statewide 988 behavioral health crisis response and suicide prevention line tax imposed pursuant to this chapter must be deposited into the account. Moneys may only be spent

after appropriation.

(2) Expenditures from the account may only be used for (a) ensuring the efficient and effective routing of calls made to the 988 crisis hotline to an appropriate crisis hotline center or crisis call center hub; and (b) personnel and the provision of acute behavioral health, crisis outreach, and crisis stabilization services, as defined in RCW 71.24.025, by directly responding to the 988 crisis hotline.

(3) Moneys in the account may not be used to supplant general fund appropriations for behavioral health services or for medicaid covered services to individuals enrolled in the medicaid program.

NEW SECTION. Sec. 206. PREEMPTION. A city or county may not impose a tax, measured on a per line basis, on radio access lines, interconnected voice over internet protocol service lines, or switched access lines, for the purpose of ensuring the efficient and effective routing of calls made to the 988 crisis hotline to an appropriate crisis hotline center or crisis call center hub; or providing personnel or acute behavioral health, crisis outreach, or crisis stabilization services, as defined in RCW 71.24.025, associated with directly responding to the 988 crisis hotline.

PART III APPROPRIATIONS

NEW SECTION. Sec. 301. The appropriations in this section are provided to the department of health and are subject to the following conditions and limitations:

(1) The sum of \$23,016,000, or as much thereof as may be necessary, is appropriated for the fiscal biennium ending June 30, 2023, from the statewide 988 behavioral health crisis response and suicide prevention line account. The amount in this subsection is provided solely for the department to route calls to and contract for the operations of call centers and call center hubs. This includes funding for operations, training, and call center information technology and program staff.

(2) The sum of \$1,000,000, or as much thereof as may be necessary, is appropriated for the fiscal biennium ending June 30, 2023, from the statewide 988 behavioral health crisis response and suicide prevention line account. The amount in this subsection is provided solely for the department to contract for the development and operations of a tribal crisis line.

(3) The following sums, or so much thereof as may be necessary, are each appropriated: \$189,000 from the statewide 988 behavioral health crisis response and suicide prevention line account for the fiscal biennium ending June 30, 2023; and \$80,000 from the state general fund—federal account for the fiscal biennium ending June 30, 2023. The amounts in this subsection are provided solely for the department to provide staff support necessary to critically analyze the planning, development, and implementation of technology solutions to create the technical and operational plan pursuant to section 109 of this act.

(4) The sum of \$420,000, or as much thereof as may be necessary, is appropriated for the fiscal biennium ending June 30, 2023, from the statewide 988 behavioral health crisis response and suicide prevention line account. The amount in this subsection is provided solely for the department to participate in and provide support to the committee created in section 103 of this act.

NEW SECTION. Sec. 302. The appropriations in this section are provided to the state health care authority and are subject to the following conditions and limitations:

(1) The following sums, or as much thereof as may be necessary, are each appropriated: \$770,000 from the statewide 988 behavioral health crisis response and suicide prevention line account for the fiscal biennium ending June 30, 2023; and \$326,000 from the state general fund—federal account for the

fiscal biennium ending June 30, 2023. The amounts in this subsection are provided solely for the authority to provide staff and contracted support necessary to critically analyze the planning, development, and implementation of technology solutions to create the technical and operational plan pursuant to section 109 of this act.

(2) The following sums, or so much thereof as may be necessary, are each appropriated: \$644,000 from the statewide 988 behavioral health crisis response and suicide prevention line account for the fiscal biennium ending June 30, 2023; and \$127,000 from the state general fund—federal account for the fiscal biennium ending June 30, 2023. The amounts in this subsection are provided solely for the authority to participate in and provide support to the committee created in section 103 of this act.

(3) The following sums, or as much thereof as may be necessary, are each appropriated: \$381,000 from the statewide 988 behavioral health crisis response and suicide prevention line account for the fiscal biennium ending June 30, 2023; and \$381,000 from the state general fund—federal account for the fiscal biennium ending June 30, 2023. The amounts in this subsection are provided solely for the authority to fulfill its duties as described in section 102(8) of this act. This includes funding for collaboration with managed care organizations, county authorities, and behavioral health administrative services organizations related to crisis services, and the development of processes and best practices for crisis services.

NEW SECTION. Sec. 303. The sum of \$200,000, or as much thereof as may be necessary, is appropriated for the fiscal biennium ending June 30, 2023, from the statewide 988 behavioral health crisis response and suicide prevention line account to the office of financial management and provided solely to provide staff and contracted services support to the committee created in section 103 of this act.

PART IV DEFINITIONS AND MISCELLANEOUS

Sec. 401. RCW 71.24.025 and 2020 c 256 s 201 are each reenacted and amended to read as follows:

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

(1) "Acutely mentally ill" means a condition which is limited to a short-term severe crisis episode of:

(a) A mental disorder as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020;

(b) Being gravely disabled as defined in RCW 71.05.020 or, in the case of a child, a gravely disabled minor as defined in RCW 71.34.020; or

(c) Presenting a likelihood of serious harm as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020.

(2) "Alcoholism" means a disease, characterized by a dependency on alcoholic beverages, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

(3) "Approved substance use disorder treatment program" means a program for persons with a substance use disorder provided by a treatment program licensed or certified by the department as meeting standards adopted under this chapter.

(4) "Authority" means the Washington state health care authority.

(5) "Available resources" means funds appropriated for the purpose of providing community behavioral health programs, federal funds, except those provided according to Title XIX of the Social Security Act, and state funds appropriated under this chapter or chapter 71.05 RCW by the legislature during any

biennium for the purpose of providing residential services, resource management services, community support services, and other behavioral health services. This does not include funds appropriated for the purpose of operating and administering the state psychiatric hospitals.

(6) "Behavioral health administrative services organization" means an entity contracted with the authority to administer behavioral health services and programs under RCW 71.24.381, including crisis services and administration of chapter 71.05 RCW, the involuntary treatment act, for all individuals in a defined regional service area.

(7) "Behavioral health aide" means a counselor, health educator, and advocate who helps address individual and community-based behavioral health needs, including those related to alcohol, drug, and tobacco abuse as well as mental health problems such as grief, depression, suicide, and related issues and is certified by a community health aide program of the Indian health service or one or more tribes or tribal organizations consistent with the provisions of 25 U.S.C. Sec. 1616l and RCW 43.71B.010 (7) and (8).

(8) "Behavioral health provider" means a person licensed under chapter 18.57, 18.57A, 18.71, 18.71A, 18.83, 18.205, 18.225, or 18.79 RCW, as it applies to registered nurses and advanced registered nurse practitioners.

(9) "Behavioral health services" means mental health services as described in this chapter and chapter 71.36 RCW and substance use disorder treatment services as described in this chapter that, depending on the type of service, are provided by licensed or certified behavioral health agencies, behavioral health providers, or integrated into other health care providers.

(10) "Child" means a person under the age of eighteen years.

(11) "Chronically mentally ill adult" or "adult who is chronically mentally ill" means an adult who has a mental disorder and meets at least one of the following criteria:

(a) Has undergone two or more episodes of hospital care for a mental disorder within the preceding two years; or

(b) Has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding year; or

(c) Has been unable to engage in any substantial gainful activity by reason of any mental disorder which has lasted for a continuous period of not less than twelve months. "Substantial gainful activity" shall be defined by the authority by rule consistent with Public Law 92-603, as amended.

(12) "Clubhouse" means a community-based program that provides rehabilitation services and is licensed or certified by the department.

(13) "Community behavioral health program" means all expenditures, services, activities, or programs, including reasonable administration and overhead, designed and conducted to prevent or treat substance use disorder, mental illness, or both in the community behavioral health system.

(14) "Community behavioral health service delivery system" means public, private, or tribal agencies that provide services specifically to persons with mental disorders, substance use disorders, or both, as defined under RCW 71.05.020 and receive funding from public sources.

(15) "Community support services" means services authorized, planned, and coordinated through resource management services including, at a minimum, assessment, diagnosis, emergency crisis intervention available twenty-four hours, seven days a week, prescreening determinations for persons who are mentally ill being considered for placement in nursing homes as required by federal law, screening for patients being considered for admission to residential services, diagnosis and treatment for children who are acutely mentally ill or severely emotionally or behaviorally

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disturbed discovered under screening through the federal Title XIX early and periodic screening, diagnosis, and treatment program, investigation, legal, and other nonresidential services under chapter 71.05 RCW, case management services, psychiatric treatment including medication supervision, counseling, psychotherapy, assuring transfer of relevant patient information between service providers, recovery services, and other services determined by behavioral health administrative services organizations.

(16) "Consensus-based" means a program or practice that has general support among treatment providers and experts, based on experience or professional literature, and may have anecdotal or case study support, or that is agreed but not possible to perform studies with random assignment and controlled groups.

(17) "County authority" means the board of county commissioners, county council, or county executive having authority to establish a behavioral health administrative services organization, or two or more of the county authorities specified in this subsection which have entered into an agreement to establish a behavioral health administrative services organization.

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

(19) "Designated crisis responder" has the same meaning as in RCW 71.05.020.

(20) "Director" means the director of the authority.

(21) "Drug addiction" means a disease characterized by a dependency on psychoactive chemicals, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

(22) "Early adopter" means a regional service area for which all of the county authorities have requested that the authority purchase medical and behavioral health services through a managed care health system as defined under RCW 71.24.380(6).

(23) "Emerging best practice" or "promising practice" means a program or practice that, based on statistical analyses or a well established theory of change, shows potential for meeting the evidence-based or research-based criteria, which may include the use of a program that is evidence-based for outcomes other than those listed in subsection (24) of this section.

(24) "Evidence-based" means a program or practice that has been tested in heterogeneous or intended populations with multiple randomized, or statistically controlled evaluations, or both; or one large multiple site randomized, or statistically controlled evaluation, or both, where the weight of the evidence from a systemic review demonstrates sustained improvements in at least one outcome. "Evidence-based" also means a program or practice that can be implemented with a set of procedures to allow successful replication in Washington and, when possible, is determined to be cost-beneficial.

(25) "Indian health care provider" means a health care program operated by the Indian health service or by a tribe, tribal organization, or urban Indian organization as those terms are defined in the Indian health care improvement act (25 U.S.C. Sec. 1603).

(26) "Intensive behavioral health treatment facility" means a community-based specialized residential treatment facility for individuals with behavioral health conditions, including individuals discharging from or being diverted from state and local hospitals, whose impairment or behaviors do not meet, or no longer meet, criteria for involuntary inpatient commitment under chapter 71.05 RCW, but whose care needs cannot be met in other community-based placement settings.

(27) "Licensed or certified behavioral health agency" means:

(a) An entity licensed or certified according to this chapter or

chapter 71.05 RCW;

(b) An entity deemed to meet state minimum standards as a result of accreditation by a recognized behavioral health accrediting body recognized and having a current agreement with the department; or

(c) An entity with a tribal attestation that it meets state minimum standards for a licensed or certified behavioral health agency.

(28) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

(29) "Long-term inpatient care" means inpatient services for persons committed for, or voluntarily receiving intensive treatment for, periods of ninety days or greater under chapter 71.05 RCW. "Long-term inpatient care" as used in this chapter does not include: (a) Services for individuals committed under chapter 71.05 RCW who are receiving services pursuant to a conditional release or a court-ordered less restrictive alternative to detention; or (b) services for individuals voluntarily receiving less restrictive alternative treatment on the grounds of the state hospital.

(30) "Managed care organization" means an organization, having a certificate of authority or certificate of registration from the office of the insurance commissioner, that contracts with the authority under a comprehensive risk contract to provide prepaid health care services to enrollees under the authority's managed care programs under chapter 74.09 RCW.

(31) "Mental health peer-run respite center" means a peer-run program to serve individuals in need of voluntary, short-term, noncrisis services that focus on recovery and wellness.

(32) Mental health "treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department of social and health services or the authority, by behavioral health administrative services organizations and their staffs, by managed care organizations and their staffs, or by treatment facilities. "Treatment records" do not include notes or records maintained for personal use by a person providing treatment services for the entities listed in this subsection, or a treatment facility if the notes or records are not available to others.

(33) "Mentally ill persons," "persons who are mentally ill," and "the mentally ill" mean persons and conditions defined in subsections (1), (11), (40), and (41) of this section.

(34) "Recovery" means a process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential.

(35) "Research-based" means a program or practice that has been tested with a single randomized, or statistically controlled evaluation, or both, demonstrating sustained desirable outcomes; or where the weight of the evidence from a systemic review supports sustained outcomes as described in subsection (24) of this section but does not meet the full criteria for evidence-based.

(36) "Residential services" means a complete range of residences and supports authorized by resource management services and which may involve a facility, a distinct part thereof, or services which support community living, for persons who are acutely mentally ill, adults who are chronically mentally ill, children who are severely emotionally disturbed, or adults who are seriously disturbed and determined by the behavioral health administrative services organization or managed care organization to be at risk of becoming acutely or chronically mentally ill. The services shall include at least evaluation and treatment services as defined in chapter 71.05 RCW, acute crisis respite care, long-term adaptive and rehabilitative care, and

supervised and supported living services, and shall also include any residential services developed to service persons who are mentally ill in nursing homes, residential treatment facilities, assisted living facilities, and adult family homes, and may include outpatient services provided as an element in a package of services in a supported housing model. Residential services for children in out-of-home placements related to their mental disorder shall not include the costs of food and shelter, except for children's long-term residential facilities existing prior to January 1, 1991.

(37) "Resilience" means the personal and community qualities that enable individuals to rebound from adversity, trauma, tragedy, threats, or other stresses, and to live productive lives.

(38) "Resource management services" mean the planning, coordination, and authorization of residential services and community support services administered pursuant to an individual service plan for: (a) Adults and children who are acutely mentally ill; (b) adults who are chronically mentally ill; (c) children who are severely emotionally disturbed; or (d) adults who are seriously disturbed and determined by a behavioral health administrative services organization or managed care organization to be at risk of becoming acutely or chronically mentally ill. Such planning, coordination, and authorization shall include mental health screening for children eligible under the federal Title XIX early and periodic screening, diagnosis, and treatment program. Resource management services include seven day a week, twenty-four hour a day availability of information regarding enrollment of adults and children who are mentally ill in services and their individual service plan to designated crisis responders, evaluation and treatment facilities, and others as determined by the behavioral health administrative services organization or managed care organization, as applicable.

(39) "Secretary" means the secretary of the department of health.

(40) "Seriously disturbed person" means a person who:

(a) Is gravely disabled or presents a likelihood of serious harm to himself or herself or others, or to the property of others, as a result of a mental disorder as defined in chapter 71.05 RCW;

(b) Has been on conditional release status, or under a less restrictive alternative order, at some time during the preceding two years from an evaluation and treatment facility or a state mental health hospital;

(c) Has a mental disorder which causes major impairment in several areas of daily living;

(d) Exhibits suicidal preoccupation or attempts; or

(e) Is a child diagnosed by a mental health professional, as defined in chapter 71.34 RCW, as experiencing a mental disorder which is clearly interfering with the child's functioning in family or school or with peers or is clearly interfering with the child's personality development and learning.

(41) "Severely emotionally disturbed child" or "child who is severely emotionally disturbed" means a child who has been determined by the behavioral health administrative services organization or managed care organization, if applicable, to be experiencing a mental disorder as defined in chapter 71.34 RCW, including those mental disorders that result in a behavioral or conduct disorder, that is clearly interfering with the child's functioning in family or school or with peers and who meets at least one of the following criteria:

(a) Has undergone inpatient treatment or placement outside of the home related to a mental disorder within the last two years;

(b) Has undergone involuntary treatment under chapter 71.34 RCW within the last two years;

(c) Is currently served by at least one of the following child-serving systems: Juvenile justice, child-protection/welfare, special education, or developmental disabilities;

(d) Is at risk of escalating maladjustment due to:

(i) Chronic family dysfunction involving a caretaker who is mentally ill or inadequate;

(ii) Changes in custodial adult;

(iii) Going to, residing in, or returning from any placement outside of the home, for example, psychiatric hospital, short-term inpatient, residential treatment, group or foster home, or a correctional facility;

(iv) Subject to repeated physical abuse or neglect;

(v) Drug or alcohol abuse; or

(vi) Homelessness.

(42) "State minimum standards" means minimum requirements established by rules adopted and necessary to implement this chapter by:

(a) The authority for:

(i) Delivery of mental health and substance use disorder services; and

(ii) Community support services and resource management services;

(b) The department of health for:

(i) Licensed or certified behavioral health agencies for the purpose of providing mental health or substance use disorder programs and services, or both;

(ii) Licensed behavioral health providers for the provision of mental health or substance use disorder services, or both; and

(iii) Residential services.

(43) "Substance use disorder" means a cluster of cognitive, behavioral, and physiological symptoms indicating that an individual continues using the substance despite significant substance-related problems. The diagnosis of a substance use disorder is based on a pathological pattern of behaviors related to the use of the substances.

(44) "Tribe," for the purposes of this section, means a federally recognized Indian tribe.

(45) "Crisis call center hub" means a state-designated center participating in the national suicide prevention lifeline network to respond to statewide or regional 988 calls that meets the requirements of section 102 of this act.

(46) "Crisis stabilization services" means services such as 23-hour crisis stabilization units based on the living room model, crisis stabilization units as provided in RCW 71.05.020, triage facilities as provided in RCW 71.05.020, short-term respite facilities, peer-run respite services, and same-day walk-in behavioral health services, including within the overall crisis system components that operate like hospital emergency departments that accept all walk-ins, and ambulance, fire, and police drop-offs.

(47) "Mobile rapid response crisis team" means a team that provides professional on-site community-based intervention such as outreach, de-escalation, stabilization, resource connection, and follow-up support for individuals who are experiencing a behavioral health crisis, that shall include certified peer counselors as a best practice to the extent practicable based on workforce availability, and that meets standards for response times established by the authority.

(48) "988 crisis hotline" means the universal telephone number within the United States designated for the purpose of the national suicide prevention and mental health crisis hotline system operating through the national suicide prevention lifeline.

Sec. 402. RCW 71.24.025 and 2020 c 256 s 201 and 2020 c 80 s 52 are each reenacted and amended to read as follows:

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

(1) "Acutely mentally ill" means a condition which is limited to a short-term severe crisis episode of:

(a) A mental disorder as defined in RCW 71.05.020 or, in the

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case of a child, as defined in RCW 71.34.020;

(b) Being gravely disabled as defined in RCW 71.05.020 or, in the case of a child, a gravely disabled minor as defined in RCW 71.34.020; or

(c) Presenting a likelihood of serious harm as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020.

(2) "Alcoholism" means a disease, characterized by a dependency on alcoholic beverages, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

(3) "Approved substance use disorder treatment program" means a program for persons with a substance use disorder provided by a treatment program licensed or certified by the department as meeting standards adopted under this chapter.

(4) "Authority" means the Washington state health care authority.

(5) "Available resources" means funds appropriated for the purpose of providing community behavioral health programs, federal funds, except those provided according to Title XIX of the Social Security Act, and state funds appropriated under this chapter or chapter 71.05 RCW by the legislature during any biennium for the purpose of providing residential services, resource management services, community support services, and other behavioral health services. This does not include funds appropriated for the purpose of operating and administering the state psychiatric hospitals.

(6) "Behavioral health administrative services organization" means an entity contracted with the authority to administer behavioral health services and programs under RCW 71.24.381, including crisis services and administration of chapter 71.05 RCW, the involuntary treatment act, for all individuals in a defined regional service area.

(7) "Behavioral health aide" means a counselor, health educator, and advocate who helps address individual and community-based behavioral health needs, including those related to alcohol, drug, and tobacco abuse as well as mental health problems such as grief, depression, suicide, and related issues and is certified by a community health aide program of the Indian health service or one or more tribes or tribal organizations consistent with the provisions of 25 U.S.C. Sec. 1616l and RCW 43.71B.010 (7) and (8).

(8) "Behavioral health provider" means a person licensed under chapter 18.57, 18.71, 18.71A, 18.83, 18.205, 18.225, or 18.79 RCW, as it applies to registered nurses and advanced registered nurse practitioners.

(9) "Behavioral health services" means mental health services as described in this chapter and chapter 71.36 RCW and substance use disorder treatment services as described in this chapter that, depending on the type of service, are provided by licensed or certified behavioral health agencies, behavioral health providers, or integrated into other health care providers.

(10) "Child" means a person under the age of eighteen years.

(11) "Chronically mentally ill adult" or "adult who is chronically mentally ill" means an adult who has a mental disorder and meets at least one of the following criteria:

(a) Has undergone two or more episodes of hospital care for a mental disorder within the preceding two years; or

(b) Has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding year; or

(c) Has been unable to engage in any substantial gainful activity by reason of any mental disorder which has lasted for a continuous period of not less than twelve months. "Substantial

gainful activity" shall be defined by the authority by rule consistent with Public Law 92-603, as amended.

(12) "Clubhouse" means a community-based program that provides rehabilitation services and is licensed or certified by the department.

(13) "Community behavioral health program" means all expenditures, services, activities, or programs, including reasonable administration and overhead, designed and conducted to prevent or treat substance use disorder, mental illness, or both in the community behavioral health system.

(14) "Community behavioral health service delivery system" means public, private, or tribal agencies that provide services specifically to persons with mental disorders, substance use disorders, or both, as defined under RCW 71.05.020 and receive funding from public sources.

(15) "Community support services" means services authorized, planned, and coordinated through resource management services including, at a minimum, assessment, diagnosis, emergency crisis intervention available twenty-four hours, seven days a week, prescreening determinations for persons who are mentally ill being considered for placement in nursing homes as required by federal law, screening for patients being considered for admission to residential services, diagnosis and treatment for children who are acutely mentally ill or severely emotionally or behaviorally disturbed discovered under screening through the federal Title XIX early and periodic screening, diagnosis, and treatment program, investigation, legal, and other nonresidential services under chapter 71.05 RCW, case management services, psychiatric treatment including medication supervision, counseling, psychotherapy, assuring transfer of relevant patient information between service providers, recovery services, and other services determined by behavioral health administrative services organizations.

(16) "Consensus-based" means a program or practice that has general support among treatment providers and experts, based on experience or professional literature, and may have anecdotal or case study support, or that is agreed but not possible to perform studies with random assignment and controlled groups.

(17) "County authority" means the board of county commissioners, county council, or county executive having authority to establish a behavioral health administrative services organization, or two or more of the county authorities specified in this subsection which have entered into an agreement to establish a behavioral health administrative services organization.

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

(19) "Designated crisis responder" has the same meaning as in RCW 71.05.020.

(20) "Director" means the director of the authority.

(21) "Drug addiction" means a disease characterized by a dependency on psychoactive chemicals, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

(22) "Early adopter" means a regional service area for which all of the county authorities have requested that the authority purchase medical and behavioral health services through a managed care health system as defined under RCW 71.24.380(6).

(23) "Emerging best practice" or "promising practice" means a program or practice that, based on statistical analyses or a well established theory of change, shows potential for meeting the evidence-based or research-based criteria, which may include the use of a program that is evidence-based for outcomes other than those listed in subsection (24) of this section.

(24) "Evidence-based" means a program or practice that has

been tested in heterogeneous or intended populations with multiple randomized, or statistically controlled evaluations, or both; or one large multiple site randomized, or statistically controlled evaluation, or both, where the weight of the evidence from a systemic review demonstrates sustained improvements in at least one outcome. "Evidence-based" also means a program or practice that can be implemented with a set of procedures to allow successful replication in Washington and, when possible, is determined to be cost-beneficial.

(25) "Indian health care provider" means a health care program operated by the Indian health service or by a tribe, tribal organization, or urban Indian organization as those terms are defined in the Indian health care improvement act (25 U.S.C. Sec. 1603).

(26) "Intensive behavioral health treatment facility" means a community-based specialized residential treatment facility for individuals with behavioral health conditions, including individuals discharging from or being diverted from state and local hospitals, whose impairment or behaviors do not meet, or no longer meet, criteria for involuntary inpatient commitment under chapter 71.05 RCW, but whose care needs cannot be met in other community-based placement settings.

(27) "Licensed or certified behavioral health agency" means:

(a) An entity licensed or certified according to this chapter or chapter 71.05 RCW;

(b) An entity deemed to meet state minimum standards as a result of accreditation by a recognized behavioral health accrediting body recognized and having a current agreement with the department; or

(c) An entity with a tribal attestation that it meets state minimum standards for a licensed or certified behavioral health agency.

(28) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

(29) "Long-term inpatient care" means inpatient services for persons committed for, or voluntarily receiving intensive treatment for, periods of ninety days or greater under chapter 71.05 RCW. "Long-term inpatient care" as used in this chapter does not include: (a) Services for individuals committed under chapter 71.05 RCW who are receiving services pursuant to a conditional release or a court-ordered less restrictive alternative to detention; or (b) services for individuals voluntarily receiving less restrictive alternative treatment on the grounds of the state hospital.

(30) "Managed care organization" means an organization, having a certificate of authority or certificate of registration from the office of the insurance commissioner, that contracts with the authority under a comprehensive risk contract to provide prepaid health care services to enrollees under the authority's managed care programs under chapter 74.09 RCW.

(31) "Mental health peer-run respite center" means a peer-run program to serve individuals in need of voluntary, short-term, noncrisis services that focus on recovery and wellness.

(32) Mental health "treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department of social and health services or the authority, by behavioral health administrative services organizations and their staffs, by managed care organizations and their staffs, or by treatment facilities. "Treatment records" do not include notes or records maintained for personal use by a person providing treatment services for the entities listed in this subsection, or a treatment facility if the notes or records are not available to others.

(33) "Mentally ill persons," "persons who are mentally ill," and

"the mentally ill" mean persons and conditions defined in subsections (1), (11), (40), and (41) of this section.

(34) "Recovery" means a process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential.

(35) "Research-based" means a program or practice that has been tested with a single randomized, or statistically controlled evaluation, or both, demonstrating sustained desirable outcomes; or where the weight of the evidence from a systemic review supports sustained outcomes as described in subsection (24) of this section but does not meet the full criteria for evidence-based.

(36) "Residential services" means a complete range of residences and supports authorized by resource management services and which may involve a facility, a distinct part thereof, or services which support community living, for persons who are acutely mentally ill, adults who are chronically mentally ill, children who are severely emotionally disturbed, or adults who are seriously disturbed and determined by the behavioral health administrative services organization or managed care organization to be at risk of becoming acutely or chronically mentally ill. The services shall include at least evaluation and treatment services as defined in chapter 71.05 RCW, acute crisis respite care, long-term adaptive and rehabilitative care, and supervised and supported living services, and shall also include any residential services developed to service persons who are mentally ill in nursing homes, residential treatment facilities, assisted living facilities, and adult family homes, and may include outpatient services provided as an element in a package of services in a supported housing model. Residential services for children in out-of-home placements related to their mental disorder shall not include the costs of food and shelter, except for children's long-term residential facilities existing prior to January 1, 1991.

(37) "Resilience" means the personal and community qualities that enable individuals to rebound from adversity, trauma, tragedy, threats, or other stresses, and to live productive lives.

(38) "Resource management services" mean the planning, coordination, and authorization of residential services and community support services administered pursuant to an individual service plan for: (a) Adults and children who are acutely mentally ill; (b) adults who are chronically mentally ill; (c) children who are severely emotionally disturbed; or (d) adults who are seriously disturbed and determined by a behavioral health administrative services organization or managed care organization to be at risk of becoming acutely or chronically mentally ill. Such planning, coordination, and authorization shall include mental health screening for children eligible under the federal Title XIX early and periodic screening, diagnosis, and treatment program. Resource management services include seven days a week, twenty-four hour a day availability of information regarding enrollment of adults and children who are mentally ill in services and their individual service plan to designated crisis responders, evaluation and treatment facilities, and others as determined by the behavioral health administrative services organization or managed care organization, as applicable.

(39) "Secretary" means the secretary of the department of health.

(40) "Seriously disturbed person" means a person who:

(a) Is gravely disabled or presents a likelihood of serious harm to himself or herself or others, or to the property of others, as a result of a mental disorder as defined in chapter 71.05 RCW;

(b) Has been on conditional release status, or under a less restrictive alternative order, at some time during the preceding two years from an evaluation and treatment facility or a state mental health hospital;

(c) Has a mental disorder which causes major impairment in

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several areas of daily living;

(d) Exhibits suicidal preoccupation or attempts; or

(e) Is a child diagnosed by a mental health professional, as defined in chapter 71.34 RCW, as experiencing a mental disorder which is clearly interfering with the child's functioning in family or school or with peers or is clearly interfering with the child's personality development and learning.

(41) "Severely emotionally disturbed child" or "child who is severely emotionally disturbed" means a child who has been determined by the behavioral health administrative services organization or managed care organization, if applicable, to be experiencing a mental disorder as defined in chapter 71.34 RCW, including those mental disorders that result in a behavioral or conduct disorder, that is clearly interfering with the child's functioning in family or school or with peers and who meets at least one of the following criteria:

(a) Has undergone inpatient treatment or placement outside of the home related to a mental disorder within the last two years;

(b) Has undergone involuntary treatment under chapter 71.34 RCW within the last two years;

(c) Is currently served by at least one of the following child-serving systems: Juvenile justice, child-protection/welfare, special education, or developmental disabilities;

(d) Is at risk of escalating maladjustment due to:

(i) Chronic family dysfunction involving a caretaker who is mentally ill or inadequate;

(ii) Changes in custodial adult;

(iii) Going to, residing in, or returning from any placement outside of the home, for example, psychiatric hospital, short-term inpatient, residential treatment, group or foster home, or a correctional facility;

(iv) Subject to repeated physical abuse or neglect;

(v) Drug or alcohol abuse; or

(vi) Homelessness.

(42) "State minimum standards" means minimum requirements established by rules adopted and necessary to implement this chapter by:

(a) The authority for:

(i) Delivery of mental health and substance use disorder services; and

(ii) Community support services and resource management services;

(b) The department of health for:

(i) Licensed or certified behavioral health agencies for the purpose of providing mental health or substance use disorder programs and services, or both;

(ii) Licensed behavioral health providers for the provision of mental health or substance use disorder services, or both; and

(iii) Residential services.

(43) "Substance use disorder" means a cluster of cognitive, behavioral, and physiological symptoms indicating that an individual continues using the substance despite significant substance-related problems. The diagnosis of a substance use disorder is based on a pathological pattern of behaviors related to the use of the substances.

(44) "Tribe," for the purposes of this section, means a federally recognized Indian tribe.

(45) "Crisis call center hub" means a state-designated center participating in the national suicide prevention lifeline network to respond to statewide or regional 988 calls that meets the requirements of section 102 of this act.

(46) "Crisis stabilization services" means services such as 23-hour crisis stabilization units based on the living room model, crisis stabilization units as provided in RCW 71.05.020, triage facilities as provided in RCW 71.05.020, short-term respite

facilities, peer-run respite services, and same-day walk-in behavioral health services, including within the overall crisis system components that operate like hospital emergency departments that accept all walk-ins, and ambulance, fire, and police drop-offs.

(47) "Mobile rapid response crisis team" means a team that provides professional on-site community-based intervention such as outreach, de-escalation, stabilization, resource connection, and follow-up support for individuals who are experiencing a behavioral health crisis, that shall include certified peer counselors as a best practice to the extent practicable based on workforce availability, and that meets standards for response times established by the authority.

(48) "988 crisis hotline" means the universal telephone number within the United States designated for the purpose of the national suicide prevention and mental health crisis hotline system operating through the national suicide prevention lifeline.

Sec. 403. RCW 71.24.649 and 2019 c 324 s 5 are each amended to read as follows:

The secretary shall license or certify mental health peer-run respite centers that meet state minimum standards. In consultation with the authority and the department of social and health services, the secretary must:

(1) Establish requirements for licensed and certified community behavioral health agencies to provide mental health peer-run respite center services and establish physical plant and service requirements to provide voluntary, short-term, noncrisis services that focus on recovery and wellness;

(2) Require licensed and certified agencies to partner with the local crisis system including, but not limited to, evaluation and treatment facilities and designated crisis responders;

(3) Establish staffing requirements, including rules to ensure that facilities are peer-run;

(4) Limit services to a maximum of seven days in a month;

(5) Limit services to individuals who are experiencing psychiatric distress, but do not meet legal criteria for involuntary hospitalization under chapter 71.05 RCW; and

(6) Limit services to persons at least eighteen years of age.

NEW SECTION. Sec. 404. Sections 201 through 206 of this act constitute a new chapter in Title 82 RCW.

NEW SECTION. Sec. 405. Sections 201 through 205 of this act take effect October 1, 2021.

NEW SECTION. Sec. 406. Section 401 of this act expires July 1, 2022.

NEW SECTION. Sec. 407. Section 402 of this act takes effect July 1, 2022.

NEW SECTION. Sec. 408. Section 103 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

On page 1, line 4 of the title, after "services;" strike the remainder of the title and insert "amending RCW 71.24.649; reenacting and amending RCW 71.24.025 and 71.24.025; adding new sections to chapter 71.24 RCW; adding a new section to chapter 48.43 RCW; adding a new section to chapter 43.06 RCW; adding a new chapter to Title 82 RCW; creating a new section; prescribing penalties; making appropriations; providing effective dates; providing expiration dates; and declaring an emergency."

And the bill do pass as recommended by the conference committee.

Signed by Senators Dhingra and Robinson; Representatives Macri and Orwall.

MOTION

Senator Dhingra moved that the Report of the Conference Committee on Engrossed Second Substitute House Bill No. 1477 be adopted.

Senator Dhingra spoke in favor of the motion.

Senators Wagoner and Ericksen spoke against passage of the motion.

The President declared the question before the Senate to be the motion by Senator Dhingra that the Report of the Conference Committee on Engrossed Second Substitute House Bill No. 1477 be adopted.

The motion by Senator Dhingra carried and the Report of the Conference Committee was adopted by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1477, as recommended by the Conference Committee.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1477, as recommended by the Conference Committee, and the bill passed the Senate by the following vote: Yeas, 27; Nays, 22; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hobbs, Hunt, Keiser, Kuderer, Liias, Lovelett, Mullet, Nguyen, Nobles, Pedersen, Randall, Robinson, Rolfes, Saldaña, Salomon, Stanford, Van De Wege, Wellman and Wilson, C.

Voting nay: Senators Braun, Brown, Dozier, Ericksen, Fortunato, Gildon, Hasegawa, Hawkins, Holy, Honeyford, King, McCune, Muzzall, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Warnick, Wilson, J. and Wilson, L.

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1477, as recommended by the Conference Committee, 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.

MESSAGE FROM THE HOUSE

April 22, 2021

MR. PRESIDENT:

The House passed ENGROSSED SUBSTITUTE SENATE BILL NO. 5478 with the following amendment(s): 5478-S.E AMH ENGR H1555.E

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. (1) The legislature finds that certain businesses in Washington have experienced significant and unanticipated impacts during the COVID-19 pandemic. The legislature intends to preemptively minimize the disproportionate impact COVID-19 economic closures have had on these businesses.

(2) Small businesses in particular have fewer reserves and fewer resources to rely upon in periods of downturn. Those businesses owned by historically disadvantaged groups, such as women, minority populations, and immigrants, often experience disproportionately more distress and burden due to the economic impacts of the COVID-19 pandemic compared to their counterparts across the remaining business community. These businesses are absolutely critical to the success of Washington's continued high ratings, number one gross domestic product, and are part of the backbone of Washington's diverse and resilient economy.

(3) The legislature finds that ESSB 5061, passed by the legislature and signed by the governor earlier in the 2021 session, mitigated immediate impacts to employers through caps on the social tax, suspension of the solvency surcharge, and relief of certain benefit charges.

(4) The legislature now intends to address the disproportionate impacts on small and other significantly impacted businesses beyond the limited time period addressed in ESSB 5061. The legislature intends to provide this targeted relief through the one-time application of funds, in order to provide critical support for many of the businesses that are essential to Washington's recovery and ongoing economic vitality, while maintaining a healthy unemployment insurance trust fund for Washington's workers.

NEW SECTION. Sec. 2. A new section is added to chapter 50.16 RCW to read as follows:

(1) The unemployment insurance relief account is created in the custody of the state treasurer. Revenues to the account consist of appropriations and transfers by the legislature and all other funding directed for deposit into the account. Only the commissioner of the employment security department or the commissioner's designee may authorize expenditures from the account. Expenditures from the account may be used only for reimbursing the unemployment compensation fund created in RCW 50.16.010 for forgiven benefits for COVID-19 impacted businesses pursuant to sections 3, 4, 5, 6, 7, 8, and 9 of this act. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) By July 1, 2022, the commissioner must certify to the state treasurer the amount of any unobligated moneys in the unemployment insurance relief account that were appropriated by the legislature from the general fund during the 2021-2023 fiscal biennium, and the treasurer must transfer those moneys back to the general fund.

NEW SECTION. Sec. 3. A new section is added to chapter 50.29 RCW to read as follows:

(1) By December 20, 2021, the department must determine the forgiven benefits for approved category 1 employers to be reimbursed by the unemployment insurance relief account instead of charged to the employer's experience rating account. Total forgiven benefits for all approved category 1 employers may not exceed the available benefits for category 1.

(2) The department will not charge the forgiven benefits to the employer's experience rating account. The commissioner must instead transfer from the unemployment insurance relief account to the unemployment compensation fund created in RCW 50.16.010 an amount equal to the forgiven benefits.

(3) For the purposes of this section, the following definitions apply:

(a) "Approved benefits" means benefits paid to employees of an approved category 1 employer during the fiscal year ending June 30, 2021, not to exceed an amount that would reduce the employer's rate class increase to no more than a two rate class increase. Approved benefits must not include benefits that were not charged to the employer's experience rating account or benefits otherwise relieved under RCW 50.29.021.

(b) "Approved category 1 employer" means a contribution paying employer:

(i) With 20 or fewer employees in the state as reported on the employer's fourth quarter report to the department for 2020;

(ii) Whose experience rating under RCW 50.29.025(1)(a)(ii) has increased by three or more rate classes from rate year 2021 to rate year 2022; and

(iii) Whose North American industry classification system code for rate year 2021 is within "323," "331," "448," "451," "453," "481," "485," "487," "512," "711," "712," "713," "721,"

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"722," "812," and "814."

(c) "Available benefits for category 1" means \$100,000,000 of the total amount of money in the unemployment insurance relief account.

(d) "Forgiven benefits" means the approved benefits for an individual employer multiplied by the forgiveness ratio.

(e) "Forgiveness ratio" is computed by dividing the available benefits for category 1 by the total approved benefits. The forgiveness ratio cannot be more than one.

(f) "Total approved benefits" means the sum total of all approved benefits.

(4) The department must adopt such rules as are necessary to carry out the purposes of this section.

(5) This section expires July 30, 2022.

NEW SECTION. Sec. 4. A new section is added to chapter 50.29 RCW to read as follows:

(1) By December 20, 2021, the department must determine the forgiven benefits for approved category 2 employers to be reimbursed by the unemployment insurance relief account instead of charged to the employer's experience rating account. Total forgiven benefits for all approved category 2 employers may not exceed the available benefits for category 2.

(2) The department will not charge the forgiven benefits to the employer's experience rating account. The commissioner must instead transfer from the unemployment insurance relief account to the unemployment compensation fund created in RCW 50.16.010 an amount equal to the forgiven benefits.

(3) For the purposes of this section, the following definitions apply:

(a) "Approved benefits" means benefits paid to employees of an approved category 2 employer during the fiscal year ending June 30, 2021, not to exceed an amount that would reduce the employer's rate class increase to no more than a two rate class increase. Approved benefits must not include benefits that were not charged to the employer's experience rating account or benefits otherwise relieved under RCW 50.29.021.

(b) "Approved category 2 employer" means a contribution paying employer:

(i) Whose experience rating under RCW 50.29.025(1)(a)(ii) has increased by three or more rate classes from rate year 2021 to rate year 2022;

(ii) Whose North American industry classification system code for rate year 2021 is within "323," "331," "448," "451," "453," "481," "485," "487," "512," "711," "712," "713," "721," "722," "812," and "814"; and

(iii) Who does not meet the definition of approved category 1 employer under section 3(3) of this act.

(c) "Available benefits for category 2" means the sum total of:

(i) The difference between the available benefits for category 1, as defined in section 3 of this act, and the total forgiven benefits for approved category 1 employers, as defined in section 3 of this act; and

(ii) \$175,000,000 of the total amount of money in the unemployment insurance relief account.

(d) "Forgiven benefits" means the approved benefits for an individual employer multiplied by the forgiveness ratio.

(e) "Forgiveness ratio" is computed by dividing the available benefits for category 2 by the total approved benefits. The forgiveness ratio cannot be more than one.

(f) "Total approved benefits" means the sum total of all approved benefits.

(4) The department must adopt such rules as are necessary to carry out the purposes of this section.

(5) This section expires July 30, 2022.

NEW SECTION. Sec. 5. A new section is added to chapter

50.29 RCW to read as follows:

(1) By December 20, 2021, the department must determine the forgiven benefits for approved category 3 employers to be reimbursed by the unemployment insurance relief account instead of charged to the employer's experience rating account. Total forgiven benefits for all approved category 3 employers may not exceed the available benefits for category 3.

(2) The department will not charge the forgiven benefits to the employer's experience rating account. The commissioner must instead transfer from the unemployment insurance relief account to the unemployment compensation fund created in RCW 50.16.010 an amount equal to the forgiven benefits.

(3) For the purposes of this section, the following definitions apply:

(a) "Approved benefits" means benefits paid to employees of an approved category 3 employer during the fiscal year ending June 30, 2021, not to exceed an amount that would reduce the employer's rate class increase to no more than a three rate class increase. Approved benefits must not include benefits that were not charged to the employer's experience rating account or benefits otherwise relieved under RCW 50.29.021.

(b) "Approved category 3 employer" means a contribution paying employer:

(i) Whose experience rating under RCW 50.29.025(1)(a)(ii) has increased by four or more rate classes from rate year 2021 to rate year 2022;

(ii) With 20 or fewer employees in the state as reported on the employer's fourth quarter report to the department for 2020; and

(iii) Who does not meet the definition of approved category 1 employer under section 3(3) of this act or approved category 2 employer under section 4(3) of this act.

(c) "Available benefits for category 3" means the sum total of:

(i) The difference between the available benefits for category 2, as defined under section 4 of this act, and the total forgiven benefits for approved category 2 employers, as defined under section 4 of this act; and

(ii) \$75,000,000 of the total amount of money in the unemployment insurance relief account.

(d) "Forgiven benefits" means the approved benefits for an individual employer multiplied by the forgiveness ratio.

(e) "Forgiveness ratio" is computed by dividing the available benefits for category 3 by the total approved benefits. The forgiveness ratio cannot be more than one.

(f) "Total approved benefits" means the sum total of all approved benefits.

(4) The department must adopt such rules as are necessary to carry out the purposes of this section.

(5) This section expires July 30, 2022.

NEW SECTION. Sec. 6. A new section is added to chapter 50.29 RCW to read as follows:

(1) By December 20, 2021, the department must determine the forgiven benefits for approved category 4 employers to be reimbursed by the unemployment insurance relief account instead of charged to the employer's experience rating account. Total forgiven benefits for all approved category 4 employers may not exceed the available benefits for category 4.

(2) The department will not charge the forgiven benefits to the employer's experience rating account. The commissioner must instead transfer from the unemployment insurance relief account to the unemployment compensation fund created in RCW 50.16.010 an amount equal to the forgiven benefits.

(3) For the purposes of this section, the following definitions apply:

(a) "Approved benefits" means benefits paid to employees of an approved category 4 employer during the fiscal year ending

June 30, 2021, not to exceed an amount that would reduce the employer's rate class increase to no more than a three rate class increase. Approved benefits must not include benefits that were not charged to the employer's experience rating account or benefits otherwise relieved under RCW 50.29.021.

(b) "Approved category 4 employer" means a contribution paying employer:

(i) Whose experience rating under RCW 50.29.025(1)(a)(ii) has increased by four or more rate classes from rate year 2021 to rate year 2022;

(ii) With at least 21 but fewer than 5,000 employees in the state as reported on the employer's fourth quarter report to the department for 2020; and

(iii) Who does not meet the definition of approved category 1 employer under section 3(3) of this act, approved category 2 employer under section 4(3) of this act, or approved category 3 employer under section 5(3) of this act.

(c) "Available benefits for category 4" means the sum total of:

(i) The difference between the available benefits for category 3, as defined under section 5 of this act, and the total forgiven benefits for approved category 3 employers, as defined under section 5 of this act; and

(ii) \$150,000,000 of the total amount of money in the unemployment insurance relief account.

(d) "Forgiven benefits" means the approved benefits for an individual employer multiplied by the forgiveness ratio.

(e) "Forgiveness ratio" is computed by dividing the available benefits for category 4 by the total approved benefits. The forgiveness ratio cannot be more than one.

(f) "Total approved benefits" means the sum total of all approved benefits.

(4) The department must adopt such rules as are necessary to carry out the purposes of this section.

(5) This section expires July 30, 2022.

NEW SECTION. Sec. 7. A new section is added to chapter 50.29 RCW to read as follows:

(1) If moneys remain in the unemployment insurance relief account after the department determines the forgiven benefits for all approved employers pursuant to sections 3 through 6 of this act, then by December 21, 2021, the department must again determine any forgiven benefits for approved category 1 employers to be reimbursed by the unemployment insurance relief account instead of charged to the employer's experience rating account. Total forgiven benefits for all approved category 1 employers may not exceed the available benefits for category 1.

(2) The department will not charge the forgiven benefits to the employer's experience rating account. The commissioner must instead transfer from the unemployment insurance relief account to the unemployment compensation fund created in RCW 50.16.010 an amount equal to the forgiven benefits.

(3) For the purposes of this section, the following definitions apply:

(a) "Approved benefits" means any remaining benefits paid to employees of an approved category 1 employer during the fiscal year ending June 30, 2021, that were not previously forgiven under section 3 of this act, not to exceed an amount that would reduce the employer's rate class increase to no more than a two rate class increase. Approved benefits must not include benefits that were not charged to the employer's experience rating account or benefits otherwise relieved under RCW 50.29.021.

(b) "Approved category 1 employer" has the same meaning as defined in section 3 of this act.

(c) "Available benefits for category 1" means the total amount of money remaining in the unemployment insurance relief account after benefits are forgiven according to sections 3 through 6 of this act.

(d) "Forgiven benefits" means the approved benefits for an individual employer multiplied by the forgiveness ratio.

(e) "Forgiveness ratio" is computed by dividing the available benefits for category 1 by the total approved benefits. The forgiveness ratio cannot be more than one.

(f) "Total approved benefits" means the sum total of all approved benefits.

(4) The department must adopt such rules as are necessary to carry out the purposes of this section.

(5) This section expires July 30, 2022.

NEW SECTION. Sec. 8. A new section is added to chapter 50.29 RCW to read as follows:

(1) If moneys remain in the unemployment insurance relief account after the department determines the forgiven benefits for approved category 1 employers pursuant to section 7 of this act, the department must again determine any forgiven benefits for approved category 2 employers to be reimbursed by the unemployment insurance relief account instead of charged to the employer's experience rating account. Total forgiven benefits for all approved category 2 employers may not exceed the available benefits for category 2.

(2) The department will not charge the forgiven benefits to the employer's experience rating account. The commissioner must instead transfer from the unemployment insurance relief account to the unemployment compensation fund created in RCW 50.16.010 an amount equal to the forgiven benefits.

(3) For the purposes of this section, the following definitions apply:

(a) "Approved benefits" means any remaining benefits paid to employees of an approved category 2 employer during the fiscal year ending June 30, 2021, that were not previously forgiven under section 4 of this act, not to exceed an amount that would reduce the employer's rate class increase to no more than a two rate class increase. Approved benefits must not include benefits that were not charged to the employer's experience rating account or benefits otherwise relieved under RCW 50.29.021.

(b) "Approved category 2 employer" has the same meaning as defined in section 4 of this act.

(c) "Available benefits for category 2" means the difference between the available benefits for category 1, as defined in section 7 of this act, and the total forgiven benefits for approved category 1 employers, as defined in section 7 of this act.

(d) "Forgiven benefits" means the approved benefits for an individual employer multiplied by the forgiveness ratio.

(e) "Forgiveness ratio" is computed by dividing the available benefits for category 2 by the total approved benefits. The forgiveness ratio cannot be more than one.

(f) "Total approved benefits" means the sum total of all approved benefits.

(4) The department must adopt such rules as are necessary to carry out the purposes of this section.

(5) This section expires July 30, 2022.

NEW SECTION. Sec. 9. A new section is added to chapter 50.29 RCW to read as follows:

(1) If moneys remain in the unemployment insurance relief account after the department determines the forgiven benefits for approved category 2 employers pursuant to section 8 of this act, the department must again determine any forgiven benefits for approved category 3 employers to be reimbursed by the unemployment insurance relief account instead of charged to the employer's experience rating account. Total forgiven benefits for all approved category 3 employers may not exceed the available benefits for category 3.

(2) The department will not charge the forgiven benefits to the employer's experience rating account. The commissioner must instead transfer from the unemployment insurance relief account

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to the unemployment compensation fund created in RCW 50.16.010 an amount equal to the forgiven benefits.

Senators Keiser, King and Mullet spoke in favor of the motion.

(3) For the purposes of this section, the following definitions apply:

The President declared the question before the Senate to be the motion by Senator Keiser that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5478.

(a) "Approved benefits" means any remaining benefits paid to employees of an approved category 3 employer during the fiscal year ending June 30, 2021, that were not previously forgiven under section 5 of this act, not to exceed an amount that would reduce the employer's rate class increase to no more than a three rate class increase. Approved benefits must not include benefits that were not charged to the employer's experience rating account or benefits otherwise relieved under RCW 50.29.021.

The motion by Senator Keiser carried and the Senate concurred in the House amendment(s) to Engrossed Substitute Senate Bill No. 5478 by voice vote.

(b) "Approved category 3 employer" has the same meaning as defined in section 5 of this act.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5478, as amended by the House.

(c) "Available benefits for category 3" means the difference between the available benefits for category 2, as defined under section 8 of this act, and the total forgiven benefits for approved category 2 employers, as defined under section 8 of this act.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5478, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

(d) "Forgiven benefits" means the approved benefits for an individual employer multiplied by the forgiveness ratio.

Voting yea: Senators Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Dozier, Ericksen, Fortunato, Frockt, Gildon, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Lias, Lovelett, McCune, Mullet, Muzzall, Nguyen, Nobles, Padden, Pedersen, Randall, Rivers, Robinson, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Stanford, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, J. and Wilson, L.

(e) "Forgiveness ratio" is computed by dividing the available benefits for category 3 by the total approved benefits. The forgiveness ratio cannot be more than one.

(f) "Total approved benefits" means the sum total of all approved benefits.

(4) The department must adopt such rules as are necessary to carry out the purposes of this section.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5478, as amended by the House, 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.

(5) This section expires July 30, 2022.

MESSAGE FROM THE HOUSE

April 23, 2021

NEW SECTION. Sec. 10. A new section is added to chapter 50.29 RCW to read as follows:

MR. PRESIDENT:
The House passed ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5126 with the following amendment(s): 5126-S2.E AMH ENGR H1619.E

(1) By September 1st of each year, the department must determine which employers have not paid all contributions, penalties, or interest due, and have not entered into a department-approved deferred payment contract, as of that date.

Strike everything after the enacting clause and insert the following:

(2) By September 1st of each year, for each employer meeting the criteria in subsection (1) of this section, the department must notify the employer of the availability of deferred payment contracts with the department. The department must provide technical, and culturally and linguistically relevant, assistance as needed to the employer in navigating the process for entering into a department-approved payment contract.

"NEW SECTION. Sec. 1. FINDINGS AND INTENT. (1) The legislature finds that climate change is one of the greatest challenges facing our state and the world today, an existential crisis with major negative impacts on environmental and human health. Washington is experiencing environmental and community impacts due to climate change through increasingly devastating wildfires, flooding, droughts, rising temperatures and sea levels, and ocean acidification. Greenhouse gas emissions already in the atmosphere will increase impacts for some period of time. Actions to increase resilience of our communities, natural resource lands, and ecosystems can prevent and reduce impacts to communities and our environment and improve their ability to recover.

NEW SECTION. Sec. 11. If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this act is inoperative solely to the extent of the conflict, and the finding or determination does not affect the operation of the remainder of this act. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state.

NEW SECTION. Sec. 12. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

(2) In 2020, the legislature updated the state's greenhouse gas emissions limits that are to be achieved by 2030, 2040, and 2050, based on current science and emissions trends, to support local and global efforts to avoid the most significant impacts from climate change. Meeting these limits will require coordinated, comprehensive, and multisectoral implementation of policies, programs, and laws, as other enacted policies are insufficient to meet the limits.

Correct the title.

(3) The legislature further finds that while climate change is a global problem, there are communities that have historically

and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

MOTION

Senator Keiser moved that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5478.

borne the disproportionate impacts of environmental burdens and that now bear the disproportionate negative impacts of climate change. Although the state has done significant work in the past to highlight these environmental health disparities, beginning with senator Rosa Franklin's environmental equity study, and continuing through the work of the governor's interagency council on health disparities, the creation of the Washington environmental health disparities map, and recommendations of the environmental justice task force, the state can do much more to ensure that state programs address environmental equity.

(4) The legislature further finds that while enacted carbon policies can be well-intended to reduce greenhouse gas emissions and provide environmental benefits to communities, the policies may not do enough to ensure environmental health disparities are reduced and environmental benefits are provided to those communities most impacted by environmental harms from greenhouse gas and air pollutant emissions.

(5) The legislature further finds that wildfires have become one of the largest sources of black carbon in the last five years. From 2014 through 2018, wildfires in Washington state generated 39,200,000 metric tons of carbon, the equivalent of more than 8,500,000 cars on the road a year. In 2015, when 1,130,000 acres burned in Washington, wildfires were the second largest source of greenhouse gas emissions releasing 17,975,112 metric tons of carbon dioxide into the atmosphere. Wildfire pollution affects all Washingtonians, but has disproportionate health effects on low-income communities, communities of color, and the most vulnerable of our population. Restoring the health of our forests and investing in wildfire prevention and preparedness will therefore contribute to improved air quality and improved public health outcomes.

(6) The legislature further finds that by exercising a leadership role in addressing climate change, Washington will position its economy, technology centers, financial institutions, and manufacturers to benefit from national and international efforts that must occur to reduce greenhouse gases. The legislature intends to create climate policy that recognizes the special nature of emissions-intensive, trade-exposed industries by minimizing leakage and increased life-cycle emissions associated with product imports. The legislature further finds that climate policies must be appropriately designed, in order to avoid leakage that results in net increases in global greenhouse gas emissions and increased negative impacts to those communities most impacted by environmental harms from climate change. The legislature further intends to encourage these industries to continue to innovate, find new ways to be more energy efficient, use lower carbon products, and be positioned to be global leaders in a low carbon economy.

(7) Under the program, the legislature intends to identify overburdened communities where the highest concentrations of criteria pollutants occur, determine the sources of those emissions and pollutants, and pursue significant reductions of emissions and pollutants in those communities. The legislature further intends for the department of ecology to conduct environmental justice assessments to ensure that funds and programs created under this chapter provide direct and meaningful benefits to vulnerable populations and overburdened communities. Additionally, the legislature intends to prevent job loss and provide protective measures if workers are adversely impacted by the transition to a clean energy economy through transition and assistance programs, worker-support projects, and workforce development and other activities designed to grow and expand the clean manufacturing sector in communities across Washington state. The legislature further intends to empower the environmental justice council established under RCW 70A.---.--- (section 20, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate

Bill No. 5141)) to provide recommendations for the development and implementation of the program, the distribution of funds, and the establishment of programs, activities, and projects to achieve environmental justice and environmental health goals. The legislature further intends for the department of ecology to create and adopt community engagement plans and tribal consultation frameworks in the administration of the program to ensure equitable practices for meaningful community and federally recognized tribal involvement. Finally, the legislature intends to establish this program to contribute to a healthy environment for all of Washington's communities.

NEW SECTION. Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Allowance" means an authorization to emit up to one metric ton of carbon dioxide equivalent.

(2) "Allowance price containment reserve" means an account maintained by the department with allowances available for sale through separate reserve auctions at predefined prices to assist in containing compliance costs for covered and opt-in entities in the event of unanticipated high costs for compliance instruments.

(3) "Annual allowance budget" means the total number of greenhouse gas allowances allocated for auction and distribution for one calendar year by the department.

(4) "Asset controlling supplier" means any entity that owns or operates interconnected electricity generating facilities or serves as an exclusive marketer for these facilities even though it does not own them, and has been designated by the department and received a department-published emissions factor for the wholesale electricity procured from its system. The department shall use a methodology consistent with the methodology used by an external greenhouse gas emissions trading program that shares the regional electricity transmission system. Electricity from an asset controlling supplier is considered a specified source of electricity.

(5) "Auction" means the process of selling greenhouse gas allowances by offering them up for bid, taking bids, and then distributing the allowances to winning bidders.

(6) "Auction floor price" means a price for allowances below which bids at auction are not eligible to be accepted.

(7) "Auction purchase limit" means the limit on the number of allowances one registered entity or a group of affiliated registered entities may purchase from the share of allowances sold at an auction.

(8) "Balancing authority" means the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a balancing authority area, and supports interconnection frequency in real time.

(9) "Balancing authority area" means the collection of generation, transmission, and load within the metered boundaries of a balancing authority. A balancing authority maintains load-resource balance within this area.

(10) "Best available technology" means a technology or technologies that will achieve the greatest reduction in greenhouse gas emissions, taking into account the fuels, processes, and equipment used by facilities to produce goods of comparable type, quantity, and quality. Best available technology must be technically feasible, commercially available, economically viable, not create excessive environmental impacts, and be compliant with all applicable laws while not changing the characteristics of the good being manufactured.

(11) "Biomass" means nonfossilized and biodegradable organic material originating from plants, animals, and microorganisms, including products, by-products, residues, and waste from agriculture, forestry, and related industries as well as the nonfossilized and biodegradable organic fractions of

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industrial waste, including gases and liquids recovered from the decomposition of nonfossilized and biodegradable organic material.

(12) "Biomass-derived fuels," "biomass fuels," or "biofuels" means fuels derived from biomass that have at least 40 percent lower greenhouse gas emissions based on a full life-cycle analysis when compared to petroleum fuels for which biofuels are capable as serving as a substitute.

(13) "Carbon dioxide equivalents" means a measure used to compare the emissions from various greenhouse gases based on their global warming potential.

(14) "Carbon dioxide removal" means deliberate human activities removing carbon dioxide from the atmosphere and durably storing it in geological, terrestrial, or ocean reservoirs, or in products. "Carbon dioxide removal" includes existing and potential anthropogenic enhancement of biological or geochemical sinks and including, but not limited to, carbon mineralization and direct air capture and storage.

(15) "Climate commitment" means the process and mechanisms to ensure a coordinated and strategic approach to advancing climate resilience and environmental justice and achieving an equitable and inclusive transition to a carbon neutral economy.

(16) "Climate resilience" is the ongoing process of anticipating, preparing for, and adapting to changes in climate and minimizing negative impacts to our natural systems, infrastructure, and communities. For natural systems, increasing climate resilience involves restoring and increasing the health, function, and integrity of our ecosystems and improving their ability to absorb and recover from climate-affected disturbances. For communities, increasing climate resilience means enhancing their ability to understand, prevent, adapt, and recover from climate impacts to people and infrastructure.

(17) "Closed facility" means a facility at which the current owner or operator has elected to permanently stop production and will no longer be an emissions source.

(18) "Compliance instrument" means an allowance or offset credit issued by the department or by an external greenhouse gas emissions trading program to which Washington has linked its greenhouse gas emissions cap and invest program. One compliance instrument is equal to one metric ton of carbon dioxide equivalent.

(19) "Compliance obligation" means the requirement to submit to the department the number of compliance instruments equivalent to a covered or opt-in entity's covered emissions during the compliance period.

(20) "Compliance period" means the four-year period for which the compliance obligation is calculated for covered entities.

(21) "Cost burden" means the impact on rates or charges to customers of electric utilities in Washington state for the incremental cost of electricity service to serve load due to the compliance cost for greenhouse gas emissions caused by the program. Cost burden includes administrative costs from the utility's participation in the program.

(22) "Covered emissions" means the emissions for which a covered entity has a compliance obligation under section 10 of this act.

(23) "Covered entity" means a person that is designated by the department as subject to sections 8 through 24 of this act.

(24) "Cumulative environmental health impact" has the same meaning as provided in RCW 70A.--- (section 2, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)).

(25) "Curtailed facility" means a facility at which the owner or

operator has temporarily suspended production but for which the owner or operator maintains operating permits and retains the option to resume production if conditions become amenable.

(26) "Department" means the department of ecology.

(27) "Electricity importer" means:

(a) For electricity that is scheduled with a NERC e-tag to a final point of delivery into a balancing authority area located entirely within the state of Washington, the electricity importer is identified on the NERC e-tag as the purchasing-selling entity on the last segment of the tag's physical path with the point of receipt located outside the state of Washington and the point of delivery located inside the state of Washington;

(b) For facilities physically located outside the state of Washington with the first point of interconnection to a balancing authority area located entirely within the state of Washington when the electricity is not scheduled on a NERC e-tag, the electricity importer is the facility operator or owner;

(c) For electricity imported through a centralized market, the electricity importer will be defined by rule consistent with the rules required under section 10(1)(c) of this act;

(d) For electricity from facilities allocated to serve retail electricity customers of a multijurisdictional electric company, the electricity importer is the multijurisdictional electric company;

(e) If the importer identified under (a) of this subsection is a federal power marketing administration over which the state of Washington does not have jurisdiction, and the federal power marketing administration has not voluntarily elected to comply with the program, then the electricity importer is the next purchasing-selling entity in the physical path on the NERC e-tag, or if no additional purchasing-selling entity over which the state of Washington has jurisdiction, then the electricity importer is the electric utility that operates the Washington transmission or distribution system, or the generation balancing authority;

(f) For electricity that is imported into the state by a federal power marketing administration and sold to a public body or cooperative customer or direct service industrial customer located in Washington pursuant to section 5(b) or (d) of the Pacific Northwest electric power planning and conservation act of 1980, P.L. 96-501, the electricity importer is the federal marketing administration;

(g) If the importer identified under (f) of this subsection has not voluntarily elected to comply with the program, then the electricity importer is the public body or cooperative customer or direct service industrial customer; or

(h) For electricity from facilities allocated to a consumer-owned utility inside the state of Washington from a multijurisdictional consumer-owned utility, the electricity importer is the consumer-owned utility inside the state of Washington.

(28) "Emissions containment reserve allowance" means a conditional allowance that is withheld from sale at an auction by the department or its agent to secure additional emissions reductions in the event prices fall below the emissions containment reserve trigger price.

(29) "Emissions containment reserve trigger price" means the price below which allowances will be withheld from sale by the department or its agent at an auction, as determined by the department by rule.

(30) "Emissions threshold" means the greenhouse gas emission level at or above which a person has a compliance obligation.

(31) "Environmental benefits" has the same meaning as defined in RCW 70A.--- (section 2, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)).

(32) "Environmental harm" has the same meaning as defined

in RCW 70A.--- (section 2, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)).

(33) "Environmental impacts" has the same meaning as defined in RCW 70A.--- (section 2, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)).

(34) "Environmental justice" has the same meaning as defined in RCW 70A.--- (section 2, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)).

(35) "Environmental justice assessment" has the same meaning as identified in RCW 70A.--- (section 14, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)).

(36) "External greenhouse gas emissions trading program" means a government program, other than Washington's program created in this chapter, that restricts greenhouse gas emissions from sources outside of Washington and that allows emissions trading.

(37) "Facility" means any physical property, plant, building, structure, source, or stationary equipment located on one or more contiguous or adjacent properties in actual physical contact or separated solely by a public roadway or other public right-of-way and under common ownership or common control, that emits or may emit any greenhouse gas.

(38) "First jurisdictional deliverer" means the owner or operator of an electric generating facility in Washington or an electricity importer.

(39) "General market participant" means a registered entity that is not identified as a covered entity or an opt-in entity that is registered in the program registry and intends to purchase, hold, sell, or voluntarily retire compliance instruments.

(40) "Greenhouse gas" has the same meaning as in RCW 70A.45.010.

(41) "Holding limit" means the maximum number of allowances that may be held for use or trade by a registered entity at any one time.

(42) "Imported electricity" means electricity generated outside the state of Washington with a final point of delivery within the state.

(a) "Imported electricity" includes electricity from an organized market, such as the energy imbalance market.

(b) "Imported electricity" includes imports from linked jurisdictions, but such imports shall be construed as having no emissions.

(c) Electricity from a system that is marketed by a federal power marketing administration shall be construed as "imported electricity," not electricity generated in the state of Washington.

(d) "Imported electricity" does not include electricity imports of unspecified electricity that are netted by exports of unspecified electricity to any jurisdiction not covered by a linked program by the same entity within the same hour.

(e) For a multijurisdictional electric company, "imported electricity" means electricity, other than from in-state facilities, that contributes to a common system power pool. Where a multijurisdictional electric company has a cost allocation methodology approved by the utilities and transportation commission, the allocation of specific facilities to Washington's retail load will be in accordance with that methodology.

(f) For a multijurisdictional consumer-owned utility, "imported electricity" includes electricity from facilities that contribute to a common system power pool that are allocated to a consumer-owned utility inside the state of Washington pursuant to a methodology approved by the governing board of the consumer-owned utility.

(43) "Leakage" means a reduction in emissions of greenhouse gases within the state that is offset by a directly attributable increase in greenhouse gas emissions outside the state and outside the geography of another jurisdiction with a linkage agreement

with Washington.

(44) "Limits" means the greenhouse gas emissions reductions required by RCW 70A.45.020.

(45) "Linkage" means a bilateral or multilateral decision under a linkage agreement between greenhouse gas market programs to accept compliance instruments issued by a participating jurisdiction to meet the obligations of regulated entities in a partner jurisdiction and to otherwise coordinate activities to facilitate operation of a joint market.

(46) "Linkage agreement" means a nonbinding agreement that connects two or more greenhouse gas market programs and articulates a mutual understanding of how the participating jurisdictions will work together to facilitate a connected greenhouse gas market.

(47) "Linked jurisdiction" means a jurisdiction with which Washington has entered into a linkage agreement.

(48) "Multijurisdictional consumer-owned utility" means a consumer-owned utility that provides electricity to member owners in Washington and in one or more other states in a contiguous service territory or from a common power system.

(49) "Multijurisdictional electric company" means an investor-owned utility that provides electricity to customers in Washington and in one or more other states in a contiguous service territory or from a common power system.

(50) "NERC e-tag" means North American electric reliability corporation (NERC) energy tag representing transactions on the North American bulk electricity market scheduled to flow between or across balancing authority areas.

(51) "Offset credit" means a tradable compliance instrument that represents an emissions reduction or emissions removal of one metric ton of carbon dioxide equivalent.

(52) "Offset project" means a project that reduces or removes greenhouse gases that are not covered emissions under this chapter.

(53) "Offset protocols" means a set of procedures and standards to quantify greenhouse gas reductions or greenhouse gas removals achieved by an offset project.

(54) "Overburdened community" means a geographic area where vulnerable populations face combined, multiple environmental harms and health impacts or risks due to exposure to environmental pollutants or contaminants through multiple pathways, which may result in significant disparate adverse health outcomes or effects.

(a) "Overburdened community" includes, but is not limited to:

(i) Highly impacted communities as defined in RCW 19.405.020;

(ii) Communities located in census tracts that are fully or partially on "Indian country" as defined in 18 U.S.C. Sec. 1151; and

(iii) Populations, including Native Americans or immigrant populations, who may be exposed to environmental contaminants and pollutants outside of the geographic area in which they reside based on the populations' use of traditional or cultural foods and practices, such as the use of resources, access to which is protected under treaty rights in ceded areas, when those exposures in conjunction with other exposures may result in disproportionately greater risks, including risks of certain cancers or other adverse health effects and outcomes.

(b) Overburdened communities identified by the department may include the same communities as those identified by the department through its process for identifying overburdened communities under RCW 70A.--- (section 2, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)).

(55) "Person" has the same meaning as defined in RCW 70A.15.2200(5)(h)(iii).

(56) "Point of delivery" means a point on the electricity

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transmission or distribution system where a deliverer makes electricity available to a receiver, or available to serve load. This point may be an interconnection with another system or a substation where the transmission provider's transmission and distribution systems are connected to another system, or a distribution substation where electricity is imported into the state over a multijurisdictional retail provider's distribution system.

(57) "Price ceiling unit" means the units issued at a fixed price by the department for the purpose of limiting price increases and funding further investments in greenhouse gas reductions.

(58) "Program" means the greenhouse gas emissions cap and invest program created by and implemented pursuant to this chapter.

(59) "Program registry" means the data system in which covered entities, opt-in entities, and general market participants are registered and in which compliance instruments are recorded and tracked.

(60) "Registered entity" means a covered entity, opt-in entity, or general market participant that has completed the process for registration in the program registry.

(61) "Resilience" means the ability to prepare, mitigate and plan for, withstand, recover from, and more successfully adapt to adverse events and changing conditions, and reorganize in an equitable manner that results in a new and better condition.

(62) "Retire" means to permanently remove a compliance instrument such that the compliance instrument may never be sold, traded, or otherwise used again.

(63) "Specified source of electricity" or "specified source" means a facility, unit, or asset controlling supplier that is permitted to be claimed as the source of electricity delivered. The reporting entity must have either full or partial ownership in the facility or a written power contract to procure electricity generated by that facility or unit or from an asset controlling supplier at the time of entry into the transaction to procure electricity.

(64) "Supplier" means a supplier of fuel in Washington state as defined in RCW 70A.15.2200(5)(h)(ii).

(65) "Tribal lands" has the same meaning as defined in RCW 70A.--- (section 2, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)).

(66) "Unspecified source of electricity" or "unspecified source" means a source of electricity that is not a specified source at the time of entry into the transaction to procure electricity.

(67) "Voluntary renewable reserve account" means a holding account maintained by the department from which allowances may be retired for voluntary renewable electricity generation, which is directly delivered to the state and has not and will not be sold or used to meet any other mandatory requirements in the state or any other jurisdiction, on behalf of voluntary renewable energy purchasers or end users.

(68) "Vulnerable populations" has the same meaning as defined in RCW 70A.--- (section 2, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)).

NEW SECTION. Sec. 3. ENVIRONMENTAL JUSTICE REVIEW. (1) To ensure that the program created in sections 8 through 24 of this act achieves reductions in criteria pollutants as well as greenhouse gas emissions in overburdened communities highly impacted by air pollution, the department must:

(a) Identify overburdened communities, which may be accomplished through the department's process to identify overburdened communities under chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141);

(b) Deploy an air monitoring network in overburdened communities to collect sufficient air quality data for the 2023 review and subsequent reviews of criteria pollutant reductions

conducted under subsection (2) of this section; and

(c)(i) Within the identified overburdened communities, analyze and determine which sources are the greatest contributors of criteria pollutants and develop a high priority list of significant emitters.

(ii) Prior to listing any entity as a high priority emitter, the department must notify that entity and share the data used to rank that entity as a high priority emitter, and provide a period of not less than 60 days for the covered entity to submit more recent data or other information relevant to the designation of that entity as a high priority emitter.

(2)(a) Beginning in 2023, and every two years thereafter, the department must conduct a review to determine levels of criteria pollutants, as well as greenhouse gas emissions, in the overburdened communities identified under subsection (1) of this section. This review must also include an evaluation of initial and subsequent health impacts related to criteria pollution in overburdened communities. The department may conduct this evaluation jointly with the department of health.

(b) Once this review determines the levels of criteria pollutants in an identified overburdened community, then the department, in consultation with local air pollution control authorities, must:

(i) Establish air quality targets to achieve air quality consistent with whichever is more protective for human health:

(A) National ambient air quality standards established by the United States environmental protection agency; or

(B) The air quality experienced in neighboring communities that are not identified as overburdened;

(ii) Identify the stationary and mobile sources that are the greatest contributors of those emissions that are either increasing or not decreasing;

(iii) Achieve the reduction targets through adoption of emission control strategies or other methods;

(iv) Adopt, along with local air pollution control authorities, stricter air quality standards, emission standards, or emissions limitations on criteria pollutants, consistent with the authority of the department provided under RCW 70A.15.3000, and may consider alternative mitigation actions that would reduce criteria pollution by similar amounts; and

(v) After adoption of the stricter air quality standards, emission standards, or emissions limitations on criteria pollutants under (b)(iv) of this subsection, issue an enforceable order or the local air authority must issue an enforceable order, as authorized under section 35 of this act, as necessary to comply with the stricter standards or limitations and the requirements of this section. The department or local air authority must initiate the process, including provision of notice to all relevant affected permittees or registered sources and to the public, to adopt and implement an enforceable order required under this subsection within six months of the adoption of standards or limitations under (b)(iv) of this subsection.

(c) Actions imposed under this section may not impose requirements on a permitted stationary source that are disproportionate to the permitted stationary source's contribution to air pollution compared to other permitted stationary sources and other sources of criteria pollutants in the overburdened community.

(3) An eligible facility sited after the effective date of this section that receives allowances under section 13 of this act must mitigate increases in its emissions of particulate matter in overburdened communities.

(4)(a) The department must create and adopt a supplement to the department's community engagement plan developed pursuant to chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141). The supplement must describe

how the department will engage with overburdened communities and vulnerable populations in:

- (i) Identifying emitters in overburdened communities; and
 - (ii) Monitoring and evaluating criteria pollutant emissions in those areas.
- (b) The community engagement plan must include methods for outreach and communication with those who face barriers, language or otherwise, to participation.

NEW SECTION. Sec. 4. ENVIRONMENTAL JUSTICE ASSESSMENT. (1) Each year or biennium, as appropriate, when allocating funds from the carbon emissions reduction account created in section 27 of this act, the climate investment account created in section 28 of this act, or the air quality and health disparities improvement account created in section 31 of this act, or administering grants or programs funded by the accounts, agencies shall conduct an environmental justice assessment consistent with the requirements of RCW 70A.--- (section 14, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)) and establish a minimum of not less than 35 percent and a goal of 40 percent of total investments that provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities through: (a) The direct reduction of environmental burdens in overburdened communities; (b) the reduction of disproportionate, cumulative risk from environmental burdens, including those associated with climate change; (c) the support of community led project development, planning, and participation costs; or (d) meeting a community need identified by the community that is consistent with the intent of this chapter or RCW 70A.--- (section 2, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)).

(2) The allocation of funding under subsection (1) of this section must adhere to the following principles, additional to the requirements of RCW 70A.--- (section 16, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)): (a) Benefits and programs should be directed to areas and targeted to vulnerable populations and overburdened communities to reduce statewide disparities; (b) investments and benefits should be made roughly proportional to the health disparities that a specific community experiences, with a goal of eliminating the disparities; (c) investments and programs should focus on creating environmental benefits, including eliminating health burdens, creating community and population resilience, and raising the quality of life of those in the community; and (d) efforts should be made to balance investments and benefits across the state and within counties, local jurisdictions, and unincorporated areas as appropriate to reduce disparities by location and to ensure efforts contribute to a reduction in disparities that exist based on race or ethnicity, socioeconomic status, or other factors.

(3) State agencies allocating funds or administering grants or programs from the carbon emissions reduction account created in section 27 of this act, the climate investment account created in section 28 of this act, or the air quality and health disparities improvement account created in section 31 of this act, must:

(a) Report annually to the environmental justice council created in RCW 70A.--- (section 20, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)) regarding progress toward meeting environmental justice and environmental health goals;

(b) Consider recommendations by the environmental justice council; and

(c)(i) If the agency is not a covered agency subject to the requirements of chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141), create and adopt a community engagement plan to describe how it will engage with overburdened communities and vulnerable populations in

allocating funds or administering grants or programs from the climate investment account.

(ii) The plan must include methods for outreach and communication with those who face barriers, language or otherwise, to participation.

NEW SECTION. Sec. 5. ENVIRONMENTAL JUSTICE COUNCIL. (1) The environmental justice council created in RCW 70A.--- (section 20, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)) must provide recommendations to the legislature, agencies, and the governor in the development and implementation of the program established in sections 8 through 24 of this act, and the programs funded from the carbon emissions reduction account created in section 27 of this act and from the climate investment account created in section 28 of this act.

(2) In addition to the duties and authorities granted in chapter 70A.--- RCW (the new chapter created in section 22, chapter . . ., Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141)) to the environmental justice council, the environmental justice council must:

(a) Provide recommendations to the legislature, agencies, and the governor in the development of:

(i) The program established in sections 8 through 24 of this act including, but not limited to, linkage with other jurisdictions, protocols for establishing offset projects and securing offset credits, designation of emissions-intensive and trade-exposed industries under section 13 of this act, and administration of allowances under the program; and

(ii) Investment plans and funding proposals for the programs funded from the climate investment account created in section 28 of this act for the purpose of providing environmental benefits and reducing environmental health disparities within overburdened communities;

(b) Provide a forum to analyze policies adopted under this chapter to determine if the policies lead to improvements within overburdened communities;

(c) Recommend procedures and criteria for evaluating programs, activities, or projects;

(d) Recommend copollutant emissions reduction goals in overburdened communities;

(e) Evaluate the level of funding provided to assist vulnerable populations, low-income individuals, and impacted workers and the funding of projects and activities located within or benefiting overburdened communities;

(f) Recommend environmental justice and environmental health goals for programs, activities, and projects funded from the climate investment account, and review agency annual reports on outcomes and progress toward meeting these goals;

(g) Provide recommendations to implementing agencies for meaningful consultation with vulnerable populations, including community engagement plans under sections 3 and 4 of this act; and

(h) Recommend how to support public participation through capacity grants for participation.

(3) For the purpose of performing the duties under subsection (2) of this section, two additional tribal members are added to the council.

NEW SECTION. Sec. 6. TRIBAL CONSULTATION. (1) Agencies that allocate funding or administer grant programs appropriated from the climate investment account created in section 28 of this act must develop a consultation framework in coordination with tribal governments that includes best practices, protocols for communication, and collaboration with federally recognized tribes. Under this consultation framework, before allocating funding or administering grant programs appropriated from the climate investment account, agencies must offer

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consultation with federally recognized tribes on all funding decisions and programs that may impact, infringe upon, or impair the governmental efforts of federally recognized tribes to adopt or enforce their own standards governing or protecting the tribe's resources or other rights and interests in their tribal lands and lands within which a tribe or tribes possess rights reserved by treaty. The consultation is independent of any public participation process required by state law, or by a state agency, and regardless of whether the agency receives a request for consultation from a federally recognized tribe.

(2)(a) If any funding decision, program, project, or activity that impacts lands within which a tribe or tribes possess rights reserved by federal treaty, statute, or executive order is undertaken or funded under this chapter without such consultation with a federally recognized tribe, an affected tribe may request that all further action on the decision, program, project, or activity cease until meaningful consultation with any directly impacted federally recognized tribe is completed.

(b) A project or activity funded in whole or in part from the account created in section 28 of this act must be paused or ceased in the event that an affected federally recognized Indian tribe or the department of archaeology and historic preservation provides timely notice of a determination to the department and any other agency responsible for the project or activity that the project will adversely impact cultural resources, archaeological sites, or sacred sites. A project or activity paused at the direction of the department under this subsection may not be resumed or completed unless the potentially impacted tribe provides consent to the department and the proponent of the project or activity.

NEW SECTION. Sec. 7. GOVERNANCE STRUCTURE.

(1) The governor shall establish a governance structure to implement the state's climate commitment under the authority provided under this chapter and other statutory authority to provide accountability for achieving the state's greenhouse gas limits in RCW 70A.45.020, to establish a coordinated and strategic statewide approach to climate resilience, to build an equitable and inclusive clean energy economy, and to ensure that the government provides clear policy and requirements, financial tools, and other mechanisms to support achieving those limits.

(2) The governance structure for implementing the state's climate commitment must:

(a) Be holistic and address the needs, challenges, and opportunities to meet the climate commitment;

(b) Address emission reductions from all relevant sectors and sources by ensuring that emitters are responsible for meeting targeted greenhouse gas reductions and that the government provides clear policy and requirements, financial tools, and other mechanisms to support achieving those reductions;

(c) Support an equitable transition for vulnerable populations and overburdened communities, including through early and meaningful engagement of overburdened communities and workers to ensure the program achieves equitable and just outcomes;

(d) Build increasing climate resilience for at-risk communities and ecosystems through cross-sectoral coordination, strategic planning, and cohesive policies; and

(e) Apply the most current, accurate, and complete scientific and technical information available to guide the state's climate actions and strategies.

(3) The governance structure for implementing the state's climate commitment must include, but not be limited to, the following elements:

(a) A strategic plan for aligning existing law, rules, policies, programs, and plans with the state's greenhouse gas limits, to the full extent allowed under existing authority;

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(b) Common state policies, standards, and procedures for addressing greenhouse gas emissions and climate resilience, including grant and funding programs, infrastructure investments, and planning and siting decisions;

(c) A process for prioritizing and coordinating funding consistent with strategic needs for greenhouse gas reductions, equity and environmental justice, and climate resilience actions;

(d) An updated statewide strategy for addressing climate risks and improving resilience of communities and ecosystems;

(e) A comprehensive community engagement plan that addresses and mitigates barriers to engagement from vulnerable populations, overburdened communities, and other historically or currently marginalized groups; and

(f) An analysis of gaps and conflicts in state law and programs, with recommendations for improvements to state law.

(4) The governor's office shall develop policy and budget recommendations to the legislature necessary to implement the state's climate commitment by December 31, 2021, in accordance with the purpose, principles, and elements in subsections (1) through (3) of this section.

(5) Nothing in this section establishes or creates legal authority for the department or any other state agency to enact, adopt, issue an order, or in any way implement additional regulatory programs beyond what is provided for under this chapter and other statutes.

NEW SECTION. Sec. 8. CAP ON GREENHOUSE GAS EMISSIONS. (1) In order to ensure that greenhouse gas emissions are reduced by covered entities consistent with the limits established in RCW 70A.45.020, the department must implement a cap on greenhouse gas emissions from covered entities and a program to track, verify, and enforce compliance through the use of compliance instruments.

(2) The program must consist of:

(a) Annual allowance budgets that limit emissions from covered entities, as provided in this section and sections 9 and 10 of this act;

(b) Defining those entities covered by the program, and those entities that may voluntarily opt into coverage under the program, as provided in this section and sections 9 and 10 of this act;

(c) Distribution of emission allowances, as provided in section 12 of this act, and through the allowance price containment provisions under sections 16 and 17 of this act;

(d) Providing for offset credits as a method for meeting a compliance obligation, pursuant to section 19 of this act;

(e) Defining the compliance obligations of covered entities, as provided in section 22 of this act;

(f) Establishing the authority of the department to enforce the program requirements, as provided in section 23 of this act;

(g) Creating a climate investment account for the deposit of receipts from the distribution of emission allowances, as provided in section 28 of this act;

(h) Providing for the transfer of allowances and recognition of compliance instruments, including those issued by jurisdictions with which Washington has linkage agreements;

(i) Providing monitoring and oversight of the sale and transfer of allowances by the department;

(j) Creating a price ceiling and associated mechanisms as provided in section 18 of this act; and

(k) Providing for the allocation of allowances to emissions-intensive, trade-exposed industries pursuant to section 13 of this act.

(3) The department shall consider opportunities to implement the program in a manner that allows linking the state's program with those of other jurisdictions. The department must evaluate whether such linkage will provide for a more cost-effective means for covered entities to meet their compliance obligations in

Washington while recognizing the special characteristics of the state's economy, communities, and industries. The department is authorized to enter into a linkage agreement with another jurisdiction after conducting an environmental justice assessment and after formal notice and opportunity for a public hearing, and when consistent with the requirements of section 24 of this act.

(4) During the 2022 regular legislative session, the department must bring forth agency request legislation developed in consultation with emissions-intensive, trade-exposed businesses, covered entities, environmental advocates, and overburdened communities that outlines a compliance pathway specific to emissions-intensive, trade-exposed businesses for achieving their proportionate share of the state's emissions reduction limits through 2050.

(5) By December 1, 2027, and at least every four years thereafter and in compliance with RCW 43.01.036, the department must submit a report to the legislature that includes a comprehensive review of the implementation of the program to date, including but not limited to outcomes relative to the state's emissions reduction limits, overburdened communities, covered entities, and emissions-intensive, trade-exposed businesses. The department must transmit the report to the environmental justice council at the same time it is submitted to the legislature.

(6) The department must bring forth agency request legislation if the department finds that any provision of this chapter prevents linking Washington's cap and invest program with that of any other jurisdiction.

NEW SECTION. Sec. 9. ANNUAL ALLOWANCE BUDGET AND TIMELINES. (1)(a) 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. If the first compliance period is delayed pursuant to section 22(7) of this act, the department shall adjust the annual allowance budgets to reflect a shorter first compliance period.

(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 2023 through 2025. 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, calendar years 2027 through 2030, that will be distributed from January 1, 2027, through December 31, 2030.

(c) By October 1, 2028, the department shall adopt by rule the annual allowance budgets for calendar years 2031 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, 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 section 19 of this act, 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 year over year. An allowance distributed under the program, either directly by the department under sections 13 through 15 of this act or through auctions under section 12 of this act, does not expire and may be held or banked consistent with sections 12(6) and 17(1) of this act.

(3) The department must complete an evaluation by December 31, 2027, and by December 31, 2035, 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, 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 31, 2040, and by December 31, 2045, 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 section 13 of this act.

NEW SECTION. Sec. 10. PROGRAM COVERAGE. (1) A person is a covered entity as of the beginning of the first compliance period and all subsequent compliance periods if the person reported emissions under RCW 70A.15.2200 for any calendar year from 2015 through 2019, or if additional data provided as required by this chapter indicates that emissions for any calendar year from 2015 through 2019 equaled or exceeded any of the following thresholds, or if the person is a first jurisdictional deliverer and imports electricity into the state during the compliance period:

(a) Where the person owns or operates a facility and the facility's emissions equal or exceed 25,000 metric tons of carbon dioxide equivalent;

(b) Where the person is a first jurisdictional deliverer and generates electricity in the state and emissions associated with this generation equals or exceeds 25,000 metric tons of carbon dioxide equivalent;

(c) Where the person is a first jurisdictional deliverer importing

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electricity into the state and the cumulative annual total of emissions associated with the imported electricity, whether from specified or unspecified sources, exceeds 25,000 metric tons of carbon dioxide equivalent. In consultation with any linked jurisdiction to the program created by this chapter, by October 1, 2026, the department, in consultation with the department of commerce and the utilities and transportation commission, shall adopt by rule a methodology for addressing imported electricity associated with a centralized electricity market;

(d) Where the person is a supplier of fossil fuel other than natural gas and from that fuel 25,000 metric tons or more of carbon dioxide equivalent emissions would result from the full combustion or oxidation, excluding the amounts for fuel products that are produced or imported with a documented final point of delivery outside of Washington and combusted outside of Washington; and

(e)(i) Where the person supplies natural gas in amounts that would result in exceeding 25,000 metric tons of carbon dioxide equivalent emissions if fully combusted or oxidized, excluding the amounts for fuel products that are produced or imported with a documented final point of delivery outside of Washington and combusted outside of Washington, and excluding the amounts: (A) Supplied to covered entities under (a) through (d) of this subsection; and (B) delivered to opt-in entities;

(ii) Where the person who is not a natural gas company and has a tariff with a natural gas company to deliver to an end-use customer in the state in amounts that would result in exceeding 25,000 metric tons of carbon dioxide equivalent emissions if fully combusted or oxidized, excluding the amounts: (A) Supplied to covered entities under (a) through (d) of this subsection; and (B) the amounts delivered to opt-in entities;

(iii) Where the person is an end-use customer in the state who directly purchases natural gas from a person that is not a natural gas company and has the natural gas delivered through an interstate pipeline to a distribution system owned by the purchaser in amounts that would result in exceeding 25,000 metric tons of carbon dioxide equivalent emissions if fully combusted or oxidized, excluding the amounts: (A) Supplied to covered entities under (a) through (d) of this subsection; and (B) delivered to opt-in entities.

(2) A person is a covered entity as of the beginning of the second compliance period and all subsequent compliance periods if the person reported emissions under RCW 70A.15.2200 or provided emissions data as required by this chapter for any calendar year from 2023 through 2025, where the person owns or operates a waste to energy facility utilized by a county and city solid waste management program and the facility's emissions equal or exceed 25,000 metric tons of carbon dioxide equivalent.

(3)(a) A person is a covered entity beginning January 1, 2031, and all subsequent compliance periods if the person reported emissions under RCW 70A.15.2200 or provided emissions data as required by this chapter for any calendar year from 2027 through 2029, where the person owns or operates a:

(i) Landfill utilized by a county and city solid waste management program and the facility's emissions equal or exceed 25,000 metric tons of carbon dioxide equivalent; or

(ii) Railroad company, as that term is defined in RCW 81.04.010, and the railroad company's emissions equal or exceed 25,000 metric tons of carbon dioxide equivalent.

(b) Subsection (a) of this subsection does not apply to owners or operators of landfills that:

(i) Capture at least 75 percent of the landfill gas generated by the decomposition of waste using methods under 40 C.F.R. Part 98, Subpart HH - Municipal Solid Waste landfills, and subsequent updates; and

(ii) Operate a program, individually or through partnership with another entity, that results in the production of renewable natural gas or electricity from landfill gas generated by the facility.

(c) It is the intent of the legislature to adopt a greenhouse gas reduction policy specific to landfills. If such a policy is not enacted by January 1, 2030, the requirements of this subsection (3) take full effect.

(4) When a covered entity reports, during a compliance period, emissions from a facility under RCW 70A.15.2200 that are below the thresholds specified in subsection (1) or (2) of this section, the covered entity continues to have a compliance obligation through the current compliance period. When a covered entity reports emissions below the threshold for each year during an entire compliance period, or has ceased all processes at the facility requiring reporting under RCW 70A.15.2200, the entity is no longer a covered entity as of the beginning of the subsequent compliance period unless the department provides notice at least 12 months before the end of the compliance period that the facility's emissions were within 10 percent of the threshold and that the person will continue to be designated as a covered entity in order to ensure equity among all covered entities. Whenever a covered entity ceases to be a covered entity, the department shall notify the appropriate policy and fiscal committees of the legislature of the name of the entity and the reason the entity is no longer a covered entity.

(5) For types of emission sources described in subsection (1) of this section that begin or modify operation after January 1, 2023, and types of emission sources described in subsection (2) of this section that begin or modify operation after 2027, coverage under the program starts in the calendar year in which emissions from the source exceed the applicable thresholds in subsection (1) or (2) of this section, or upon formal notice from the department that the source is expected to exceed the applicable emissions threshold, whichever happens first. Sources meeting these conditions are required to transfer their first allowances on the first transfer deadline of the year following the year in which their emissions were equal to or exceeded the emissions threshold.

(6) For emission sources described in subsection (1) of this section that are in operation or otherwise active between 2015 and 2019 but were not required to report emissions for those years under RCW 70A.15.2200 for the reporting periods between 2015 and 2019, coverage under the program starts in the calendar year following the year in which emissions from the source exceed the applicable thresholds in subsection (1) of this section as reported pursuant to RCW 70A.15.2200 or provided as required by this chapter, or upon formal notice from the department that the source is expected to exceed the applicable emissions threshold for the first year that source is required to report emissions, whichever happens first. Sources meeting these criteria are required to transfer their first allowances on the first transfer deadline of the year following the year in which their emissions, as reported under RCW 70A.15.2200 or provided as required by this chapter, were equal to or exceeded the emissions threshold.

(7) The following emissions are exempt from coverage in the program, regardless of the emissions reported under RCW 70A.15.2200 or provided as required by this chapter:

(a) Emissions from the combustion of aviation fuels;

(b) Emissions from watercraft fuels supplied in Washington that are combusted outside of Washington;

(c) Emissions from a coal-fired electric generation facility exempted from additional greenhouse gas limitations, requirements, or performance standards under RCW 80.80.110;

(d) Carbon dioxide emissions from the combustion of biomass or biofuels;

(e)(i) Motor vehicle fuel or special fuel that is used exclusively for agricultural purposes by a farm fuel user. This exemption is available only if a buyer of motor vehicle fuel or special fuel provides the seller with an exemption certificate in a form and manner prescribed by the department. For the purposes of this subsection, "agricultural purposes" and "farm fuel user" have the same meanings as provided in RCW 82.08.865.

(ii) The department must determine a method for expanding the exemption provided under (e)(i) of this subsection to include fuels used for the purpose of transporting agricultural products on public highways. The department must maintain this expanded exemption for a period of five years, in order to provide the agricultural sector with a feasible transition period; and

(f) Emissions from facilities with North American industry classification system code 92811 (national security).

(8) The department shall not require multiple covered entities to have a compliance obligation for the same emissions. The department may by rule authorize refineries, fuel suppliers, facilities using natural gas, and natural gas utilities to provide by agreement for the assumption of the compliance obligation for fuel or natural gas supplied and combusted in the state. The department must be notified of such an agreement at least 12 months prior to the compliance obligation period for which the agreement is applicable.

(9)(a) The legislature intends to promote a growing and sustainable economy and to avoid leakage of emissions from manufacturing to other locations. The legislature further intends to see innovative new businesses locate and grow in Washington that contribute to Washington's prosperity and environmental objectives.

(b) Consistent with the intent of the legislature to avoid the leakage of emissions to other jurisdictions, in achieving the state's greenhouse gas limits in RCW 70A.45.020, the state, including lead agencies under chapter 43.21C RCW, shall pursue the limits in a manner that recognizes that the siting and placement of new or expanded best-in-class facilities with lower carbon emitting processes is in the economic and environmental interests of the state of Washington.

(c) In conducting a life-cycle analysis, if required, for new or expanded facilities that require review under chapter 43.21C RCW, a lead agency must evaluate and attribute any potential net cumulative greenhouse gas emissions resulting from the project as compared to other existing facilities or best available technology including best-in-class facilities and emerging lower carbon processes that supply the same product or end use. The department may adopt rules to determine the appropriate threshold for applying this analysis.

(d) Covered emissions from an entity that is or will be a covered entity under this chapter may not be the basis for denial of a permit for a new or expanded facility. Covered emissions must be included in the analysis undertaken pursuant to (c) of this subsection. Nothing in this subsection requires a lead agency or a permitting agency to approve or issue a permit to a permit applicant, including to a new or expanded fossil fuel project.

(e) A lead agency under chapter 43.21C RCW or a permitting agency shall allow a new or expanded facility that is a covered entity or opt-in entity to satisfy a mitigation requirement for its covered emissions under this act and under any greenhouse gas emission mitigation requirements for covered emissions under chapter 43.21C RCW by submitting to the department the number of compliance instruments equivalent to its covered emissions during a compliance period.

NEW SECTION. Sec. 11. REQUIREMENTS. (1) All covered entities must register to participate in the program, following procedures adopted by the department by rule.

(2) Entities registering to participate in the program must

describe any direct or indirect affiliation with other registered entities.

(3) A person responsible for greenhouse gas emissions that is not a covered entity may voluntarily participate in the program by registering as an opt-in entity. An opt-in entity must satisfy the same registration requirements as covered entities. Once registered, an opt-in entity is allowed to participate as a covered entity in auctions and must assume the same compliance obligation to transfer compliance instruments equal to their emissions at the appointed transfer dates. An opt-in entity may opt out of the program at the end of any compliance period by providing written notice to the department at least six months prior to the end of the compliance period. The opt-in entity continues to have a compliance obligation through the current compliance period. An opt-in entity is not eligible to receive allowances directly distributed under section 13, 14, or 15 of this act.

(4) A person that is not covered by the program and is not a covered entity or opt-in entity may voluntarily participate in the program as a general market participant. General market participants must meet all applicable registration requirements specified by rule.

(5) Federally recognized tribes and federal agencies may elect to participate in the program as opt-in entities or general market participants.

(6) The department shall use a secure, online electronic tracking system to: Register entities in the state program; issue compliance instruments; track ownership of compliance instruments; enable and record compliance instrument transfers; facilitate program compliance; and support market oversight.

(7) The department must use an electronic tracking system that allows two accounts to each covered or opt-in entity:

(a) A compliance account where the compliance instruments are transferred to the department for retirement. Compliance instruments in compliance accounts may not be sold, traded, or otherwise provided to another account or person.

(b) A holding account that is used when a registered entity is interested in trading allowances. Allowances in holding accounts may be bought, sold, transferred to another registered entity, or traded. The amount of allowances a registered entity may have in its holding account is constrained by the holding limit as determined by the department by rule. Information about the contents of each holding account, including but not limited to the number of allowances in the account, must be displayed on a regularly maintained and searchable public website established and updated by the department.

(8) Registered general market participants are each allowed an account, to hold, trade, sell, or transfer allowances.

(9) The department shall maintain an account for the purpose of retiring allowances transferred by registered entities and from the voluntary renewable reserve account.

(10) The department shall maintain a public roster of all covered entities, opt-in entities, and general market participants on the department's public website.

(11) The department shall include a voluntary renewable reserve account.

NEW SECTION. Sec. 12. AUCTIONS OF ALLOWANCES. (1) Except as provided in sections 13, 14, and 15 of this act, the department shall distribute allowances through auctions as provided in this section and in rules adopted by the department to implement these sections. An allowance is not a property right.

(2)(a) The department shall hold a maximum of four auctions annually, plus any necessary reserve auctions. An auction may include allowances from the annual allowance budget of the current year and allowances from the annual allowance budgets

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from prior years that remain to be distributed. The department must transmit to the environmental justice council an auction notice at least 60 days prior to each auction, as well as a summary results report and a postauction public proceeds report within 60 days after each auction. The department must communicate the results of the previous calendar year's auctions to the environmental justice council on an annual basis beginning in 2024.

(b) The department must make future vintage allowances available through parallel auctions at least twice annually in addition to the auctions through which current vintage allowances are exclusively offered under (a) of this subsection.

(3) The department shall engage a qualified, independent contractor to run the auctions. The department shall also engage a qualified financial services administrator to hold the bid guarantees, evaluate bid guarantees, and inform the department of the value of bid guarantees once the bids are accepted.

(4) Auctions are open to covered entities, opt-in entities, and general market participants that are registered entities in good standing. The department shall adopt by rule the requirements for a registered entity to register and participate in a given auction.

(a) Registered entities intending to participate in an auction must submit an application to participate at least 30 days prior to the auction. The application must include the documentation required for review and approval by the department. A registered entity is eligible to participate only after receiving a notice of approval by the department.

(b) Each registered entity that elects to participate in the auction must have a different representative. Only a representative with an approved auction account is authorized to access the auction platform to submit an application or confirm the intent to bid for the registered entity, submit bids on behalf of the registered entity during the bidding window, or to download reports specific to the auction.

(5) The department may require a bid guarantee, payable to the financial services administrator, in an amount greater than or equal to the sum of the maximum value of the bids to be submitted by the registered entity.

(6) To protect the integrity of the auctions, a registered entity or group of registered entities with a direct corporate association are subject to auction purchase and holding limits. The department may impose additional limits if it deems necessary to protect the integrity and functioning of the auctions:

(a) A covered entity or an opt-in entity may not buy more than 10 percent of the allowances offered during a single auction;

(b) A general market participant may not buy more than four percent of the allowances offered during a single auction and may not in aggregate own more than 10 percent of total allowances to be issued in a calendar year;

(c) No registered entity may buy more than the entity's bid guarantee; and

(d) No registered entity may buy allowances that would exceed the entity's holding limit at the time of the auction.

(7)(a) For fiscal year 2023, upon completion and verification of the auction results, the financial services administrator shall notify winning bidders and transfer the auction proceeds to the state treasurer for deposit as follows: (i) \$127,341,000 must first be deposited into the carbon emissions reduction account created in section 27 of this act; and (ii) the remaining auction proceeds to the climate investment account created in section 28 of this act and the air quality and health disparities improvement account created in section 31 of this act.

(b) For fiscal year 2024, upon completion and verification of the auction results, the financial services administrator shall notify winning bidders and transfer the auction proceeds to the

state treasurer for deposit as follows: (i) \$356,697,000 must first be deposited into the carbon emissions reduction account created in section 27 of this act; and (ii) the remaining auction proceeds to the climate investment account created in section 28 of this act and the air quality and health disparities improvement account created in section 31 of this act.

(c) For fiscal year 2025, upon completion and verification of the auction results, the financial services administrator shall notify winning bidders and transfer the auction proceeds to the state treasurer for deposit as follows: (i) \$366,558,000 must first be deposited into the carbon emissions reduction account created in section 27 of this act; and (ii) the remaining auction proceeds to the climate investment account created in section 28 of this act and the air quality and health disparities improvement account created in section 31 of this act.

(d) For fiscal years 2026 through 2037, upon completion and verification of the auction results, the financial services administrator shall notify winning bidders and transfer the auction proceeds to the state treasurer for deposit as follows: (i) \$359,117,000 per year must first be deposited into the carbon emissions reduction account created in section 27 of this act; and (ii) the remaining auction proceeds to the climate investment account created in section 28 of this act and the air quality and health disparities improvement account created in section 31 of this act.

(e) The deposits into the carbon emissions reduction account pursuant to (a) through (d) of this subsection must not exceed \$5,200,000,000 over the first 16 years and any remaining auction proceeds must be deposited into the climate investment account created in section 28 of this act and the air quality and health disparities improvement account created in section 31 of this act.

(f) For fiscal year 2038 and each year thereafter, upon completion and verification of the auction results, the financial services administrator shall notify winning bidders and transfer the auction proceeds to the state treasurer for deposit as follows: (i) 50 percent of the auction proceeds to the carbon emissions reduction account created in section 27 of this act; and (ii) the remaining auction proceeds to the climate investment account created in section 28 of this act and the air quality and health disparities improvement account created in section 31 of this act.

(8) The department shall adopt by rule provisions to guard against bidder collusion and minimize the potential for market manipulation. A registered entity may not release or disclose any bidding information including: Intent to participate or refrain from participation; auction approval status; intent to bid; bidding strategy; bid price or bid quantity; or information on the bid guarantee provided to the financial services administrator. The department may cancel or restrict a previously approved auction participation application or reject a new application if the department determines that a registered entity has:

(a) Provided false or misleading facts;

(b) Withheld material information that could influence a decision by the department;

(c) Violated any part of the auction rules;

(d) Violated registration requirements; or

(e) Violated any of the rules regarding the conduct of the auction.

(9) Any cancellation or restriction approved by the department under subsection (8) of this section may be permanent or for a specified number of auctions and the cancellation or restriction imposed is not exclusive and is in addition to the remedies that may be available pursuant to chapter 19.86 RCW or other state or federal laws, if applicable.

(10) The department shall design allowance auctions so as to allow, to the maximum extent practicable, linking with external

greenhouse gas emissions trading programs in other jurisdictions and to facilitate the transfer of allowances when the state's program has entered into a linkage agreement with other external greenhouse gas emissions trading programs. The department may conduct auctions jointly with linked jurisdictions.

(11) In setting the number of allowances offered at each auction, the department shall consider the allowances in the marketplace due to the marketing of allowances issued as required under sections 13, 14, and 15 of this act in the department's determination of the number of allowances to be offered at auction. The department shall offer only such number of allowances at each auction as will enhance the likelihood of achieving the goals of RCW 70A.45.020.

NEW SECTION. Sec. 13. ALLOCATION OF ALLOWANCES TO EMISSIONS-INTENSIVE, TRADE-EXPOSED INDUSTRIES. (1) Facilities owned or operated by a covered entity must receive an allocation of allowances for the covered emissions at those facilities under this subsection at no cost if the operations of the facility are classified as emissions-intensive and trade-exposed, as determined by being engaged in one or more of the processes described by the following industry descriptions and codes in the North American industry classification system:

(a) Metals manufacturing, including iron and steel making, ferroalloy and primary metals manufacturing, secondary aluminum smelting and alloying, aluminum sheet, plate, and foil manufacturing, and smelting, refining, and alloying of other nonferrous metals, North American industry classification system codes beginning with 331;

(b) Paper manufacturing, including pulp mills, paper mills, and paperboard milling, North American industry classification system codes beginning with 322;

(c) Aerospace product and parts manufacturing, North American industry classification system codes beginning with 3364;

(d) Wood products manufacturing, North American industry classification system codes beginning with 321;

(e) Nonmetallic mineral manufacturing, including glass container manufacturing, North American industry classification system codes beginning with 327;

(f) Chemical manufacturing, North American industry classification system codes beginning with 325;

(g) Computer and electronic product manufacturing, including semiconductor and related device manufacturing, North American industry classification system codes beginning with 334;

(h) Food manufacturing, North American industry classification system codes beginning with 311;

(i) Cement manufacturing, North American industry classification system code 327310;

(j) Petroleum refining, North American industry classification system code 324110;

(k) Asphalt paving mixtures and block manufacturing from refined petroleum, North American industry classification system code 324121;

(l) Asphalt shingle and coating manufacturing from refined petroleum, North American industry classification system code 324122; and

(m) All other petroleum and coal products manufacturing from refined petroleum, North American industry classification system code 324199.

(2) By July 1, 2022, the department must adopt by rule objective criteria for both emissions' intensity and trade exposure for the purpose of identifying emissions-intensive, trade-exposed manufacturing businesses during the second compliance period of the program and subsequent compliance periods. A facility

covered by subsection (1)(a) through (m) of this section is considered an emissions-intensive, trade-exposed facility and is eligible for allocation of no cost allowances as described in this section. In addition, any covered party that is a manufacturing business that can demonstrate to the department that it meets the objective criteria adopted by rule is also eligible for treatment as emissions-intensive, trade-exposed and is eligible for allocation of no cost allowances as described in this section. In developing the objective criteria under this subsection, the department must consider the locations of facilities potentially identified as emissions-intensive, trade-exposed manufacturing businesses relative to overburdened communities.

(3)(a) For the first compliance period beginning in January 1, 2023, the annual allocation of no cost allowances for direct distribution to a facility identified as emissions-intensive and trade-exposed must be equal to the facility's baseline carbon intensity established using data from 2015 through 2019, or other data as allowed under this section, multiplied by the facility's actual production for each calendar year during the compliance period. For facilities using the mass-based approach, the allocation of no cost allowances shall be equal to the facility's mass-based baseline using data from 2015 through 2019, or other data as allowed under this section.

(b) For the second compliance period, beginning in January, 2027, and in each subsequent compliance period, the annual allocation of no cost allowances established in (a) of this subsection shall be adjusted according to the benchmark reduction schedules established in (b)(ii) and (iii) and (e) of this subsection multiplied by the facility's actual production during the period. The department shall adjust the no cost allocation of allowances and credits to an emissions-intensive and trade-exposed facility to avoid duplication with any no cost allowances transferred pursuant to sections 14 and 15 of this act, if applicable.

(i) For the purpose of this section, "carbon intensity" means the amount of carbon dioxide equivalent emissions from a facility in metric tons divided by the facility specific measure of production including, but not limited to, units of product manufactured or sold, over the same time interval.

(ii) If an emissions-intensive and trade-exposed facility is not able to feasibly determine a carbon intensity benchmark based on its unique circumstances, the entity may elect to use a mass-based baseline that does not vary based on changes in production volumes. The mass-based baseline must be based upon data from 2015 through 2019, unless the emissions-intensive, trade-exposed facility can demonstrate that there have been abnormal periods of operation that materially impacted the facility and the baseline period should be expanded to include years prior to 2015. For each year during the first four-year compliance period that begins January 1, 2023, these facilities must be awarded no cost allowances equal to 100 percent of the facility's mass-based baseline. For each year during the second four-year compliance period that begins January 1, 2027, these facilities must be awarded no cost allowances equal to 97 percent of the facility's mass-based baseline. For each year during the third compliance period that begins January 1, 2031, these facilities must be awarded no cost allowances equal to 94 percent of the facility's mass-based baseline. Except as provided in (b)(iii) of this subsection, if a facility elects to use a mass-based baseline, it may not later convert to a carbon intensity benchmark during the first three compliance periods.

(iii) A facility with a North American industry classification system code beginning with 3364 that is utilizing a mass-based baseline in (b)(ii) of this subsection must receive an additional no cost allowance allocation under this section in order to accommodate an increase in production that increases its emissions above the baseline on a basis equivalent in principle to

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those awarded to entities utilizing a carbon intensity benchmark pursuant to this subsection (3)(b). The department shall establish methods to award, for any annual period, additional no cost allowance allocations under this section and, if appropriate based on projected production, to achieve a similar ongoing result through the adjustment of the facility's mass-based baseline. An eligible facility under this subsection that has elected to use a mass-based baseline may not convert to a carbon intensity benchmark until the next compliance period.

(c)(i) By September 15, 2022, each emissions-intensive, trade-exposed facility shall submit its carbon intensity baseline for the first compliance period to the department. The carbon intensity baseline for the first compliance period must use data from 2015-2019, unless the emissions-intensive, trade-exposed facility can demonstrate that there have been abnormal periods of operation that materially impacted the facility and the baseline period should be expanded to include years prior to 2015.

(ii) By November 15, 2022, the department shall review and approve each emissions-intensive, trade-exposed facility's baseline carbon intensity for the first compliance period.

(d) During the first four-year compliance period that begins January 1, 2023, each emissions-intensive, trade-exposed facility must record its facility-specific carbon intensity baseline based on its actual production.

(e)(i) For the second four-year compliance period that begins January 1, 2027, the second period benchmark for each emissions-intensive, trade-exposed facility is three percent below the first period baseline specified in (a), (b), and (c) of this subsection.

(ii) For the third four-year compliance period that begins January 1, 2031, the third period benchmark for each emissions-intensive, trade-exposed facility is three percent lower than the second period benchmark.

(f) Prior to the beginning of either the second, third, or subsequent compliance periods, the department may make an upward adjustment in the next compliance period's benchmark for an emissions-intensive, trade-exposed facility based on the facility's demonstration to the department that additional reductions in carbon intensity or mass emissions are not technically or economically feasible. The department may base the upward adjustment applicable to an emissions-intensive, trade-exposed facility in the next compliance period on the facility's best available technology analysis. The department shall by rule provide for emissions-intensive, trade-exposed facilities to apply to the department for an adjustment to the allocation for direct distribution of no cost allowances based on its facility-specific carbon intensity benchmark or mass emissions baseline. The department shall make adjustments based on:

(i) A significant change in the emissions use or emissions attributable to the manufacture of an individual good or goods in this state by an emissions-intensive, trade-exposed facility based on a finding by the department that an adjustment is necessary to accommodate for changes in the manufacturing process that have a material impact on emissions;

(ii) Significant changes to an emissions-intensive, trade-exposed facility's external competitive environment that result in a significant increase in leakage risk; or

(iii) Abnormal operating periods when an emissions-intensive, trade-exposed facility's carbon intensity has been materially affected so that these abnormal operating periods are either excluded or otherwise considered in the establishment of the compliance period carbon intensity benchmarks.

(4)(a) By December 1, 2026, the department shall provide a report to the appropriate committees of the senate and house of representatives that describes alternative methods for determining

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the amount and a schedule of allowances to be provided to facilities owned or operated by each covered entity designated as an emissions-intensive, trade-exposed facility from January 1, 2035, through January 1, 2050. The report must include a review of global best practices in ensuring against emissions leakage and economic harm to businesses in carbon pricing programs and describe alternative methods of emissions performance benchmarking and mass-based allocation of no cost allowances. At a minimum, the department must evaluate benchmarks based on both carbon intensity and mass, as well as the use of best available technology as a method for compliance. In developing the report, the department shall form an advisory group that includes representatives of the manufacturers listed in subsection (1) of this section.

(b) If the legislature does not adopt a compliance obligation for emissions-intensive, trade-exposed facilities by December 1, 2027, those facilities must continue to receive allowances as provided in the third four-year compliance period that begins January 1, 2031.

(5) If the actual emissions of an emissions-intensive, trade-exposed facility exceed the facility's no cost allowances assigned for that compliance period, it must acquire additional compliance instruments such that the total compliance instruments transferred to its compliance account consistent with section 22 of this act equals emissions during the compliance period. An emissions-intensive, trade-exposed facility must be allowed to bank unused allowances, including for future sale and investment in best available technology when economically feasible. The department shall limit the use of offset credits for compliance by an emissions-intensive, trade-exposed facility, such that the quantity of no cost allowances plus the provision of offset credits does not exceed 100 percent of the facility's total compliance obligation over a compliance period.

(6) The department must withhold or withdraw the relevant share of allowances allocated to a covered entity under this section in the event that the covered entity ceases production in the state and becomes a closed facility. In the event an entity curtails all production and becomes a curtailed facility, the allowances are retained but cannot be traded, sold, or transferred and are still subject to the emission reduction requirements specified in this section. An owner or operator of a curtailed facility may transfer the allowances to a new operator of the facility that will be operated under the same North American industry classification system codes. If the curtailed facility becomes a closed facility, then all unused allowances will be transferred to the emissions containment reserve. A curtailed facility is not eligible to receive free allowances during a period of curtailment. Any allowances withheld or withdrawn under this subsection must be transferred to the emissions containment reserve.

(7) An owner or operator of more than one facility receiving no cost allowances under this section may transfer allowances among the eligible facilities.

(8) Rules adopted by the department under this section must include protocols for allocating allowances at no cost to an eligible facility built after the effective date of this section. The protocols must include consideration of the products and criteria pollutants being produced by the facility, as well as the local environmental and health impacts associated with the facility. For a facility that is built on tribal lands or is determined by the department to impact tribal lands and resources, the protocols must be developed in consultation with the affected tribal nations.

NEW SECTION. Sec. 14. ALLOCATION OF ALLOWANCES TO ELECTRIC UTILITIES. (1) The legislature intends by this section to allow all consumer-owned

electric utilities and investor-owned electric utilities subject to the requirements of chapter 19.405 RCW, the Washington clean energy transformation act, to be eligible for allowance allocation as provided in this section in order to mitigate the cost burden of the program on electricity customers.

(2)(a) By October 1, 2022, the department shall adopt rules, in consultation with the department of commerce and the utilities and transportation commission, establishing the methods and procedures for allocating allowances for consumer-owned and investor-owned electric utilities. The rules must take into account the cost burden of the program on electricity customers.

(b) By October 1, 2022, the department shall adopt an allocation schedule by rule, in consultation with the department of commerce and the utilities and transportation commission, for the first compliance period for the provision of allowances at no cost to consumer-owned and investor-owned electric utilities. This allocation must be consistent with a forecast, that is approved by the appropriate governing board or the utilities and transportation commission, of each utility's supply and demand, and the cost burden resulting from the inclusion of the covered entities in the first compliance period.

(c) By October 1, 2026, the department shall adopt an allocation schedule by rule, in consultation with the department of commerce and the utilities and transportation commission, for the provision of allowances for the second compliance period at no cost to consumer-owned and investor-owned electric utilities. This allocation must be consistent with a forecast, that is approved by the appropriate governing board or the utilities and transportation commission, of each utility's supply and demand, and the cost burden resulting from the inclusion of covered entities in the second compliance period. The allowances included in this schedule must reflect the increased scope of coverage in the electricity sector relative to the program budget of allowances established in 2022.

(d) By October 1, 2028, the department shall adopt an allocation schedule by rule, in consultation with the department of commerce and the utilities and transportation commission, for the provision of allowances at no cost to consumer-owned and investor-owned electric utilities for the compliance periods contained within calendar years 2031 through 2045. This allocation must be consistent with a forecast, that is approved by the appropriate governing board or the utilities and transportation commission, of each utility's supply and demand, and the cost burden resulting from the inclusion of the covered entities in the compliance periods. The rule developed under this subsection (2)(d) may prescribe an amount of allowances allocated at no cost that must be consigned to auction by consumer-owned and investor-owned electric utilities. However, utilities may use allowances for compliance equal to their covered emissions in any calendar year they were not subject to potential penalty under RCW 19.405.090. Under no circumstances may utilities receive any free allowances after 2045.

(3)(a) During the first compliance period, allowances allocated at no cost to consumer-owned and investor-owned electric utilities may be consigned to auction for the benefit of ratepayers, deposited for compliance, or a combination of both. The rules adopted by the department under subsection (2) of this section must include provisions for directing revenues generated under this subsection to the applicable utilities.

(b) By October 1, 2026, the department, in consultation with the department of commerce and the utilities and transportation commission, must adopt rules governing the amount of allowances allocated at no cost under subsection (2)(c) of this section that must be consigned to auction. For calendar year 2030, electric utilities may use allowances for compliance equal to their covered emissions if not subject to potential penalty under RCW

19.405.090.

(4) The benefits of all allowances consigned to auction under this section must be used by consumer-owned and investor-owned electric utilities for the benefit of ratepayers, with the first priority the mitigation of any rate impacts to low-income customers.

(5) If an entity is identified by the department as an emissions-intensive, trade-exposed industry under section 13 of this act, unless allowances have been otherwise allocated for electricity-related emissions to the entity under section 13 of this act or to a consumer-owned utility under this section, the department shall allocate allowances at no cost to the electric utility or power marketing administration that is providing electricity to the entity in an amount equal to the forecasted emissions for electricity consumption for the entity for the compliance period.

(6) The department shall allow for allowances to be transferred between a power marketing administration and electric utilities and used for direct compliance.

(7) Rules establishing the allocation of allowances to consumer-owned utilities and investor-owned utilities must consider the impact of electrification of buildings, transportation, and industry on the electricity sector.

(8) Nothing in this section affects the requirements of chapter 19.405 RCW.

(9) A consumer-owned utility that is party to a contract that meets the following conditions must be issued allowances under this section for emissions associated with imported electricity, in order to prevent impairment of the value of the contract to either party:

(a) The contract does not address compliance costs imposed upon the consumer-owned utility by the program created in this chapter; and

(b) The contract was in effect as of the effective date of this section and expires no later than the end of the first compliance period.

NEW SECTION. Sec. 15. ALLOCATION OF ALLOWANCES TO NATURAL GAS UTILITIES. (1) For the benefit of ratepayers, allowances must be allocated at no cost to covered entities that are natural gas utilities.

(a) By October 1, 2022, the department shall adopt rules, in consultation with the utilities and transportation commission, establishing the methods and procedures for allocating allowances to natural gas utilities. Rules adopted under this subsection must allow for a natural gas utility to be provided allowances at no cost to cover their emissions and decline proportionally with the cap, consistent with section 9 of this act. Allowances allocated at no cost to natural gas utilities must be consigned to auction for the benefit of ratepayers consistent with subsection (2) of this section, deposited for compliance, or a combination of both. The rules adopted by the department pursuant to this section must include provisions directing revenues generated under this subsection to the applicable utilities.

(b) By October 1, 2022, the department shall adopt an allocation schedule by rule, in consultation with the utilities and transportation commission, for the first two compliance periods for the provision of allowances for the benefit of ratepayers at no cost to natural gas utilities.

(c) By October 1, 2028, the department shall adopt an allocation schedule by rule, in consultation with the utilities and transportation commission, for the provision of allowances for the benefit of ratepayers at no cost to natural gas utilities for the compliance periods contained within calendar years 2031 through 2040.

(2)(a) Beginning in 2023, 65 percent of the no cost allowances must be consigned to auction for the benefit of customers,

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including at a minimum eliminating any additional cost burden to low-income customers from the implementation of this chapter. Rules adopted under this subsection must increase the percentage of allowances consigned to auction by five percent each year until a total of 100 percent is reached.

(b) Revenues from allowances sold at auction must be returned by providing nonvolumetric credits on ratepayer utility bills, prioritizing low-income customers, or used to minimize cost impacts on low-income, residential, and small business customers through actions that include, but are not limited to, weatherization, decarbonization, conservation and efficiency services, and bill assistance. The customer benefits provided from allowances consigned to auction under this section must be in addition to existing requirements in statute, rule, or other legal requirements.

(c) Except for low-income customers, the customer bill credits under this subsection are reserved exclusively for customers at locations connected to a natural gas utility's system on the effective date of this section. Bill credits may not be provided to customers of the gas utility at a location connected to the system after the effective date of this section.

(3) In order to qualify for no cost allowances, covered entities that are natural gas utilities must provide copies of their greenhouse gas emissions reports filed with the United States environmental protection agency under 40 C.F.R. Part 98 subpart NN - suppliers of natural gas and natural gas liquids for calendar years 2015 through 2021 to the department on or before March 31, 2022. The copies of the reports must be provided in electronic form to the department, in a manner prescribed by the department. The reports must be complete and contain all information required by 40 C.F.R. Sec. 98.406 including, but not limited to, information on large end-users served by the natural gas utility. For any year where a natural gas utility was not required to file this report with the United States environmental protection agency, a report may be submitted in a manner prescribed by the department containing all of the information required in the subpart NN report.

(4) To continue receiving no cost allowances, a natural gas utility must provide to the department the United States environmental protection agency subpart NN greenhouse gas emissions report for each reporting year in the manner and by the dates provided by RCW 70A.15.2200(5) as part of the greenhouse gas reporting requirements of this chapter.

NEW SECTION. Sec. 16. EMISSIONS CONTAINMENT RESERVE WITHHOLDING. (1) To help ensure that the price of allowances remains sufficient to incentivize reductions in greenhouse gas emissions, the department must establish an emissions containment reserve and set an emissions containment reserve trigger price by rule. The price must be set at a reasonable amount above the auction floor price and equal to the level established in jurisdictions with which the department has entered into a linkage agreement. In the event that a jurisdiction with which the department has entered into a linkage agreement has no emissions containment trigger price, the department shall suspend the trigger price under this subsection. The purpose of withholding allowances in the emissions containment reserve is to secure additional emissions reductions.

(2) In the event that the emissions containment reserve trigger price is met during an auction, the department must automatically withhold allowances as needed. The department must convert and transfer any allowances that have been withheld from auction into the emissions containment reserve account.

(3) Emissions containment reserve allowances may only be withheld from an auction if the demand for allowances would result in an auction clearing price that is less than the emissions

containment reserve trigger price prior to the withholding from the auction of any emissions containment reserve allowances.

(4) The department shall transfer allowances to the emissions containment reserve in the following situations:

(a) No less than two percent of the total number of allowances available from the allowance budgets for calendar years 2023 through 2026;

(b) When allowances are unsold in auctions under section 12 of this act;

(c) When facilities curtail or close consistent with section 13(6) of this act; or

(d) When facilities fall below the emissions threshold. The amount of allowances withdrawn from the program budget must be proportionate to the amount of emissions such a facility was previously using.

(5)(a) Allowances must be distributed from the emissions containment reserve by auction when new covered and opt-in entities enter the program.

(b) Allowances equal to the greenhouse gas emissions resulting from a new or expanded emissions-intensive, trade-exposed facility with emissions in excess of 25,000 metric tons per year during the first applicable compliance period will be provided to the facility from the reserve created in this section and must be retired by the facility. In subsequent compliance periods, the facility will be subject to the regulatory cap and related requirements under this chapter.

NEW SECTION. Sec. 17. ALLOWANCE PRICE CONTAINMENT.

(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 an auction ceiling 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 approach the adopted auction ceiling 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 section 16 of this act 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 section 12 of this act 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.

NEW SECTION. Sec. 18. PRICE CEILING. (1) The department shall establish a price ceiling to provide cost protection for facilities 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 price ceiling must increase annually in proportion to the price floor.

(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 facilities 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 next 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) Funds raised in connection with the sale of price ceiling units 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. 19. OFFSETS. (1) The department shall adopt by rule the protocols for establishing offset projects and securing offset credits that may be used to meet a portion of a covered or opt-in entity's compliance obligation under section 22 of this act. The protocols adopted by the department under this section must align with the policies of the state established under RCW 70A.45.090 and 70A.45.100.

(2) Offset projects must:

(a) Provide direct environmental benefits to the state or be located in a jurisdiction with which Washington has entered into a linkage agreement;

(b) Result in greenhouse gas reductions or removals that:

(i) Are real, permanent, quantifiable, verifiable, and enforceable; and

(ii) Are in addition to greenhouse gas emission reductions or removals otherwise required by law and other greenhouse gas emission reductions or removals that would otherwise occur; and

(c) Have been certified by a recognized registry after the effective date of this section or within two years prior to the effective date of this section.

(3)(a) A total of no more than five percent of a covered or opt-in entity's compliance obligation during the first compliance period may be met by transferring offset credits. During these years, at least 50 percent of a covered or opt-in entity's compliance obligation satisfied by offset credits must be sourced from offset projects that provide direct environmental benefits in the state.

(b) A total of no more than four percent of a covered or opt-in entity's compliance obligation during the second compliance period may be met by transferring offset credits. During these years, at least 75 percent of a covered or opt-in entity's compliance obligation satisfied by offset credits must be sourced from offset projects that provide direct environmental benefits in the state. The department may reduce the 75 percent requirement

if it determines there is not sufficient offset supply in the state to meet offset demand during the second compliance period.

(c) The limits in (a) and (b) of this subsection may be modified by rule as adopted by the department when appropriate to ensure achievement of the proportionate share of statewide emissions limits established in RCW 70A.45.020 and to provide for alignment with other jurisdictions to which the state has linked.

(d) The limits in (a) and (b) of this subsection may be reduced for a specific covered or opt-in entity if the department determines, in consultation with the environmental justice council, that the covered or opt-in entity has or is likely to:

(i) Contribute substantively to cumulative air pollution burden in an overburdened community as determined by criteria established by the department, in consultation with the environmental justice council; or

(ii) Violate any permits required by any federal, state, or local air pollution control agency where the violation may result in an increase in emissions.

(e) An offset project on federally recognized tribal land does not count against the offset credit limits described in (a) and (b) of this subsection. No more than three percent of a covered or opt-in entity's compliance obligation may be met by transferring offset credits from projects on federally recognized tribal land during the first compliance period. No more than two percent of a covered or opt-in entity's compliance obligation may be met by transferring offset credits from projects on federally recognized tribal land during the second compliance period.

(4) In adopting protocols governing offset projects and covered and opt-in entities' use of offset credits, the department shall:

(a) Take into consideration standards, rules, or protocols for offset projects and offset credits established by other states, provinces, and countries with programs comparable to the program established in this chapter;

(b) Encourage opportunities for the development of offset projects in this state by adopting offset protocols that may include, but need not be limited to, protocols that make use of aggregation or other mechanisms to reduce transaction costs related to the development of offset projects and that support the development of carbon dioxide removal projects;

(c) Adopt a process for monitoring and invalidating offset credits as necessary to ensure the credit reflects emission reductions or removals that continue to meet the standards required by subsection (1) of this section. If an offset credit is invalidated, the covered or opt-in entity must, within six months of the invalidation, transfer replacement credits or allowances to meet its compliance obligation. Failure to transfer the required credits or allowances is a violation subject to penalties as provided in section 23 of this act; and

(d) Make use of aggregation or other mechanisms, including cost-effective inventory and monitoring provisions, to increase the development of offset and carbon removal projects by landowners across the broadest possible variety of types and sizes of lands, including lands owned by small forestland owners.

(5) Any offset credits used may not be in addition to or allow for an increase in the emissions limits established under RCW 70A.45.020, as reflected in the annual allowance budgets developed under section 9 of this act.

(6) The offset credit must be registered and tracked as a compliance instrument.

(7) Beginning in 2031, the limits established in subsection (3) of this section apply unless modified by rule as adopted by the department after a public consultation process.

NEW SECTION. Sec. 20. ASSISTANCE PROGRAM FOR OFFSETS ON TRIBAL LANDS. (1) In order to ensure that a sufficient number of high quality offset projects are available under the limits set in section 19 of this act, the

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department must establish an assistance program for offset projects on federally recognized tribal lands in Washington. The assistance may include, but is not limited to, funding or consultation for federally recognized tribal governments to assess a project's technical feasibility, investment requirements, development and operational costs, expected returns, administrative and legal hurdles, and project risks and pitfalls. The department may provide funding or assistance upon request by a federally recognized tribe.

(2) It is the intent of the legislature that not less than \$5,000,000 be provided in the biennial omnibus operating appropriations act for the purposes of this section.

NEW SECTION. Sec. 21. SMALL FORESTLAND OWNER WORK GROUP. (1) The department of natural resources must contract with an eligible entity capable of providing public value to the state through the establishment and implementation of a small forestland owner work group. The purpose of the work group is to forward the goals and implementation of this chapter by identifying possible carbon market opportunities including, but not limited to, the provision of offset credits that qualify under section 19 of this act, and other incentive-based greenhouse gas reduction programs that Washington landowners may be able to access, including compliance markets operated by other jurisdictions, voluntary markets, and federal, state, and private programs for forestlands that can be leveraged to achieve carbon reductions.

(2) The work group established by the eligible entity under this section must:

(a) Provide recommendations for the implementation and funding of a pilot program to develop an aggregator account that will pursue carbon offset projects for small forestland owners in Washington state, including recommendations based on programs established in other jurisdictions;

(b) Coordinate with the department on the development of offset protocols related to landowners under section 19(4)(d) of this act;

(c) Develop a framework and funding proposals for establishing a program to link interested small forestland owners with incentive-based carbon reducing programs that facilitate adoption of forest practices that increase carbon storage and sequestration in forests and wood products. The framework may include:

(i) Identifying areas of coordination and layering among state, federal, and private landowner incentive programs and identifying roadblocks to better scalability;

(ii) Assisting landowners with access to feasibility analyses, market applications, stand inventories, pilot project support, and other services to reduce the transaction costs and barriers to entry to carbon markets or carbon incentive programs; and

(iii) Sharing information with private and other landowners about best practices employed to increase carbon storage and access to incentive programs; and

(d) Recommend policies to support the implementation of incentives for participation in carbon markets.

(3) The work group must transmit a final report to the department by December 1, 2022, that provides recommendations for incentives, the implementation of incentives, and payment structures necessary to support small forest landowners and any recommendations around extending the work group or making the work group permanent. The department must submit the final report to the legislature, in compliance with RCW 43.01.036, by December 31, 2022.

(4) For the purposes of this section, "eligible entity" means a nonprofit entity solely based in Washington that can demonstrate a membership of at least 1000 small forestland owners and that

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has, as part of its mission, the promotion of the sustainable stewardship of family forestlands.

(5) This section expires July 1, 2023.

NEW SECTION. Sec. 22. COMPLIANCE OBLIGATIONS. (1) A covered or opt-in entity has a compliance obligation for its emissions during each four-year compliance period, with the first compliance period commencing January 1, 2023, except when the first compliance period commences at a later date as provided in subsection (7) of this section. A covered or opt-in entity shall transfer a number of compliance instruments equal to the entity's covered emissions by November 1st of each calendar year in which a covered or opt-in entity has a compliance obligation. The department shall set by rule a percentage of compliance instruments that must be transferred in each year of the compliance period such that covered or opt-in entities are allowed to smooth their compliance obligation within the compliance period but must fully satisfy their compliance obligation over the course of the compliance period, in a manner similar to external greenhouse gas emissions trading programs in other jurisdictions. In meeting a given compliance obligation, a covered or opt-in entity may use allowances issued in that compliance year, or allowances issued in any of the seven years immediately preceding that compliance year.

(2) Compliance occurs through the transfer of 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 section 10 of this act.

(3)(a) A covered entity with a facility eligible for use of price ceiling units under section 18 of this act 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 section 23 of this act.

(4) Older vintage allowances must be retired before newer vintage allowances.

(5) A covered or opt-in entity may not borrow an allowance from a future allowance year to meet a current or past compliance obligation.

(6) 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.

(7)(a) In order to coordinate and synchronize the cap and invest program established under this chapter with other transportation-related investments, this section does not take effect until a separate additive transportation revenue act becomes law, at which time the department of licensing must provide written notice to the chief clerk of the house of representatives, the secretary of the senate, and the office of the code reviser.

(b) For the purposes of this subsection, "additive transportation revenue act" means an act, enacted after April 1, 2021, in which the state fuel tax under RCW 82.38.030 is increased by an additional and cumulative tax rate of at least five cents per gallon of fuel.

NEW SECTION. Sec. 23. ENFORCEMENT. (1) All covered and opt-in entities are required to submit compliance instruments in a timely manner to meet the entities' compliance obligations and shall comply with all requirements for monitoring, reporting, holding, and transferring emission allowances and other provisions of this chapter.

(2) If a covered or opt-in entity does not submit sufficient compliance instruments to meet its compliance obligation by the specified transfer dates, a penalty of four allowances for every one compliance instrument that is missing must be submitted to

the department within six months. When a covered entity or opt-in entity reasonably believes that it will be unable to meet a compliance obligation, the entity shall immediately notify the department. Upon receiving notification, the department shall issue an order requiring the entity to submit the penalty allowances.

(3) If a covered entity or opt-in entity fails to submit penalty allowances as required by subsection (2) of this section, the department must issue an order or issue a penalty of up to \$10,000 per day per violation, or both, for failure to submit penalty allowances as required by subsection (2) of the section. The order may include a plan and schedule for coming into compliance.

(4) The department may issue a penalty of up to \$50,000 per day per violation for violations of section 12(8) (a) through (e) of this act.

(5) Except as provided in subsections (3) and (4) of this section, any person that violates the terms of this chapter or an order issued under this chapter incurs a penalty of up to \$10,000 per day per violation for each day that the person does not comply. All penalties under subsections (3) and (4) of this section and this subsection must be deposited into the climate investment account created in section 28 of this act.

(6) Orders and penalties issued under this chapter are appealable to the pollution control hearings board under chapter 43.21B RCW.

(7) For the first compliance period, the department may reduce the amount of the penalty by adjusting the monetary amount or the number of penalty allowances described in subsections (2) and (3) of this section.

(8) An electric utility or natural gas utility must notify its retail customers and the environmental justice council in published form within three months of paying a monetary penalty under this section.

(9)(a) No city, town, county, township, or other subdivision or municipal corporation of the state may implement a charge or tax based exclusively upon the quantity of greenhouse gas emissions.

(b) No state agency may adopt or enforce a program that regulates greenhouse gas emissions from a stationary source except as provided in this chapter.

(c) This chapter preempts the provisions of chapter 173-442 WAC.

NEW SECTION. Sec. 24. LINKAGE WITH OTHER JURISDICTIONS. (1) Subject to making the findings and conducting the public comment process described in subsection (3) of this section, the department shall seek to enter into linkage agreements with other jurisdictions with external greenhouse gas emissions trading programs in order to:

(a) Allow for the mutual use and recognition of compliance instruments issued by Washington and other linked jurisdictions;

(b) Broaden the greenhouse gas emission reduction opportunities to reduce the costs of compliance on covered entities and consumers;

(c) Enable allowance auctions to be held jointly and provide for the use of a unified tracking system for compliance instruments;

(d) Enhance market security;

(e) Reduce program administration costs; and

(f) Provide consistent requirements for covered entities whose operations span jurisdictional boundaries.

(2) The director of the department is authorized to execute linkage agreements with other jurisdictions with external greenhouse gas emissions trading programs consistent with the requirements in this chapter. A linkage agreement must cover the following:

(a) Provisions relating to regular, periodic auctions, including requirements for eligibility for auction participation, the use of a single auction provider to facilitate joint auctions, publication of

auction-related information, processes for auction participation, purchase limits by auction participant type, bidding processes, dates of auctions, and financial requirements;

(b) Provisions related to holding limits to ensure no entities in any of the programs are disadvantaged relative to their counterparts in the other jurisdictions;

(c) Other requirements, such as greenhouse gas reporting and verification, offset protocols, criteria and process, and supervision and enforcement, to prevent fraud, abuse, and market manipulation;

(d) Common program registry, electronic auction platform, tracking systems for compliance instruments, and monitoring of compliance instruments;

(e) Provisions to ensure coordinated administrative and technical support;

(f) Provisions for public notice and participation; and

(g) Provisions to collectively resolve differences, amend the agreements, and delink or otherwise withdraw from the agreements.

(3) Before entering into a linkage agreement under this section, the department must evaluate and make a finding regarding whether the aggregate number of unused allowances in a linked program would reduce the stringency of Washington's program and the state's ability to achieve its greenhouse gas emissions reduction limits. The department must include in its evaluation a consideration of pre-2020 unused allowances that may exist in the program with which it is proposing to link. Before entering into a linkage agreement, the department must also establish a finding that the linking jurisdiction and the linkage agreement meet certain criteria identified under this subsection and conduct a public comment process to obtain input and a review of the linkage agreement by relevant stakeholders and other interested parties. The department must consider input received from the public comment process before finalizing a linkage agreement. In the event that the department determines that a full linkage agreement is unlikely to meet the criteria, it may enter into a linkage agreement with limitations, including limits on the share of compliance that may be met with allowances originating from linked jurisdictions and other limitations deemed necessary by the department. A linkage agreement approved by the department must:

(a) Achieve the purposes identified in subsection (1) of this section;

(b) Ensure that the linking jurisdiction has provisions to ensure the distribution of benefits from the program to vulnerable populations and overburdened communities;

(c) Be determined by the department to not yield net adverse impacts to either jurisdictions' highly impacted communities or analogous communities in the aggregate, relative to the baseline level of emissions; and

(d) Not adversely impact Washington's ability to achieve the emission reduction limits established in RCW 70A.45.020.

(4) The state retains all legal and policymaking authority over its program design and enforcement.

NEW SECTION. Sec. 25. RULES. The department shall adopt rules to implement the provisions of the program established in sections 8 through 24 of this act. The department may adopt emergency rules pursuant to RCW 34.05.350 for initial implementation of the program, to implement the state omnibus appropriations act for the 2021-2023 fiscal biennium, and to ensure that reporting and other program requirements are determined early for the purpose of program design and early notice to registered entities with a compliance obligation under the program.

NEW SECTION. Sec. 26. EXPENDITURE TARGETS. (1) It is the intent of the legislature that each year the total

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investments made through the carbon emissions reduction account created in section 27 of this act, the climate commitment account created in section 29 of this act, the natural climate solutions account created in section 30 of this act, and the air quality and health disparities improvement account created in section 31 of this act, achieve the following:

(a) A minimum of not less than 35 percent and a goal of 40 percent of total investments that provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities identified under chapter . . . , Laws of 2021 (Engrossed Second Substitute Senate Bill No. 5141); and

(b) In addition to the requirements of (a) of this subsection, a minimum of not less than 10 percent of total investments that are used for programs, activities, or projects formally supported by a resolution of an Indian tribe, with priority given to otherwise qualifying projects directly administered or proposed by an Indian tribe. An investment that meets the requirements of both this subsection (1)(b) and (a) of this subsection may count toward the minimum percentage targets for both subsections.

(2) The expenditure of moneys under this chapter must be consistent with applicable federal, state, and local laws, and treaty rights including, but not limited to, prohibitions on uses of funds imposed by the state Constitution.

(3) For the purposes of this section, "benefits" means investments or activities that:

(a) Reduce vulnerable population characteristics, environmental burdens, or associated risks that contribute significantly to the cumulative impact designation of highly impacted communities;

(b) Meaningfully protect an overburdened community from, or support community response to, the impacts of air pollution or climate change; or

(c) Meet a community need identified by vulnerable members of the community that is consistent with the intent of this chapter.

(4) The state must develop a process by which to evaluate the impacts of the investments made under this chapter, work across state agencies to develop and track priorities across the different eligible funding categories, and work with the environmental justice council pursuant to section 5 of this act.

(5) No expenditures may be made from the carbon emissions reduction account created in section 27 of this act, the climate investment account created in section 28 of this act, or the air quality and health disparities improvement account created in section 31 of this act if, by April 1, 2023, the legislature has not considered and enacted request legislation brought forth by the department under section 8 of this act that outlines a compliance pathway specific to emissions-intensive, trade-exposed businesses for achieving their proportionate share of the state's emissions reduction limits through 2050.

NEW SECTION. Sec. 27. CARBON EMISSIONS REDUCTION ACCOUNT. The carbon emissions reduction account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account are intended to affect reductions in transportation sector carbon emissions through a variety of carbon reducing investments. These can include, but are not limited to: Transportation alternatives to single occupancy passenger vehicles; reductions in single occupancy passenger vehicle miles traveled; reductions in per mile emissions in vehicles, including through the funding of alternative fuel infrastructure and incentive programs; and emission reduction programs for freight transportation, including motor vehicles and rail, as well as for ferries and other maritime and port activities. Expenditures from the account may only be made for transportation carbon emission reducing purposes and may not be made for highway purposes

authorized under the 18th Amendment of the Washington state Constitution, other than specified in this section. It is the legislature's intent that expenditures from the account used to reduce carbon emissions be made with the goal of achieving equity for communities that historically have been omitted or adversely impacted by past transportation policies and practices.

NEW SECTION. Sec. 28. CLIMATE INVESTMENT ACCOUNT. (1)(a) The climate investment account is created in the state treasury. Except as otherwise provided in this act, all receipts from the auction of allowances authorized in this chapter must be deposited into the account. Moneys in the account may be spent only after appropriation.

(b) Projects or activities funded from the account must meet high labor standards, including family sustaining wages, providing benefits including health care and employer-contributed retirement plans, career development opportunities, and maximize access to economic benefits from such projects for local workers and diverse businesses. Each contracting entity's proposal must be reviewed for equity and opportunity improvement efforts, including: (i) Employer paid sick leave programs; (ii) pay practices in relation to living wage indicators such as the federal poverty level; (iii) efforts to evaluate pay equity based on gender identity, race, and other protected status under Washington law; (iv) facilitating career development opportunities, such as apprenticeship programs, internships, job-shadowing, and on-the-job training; and (v) employment assistance and employment barriers for justice affected individuals.

(2) Moneys in the account may be used only for projects and programs that achieve the purposes of the greenhouse gas emissions cap and invest program established under this chapter. Moneys in the account as described in this subsection must first be appropriated for the administration of the requirements of this chapter, in an amount not to exceed five percent of the total receipt of funds from allowance auction proceeds under this chapter. Beginning July 1, 2024, and annually thereafter, the state treasurer shall distribute funds in the account as follows:

(a) Seventy-five percent of the moneys to the climate commitment account created in section 29 of this act; and

(b) Twenty-five percent of the moneys to the natural climate solutions account created in section 30 of this act.

(3) The allocations specified in subsection (2)(a) and (b) of this section must be reviewed by the legislature on a biennial basis based on the changing needs of the state in meeting its clean economy and greenhouse gas reduction goals in a timely, economically advantageous, and equitable manner.

NEW SECTION. Sec. 29. CLIMATE COMMITMENT ACCOUNT. (1) The climate commitment account is created in the state treasury. The account must receive moneys distributed to the account from the climate investment account created in section 28 of this act. Moneys in the account may be spent only after appropriation. Projects, activities, and programs eligible for funding from the account must be physically located in Washington state and include, but are not limited to, the following:

(a) Implementing the working families tax rebate in RCW 82.08.0206;

(b) Supplementing the growth management planning and environmental review fund established in RCW 36.70A.490 for the purpose of making grants or loans to local governments for the purposes set forth in RCW 43.21C.240, 43.21C.031, 36.70A.500, and 36.70A.600, for costs associated with RCW 36.70A.610, and to cover costs associated with the adoption of optional elements of comprehensive plans consistent with RCW 43.21C.420;

(c) Programs, activities, or projects that reduce and mitigate impacts from greenhouse gases and copollutants in overburdened communities, including strengthening the air quality monitoring network to measure, track, and better understand air pollution levels and trends and to inform the analysis, monitoring, and pollution reduction measures required in section 3 of this act;

(d) Programs, activities, or projects that deploy renewable energy resources, such as solar and wind power, and projects to deploy distributed generation, energy storage, demand-side technologies and strategies, and other grid modernization projects;

(e) Programs, activities, or projects that increase the energy efficiency or reduce greenhouse gas emissions of industrial facilities including, but not limited to, proposals to implement combined heat and power, district energy, or on-site renewables, such as solar and wind power, to upgrade the energy efficiency of existing equipment, to reduce process emissions, and to switch to less emissions intensive fuel sources;

(f) Programs, activities, or projects that achieve energy efficiency or emissions reductions in the agricultural sector including:

- (i) Fertilizer management;
- (ii) Soil management;
- (iii) Bioenergy;
- (iv) Biofuels;
- (v) Grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations;

(vi) Grants, loans, or any financial incentives to food processors to implement projects that reduce greenhouse gas emissions;

- (vii) Renewable energy projects;
- (viii) Farmworker housing weatherization programs;
- (ix) Dairy digester research and development;
- (x) Alternative manure management; and
- (xi) Eligible fund uses under RCW 89.08.615;

(g) Programs, activities, or projects that increase energy efficiency in new and existing buildings, or that promote low-carbon architecture, including use of newly emerging alternative building materials that result in a lower carbon footprint in the built environment over the life cycle of the building and component building materials;

(h) Programs, activities, or projects that promote the electrification and decarbonization of new and existing buildings, including residential, commercial, and industrial buildings;

(i) Programs, activities, or projects that improve energy efficiency, including district energy, and investments in market transformation of high efficiency electric appliances and equipment for space and water heating;

(j) Clean energy transition and assistance programs, activities, or projects that assist affected workers or people with lower incomes during the transition to a clean energy economy, or grow and expand clean manufacturing capacity in communities across Washington state including, but not limited to:

(i) Programs, activities, or projects that directly improve energy affordability and reduce the energy burden of people with lower incomes, as well as the higher transportation fuel burden of rural residents, such as bill assistance, energy efficiency, and weatherization programs;

(ii) Community renewable energy projects that allow qualifying participants to own or receive the benefits of those projects at reduced or no cost;

(iii) Programs, activities, or other worker-support projects for bargaining unit and nonsupervisory fossil fuel workers who are affected by the transition away from fossil fuels to a clean energy

economy. Worker support may include, but is not limited to: (A) Full wage replacement, health benefits, and pension contributions for every worker within five years of retirement; (B) full wage replacement, health benefits, and pension contributions for every worker with at least one year of service for each year of service up to five years of service; (C) wage insurance for up to five years for workers reemployed who have more than five years of service; (D) up to two years of retraining costs, including tuition and related costs, based on in-state community and technical college costs; (E) peer counseling services during transition; (F) employment placement services, prioritizing employment in the clean energy sector; and (G) relocation expenses;

(iv) Direct investment in workforce development, via technical education, community college, institutions of higher education, apprenticeships, and other programs including, but not limited to:

(A) Initiatives to develop a forest health workforce established under RCW 76.04.--- (section 5, chapter . . ., Laws of 2021 (Second Substitute House Bill No. 1168)); and

(B) Initiatives to develop new education programs, emerging fields, or jobs pertaining to the clean energy economy;

(v) Transportation, municipal service delivery, and technology investments that increase a community's capacity for clean manufacturing, with an emphasis on communities in greatest need of job creation and economic development and potential for commute reduction;

(k) Programs, activities, or projects that reduce emissions from landfills and waste-to-energy facilities through diversion of organic materials, methane capture or conversion strategies, or other means;

(l) Carbon dioxide removal projects, programs, and activities; and

(m) Activities to support efforts to mitigate and adapt to the effects of climate change affecting Indian tribes, including capital investments in support of the relocation of Indian tribes located in areas at heightened risk due to anticipated sea level rise, flooding, or other disturbances caused by climate change. The legislature intends to dedicate at least \$50,000,000 per biennium from the account for purposes of this subsection.

(2) Moneys in the account may not be used for projects or activities that would violate tribal treaty rights or result in significant long-term damage to critical habitat or ecological functions. Investments from this account must result in long-term environmental benefits and increased resilience to the impacts of climate change.

NEW SECTION. Sec. 30. NATURAL CLIMATE SOLUTIONS ACCOUNT. (1) The natural climate solutions account is created in the state treasury. All moneys directed to the account from the climate investment account created in section 28 of this act must be deposited in the account. Moneys in the account may be spent only after appropriation. Moneys in the account are intended to increase the resilience of the state's waters, forests, and other vital ecosystems to the impacts of climate change, conserve working forestlands at risk of conversion, and increase their carbon pollution reduction capacity through sequestration, storage, and overall system integrity. Moneys in the account must be spent in a manner that is consistent with existing and future assessments of climate risks and resilience from the scientific community and expressed concerns of and impacts to overburdened communities.

(2) Moneys in the account may be allocated for the following purposes:

(a) Clean water investments that improve resilience from climate impacts. Funding under this subsection (2)(a) must be used to:

(i) Restore and protect estuaries, fisheries, and marine shoreline habitats and prepare for sea level rise including, but not limited

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to, making fish passage correction investments such as those identified in the cost-share barrier removal program for small forestland owners created in RCW 76.13.150 and those that are considered by the fish passage barrier removal board created in RCW 77.95.160;

(ii) Increase carbon storage in the ocean or aquatic and coastal ecosystems;

(iii) Increase the ability to remediate and adapt to the impacts of ocean acidification;

(iv) Reduce flood risk and restore natural floodplain ecological function;

(v) Increase the sustainable supply of water and improve aquatic habitat, including groundwater mapping and modeling;

(vi) Improve infrastructure treating stormwater from previously developed areas within an urban growth boundary designated under chapter 36.70A RCW, with a preference given to projects that use green stormwater infrastructure;

(vii) Either preserve or increase, or both, carbon sequestration and storage benefits in forests, forested wetlands, agricultural soils, tidally influenced agricultural or grazing lands, or freshwater, saltwater, or brackish aquatic lands; or

(viii) Either preserve or establish, or both, carbon sequestration by protecting or planting trees in marine shorelines and freshwater riparian areas sufficient to promote climate resilience, protect cold water fisheries, and achieve water quality standards;

(b) Healthy forest investments to improve resilience from climate impacts. Funding under this subsection (2)(b) must be used for projects and activities that will:

(i) Increase forest and community resilience to wildfire in the face of increased seasonal temperatures and drought;

(ii) Improve forest health and reduce vulnerability to changes in hydrology, insect infestation, and other impacts of climate change; or

(iii) Prevent emissions by preserving natural and working lands from the threat of conversion to development or loss of critical habitat, through actions that include, but are not limited to, the creation of new conservation lands, community forests, or increased support to small forestland owners through assistance programs including, but not limited to, the forest riparian easement program and the family forest fish passage program. It is the intent of the legislature that not less than \$10,000,000 be expended each biennium for the forestry riparian easement program created in chapter 76.13 RCW or for riparian easement projects funded under the agricultural conservation easements program established under RCW 89.08.530, or similar riparian enhancement programs.

(3) Moneys in the account may not be used for projects that would violate tribal treaty rights or result in significant long-term damage to critical habitat or ecological functions. Investments from this account must result in long-term environmental benefits and increased resilience to the impacts of climate change.

NEW SECTION. Sec. 31. AIR QUALITY AND HEALTH DISPARITIES IMPROVEMENT ACCOUNT. (1) The air quality and health disparities improvement account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account are intended to:

(a) Improve air quality through the reduction of criteria pollutants, including through effective air quality monitoring and the establishment of adequate baseline emissions data; and

(b) Reduce health disparities in overburdened communities by improving health outcomes through the reduction or elimination of environmental harms and the promotion of environmental benefits.

(2) Moneys in the account may be used for either capital budget or transportation budget purposes, or both. Moneys in the account

may not be used for projects that would violate tribal treaty rights or result in significant long-term damage to critical habitat or ecological functions. Investments from the account must result in long-term environmental benefits and increased resilience to the impacts of climate change.

(3) It is the intent of the legislature that not less than \$20,000,000 per biennium be dedicated to the account for the purposes of the account.

NEW SECTION. Sec. 32. (1) By December 1, 2029, the joint legislative audit and review committee must analyze the impacts of the initial five years of program implementation and must submit a report summarizing the analysis to the legislature. The analysis must include, at minimum, the following components:

(a) Costs and benefits, including environmental and public health costs and benefits, associated with this chapter for categories of persons participating in the program or that are most impacted by air pollution, as defined in consultation with the departments of ecology and health and as measured on a census tract scale. This component of the analysis must, at a minimum, assess the costs and benefits of changes in the following metrics since the start of the program:

(i) Levels of greenhouse gas emissions and criteria air pollutants for which the United States environmental protection agency has established national ambient air quality standards;

(ii) Fuel prices; and

(iii) Total employment in categories of industries that are covered entities. The categories of industries assessed must include, but are not limited to, electric utilities, natural gas utilities, oil refineries, and other industries classified as emissions-intensive and trade-exposed;

(b) An evaluation of the information provided by the department in its 2027 program evaluation under section 9(3) of this act;

(c) A summary of the estimated total statewide costs and benefits attributable to the program, including state agency administrative costs and covered entity compliance costs. For purposes of calculating the benefits of the program, the summary may rely, in part, on a constant value of the social costs attributable to greenhouse gas emissions, as identified in contemporary internationally accepted estimates of such global social cost. This summary must include an estimate of the total statewide costs of the program per ton of greenhouse gas emissions reductions achieved by the program; and

(d) An evaluation of the impacts of the program on low-income households.

(2) This section expires June 30, 2030.

Sec. 33. RCW 70A.15.2200 and 2020 c 20 s 1090 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 ten million 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, ~~((source, or site,))~~ or from electricity or fossil fuels sold in Washington by a single supplier or local distribution company, meet or exceed ten thousand metric tons of carbon dioxide equivalent annually. ~~The ((department may phase in the requirement to report greenhouse gas emissions until the reporting threshold in this subsection is met, which must occur by January 1, 2012))~~ rules adopted by the department must support implementation of the program created in section 8 of this act. 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) ~~((Reporting will start in 2010 for 2009 emissions.))~~ Each annual report must include emissions data for the preceding calendar year and must be submitted to the department by ~~((October))~~ March 31st of the year in which the report is due. ~~((However, starting in 2011, a person who is required to report greenhouse gas emissions to the United States environmental protection agency under 40 C.F.R. Part 98, as adopted on September 22, 2009, must submit the report required under this section to the department concurrent with the submission to the United States environmental protection agency. Except as otherwise provided in this section, the data for emissions in Washington and any corrections thereto that are reported to the United States environmental protection agency must be the emissions data reported to the department; and~~

(iii) ~~Emissions of carbon dioxide associated with the complete combustion or oxidation of liquid motor vehicle fuel, special fuel, or aircraft fuel that is sold in Washington where the annual emissions associated with that combustion or oxidation equal or exceed ten thousand metric tons be reported to the department. Each person who is required to file periodic tax reports of motor vehicle fuel sales under RCW 82.36.031 or special fuel sales under RCW 82.38.150, or each distributor of aircraft fuel required to file periodic tax reports under RCW 82.42.040 must report to the department the annual emissions of carbon dioxide from the complete combustion or oxidation of the fuels listed in those reports as sold in the state of Washington. The department shall not require suppliers to use additional data to calculate greenhouse gas emissions other than the data the suppliers report to the department of licensing. The rules may allow this information to be aggregated when reported to the department. The department and the department of licensing shall enter into an interagency agreement to ensure proprietary and confidential information is protected if the departments share reported information. Any proprietary or confidential information exempt from disclosure when reported to the department of licensing is exempt from disclosure when shared by the department of licensing with the department under this provision.))~~

(b)(i) ~~((Except as otherwise provided in this subsection, the rules adopted by the department under (a) of this subsection must be consistent with the regulations adopted by the United States environmental protection agency in 40 C.F.R. Part 98 on September 22, 2009.~~

(ii)) 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 ~~((or))~~ by the United States environmental protection agency, or included in external greenhouse gas emission trading programs with which Washington has pursuant to section 24 of this act. 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. ~~((Decisions to amend the rule to include additional~~

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~~gases must be made prior to December 1st of any year and the amended rule may not take effect before the end of the regular legislative session in the next year.~~

~~(iii)) (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 ten thousand metric tons carbon dioxide equivalent annually.~~

~~((iv)) (iii) 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)(i) The department shall review and if necessary update its rules whenever ((the));~~

~~(A) The United States environmental protection agency adopts final amendments to 40 C.F.R. Part 98 to ensure consistency with federal reporting requirements for emissions of greenhouse gases; or~~

~~(B) Needed to ensure consistency with emissions reporting requirements for jurisdictions with which Washington has entered a linkage agreement. ((However, the))~~

~~(ii) The department shall not amend its rules in a manner that conflicts with ((a) of) this ((subsection)) section.~~

~~(d) 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.~~

~~(e) 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 ((unless it approves a local air authority's request to enforce the requirements for persons operating within the authority's jurisdiction. However, neither the department nor a local air authority approved under this section are authorized to assess enforcement penalties on persons required to report under (a) of this subsection until six months after the department adopts its reporting rule in 2010)), When a person that holds a compliance obligation under section 10 of this act fails to submit an emissions data report or fails to obtain a positive emissions data verification statement in accordance with (g)(ii) of this subsection, the department may assign an emissions level for that person.~~

~~(f) 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.~~

~~(g)(i) The ((inclusion or failure to include any person, source, classes of persons or sources, or types of emissions of greenhouse gases into the department's rules for reporting under this section does not indicate whether such a person, source, or category is appropriate for inclusion in state, regional, or national greenhouse gas reduction programs or strategies. Furthermore, aircraft fuel purchased in the state may not be considered equivalent to aircraft fuel combusted in the state)) 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 section 10 of this act 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 section 20 of this act in cases where the department deems that the methods or procedures are substantively similar.

~~(h)(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) ((A motor vehicle fuel supplier or a motor vehicle fuel importer, as those terms are defined in RCW 82.36.010; (B) a special fuel supplier or a special fuel importer, as those terms are defined in RCW 82.38.020; and (C) a distributor of aircraft fuel, as those terms are defined in RCW 82.42.010)) 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((, as those terms are defined by the United States environmental protection agency in its mandatory greenhouse gas reporting regulation in 40 C.F.R. Part 98, as adopted on September 22, 2009; and (B) a supplier)) 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 section 2 of this act, not otherwise included here.~~

NEW SECTION. Sec. 34. A new section is added to chapter 43.21C RCW to read as follows:

The review under this chapter of greenhouse gas emissions from a new or expanded facility subject to the greenhouse gas emission reduction requirements of chapter 70A--- RCW (the new chapter created in section 38 of this act) must occur consistent with section 10(9) of this act.

NEW SECTION. Sec. 35. A new section is added to chapter 70A.15 RCW to read as follows:

The department or a local air authority must issue an enforceable order under this chapter, consistent with section 3(2) (b) and (c) of this act, to all permitted or registered sources operating in overburdened communities when, consistent with section 3(2)(a) of this act, the department determines that criteria pollutants are not being reduced in an overburdened community and the department or local air authority adopts stricter air quality standards, emissions standards, or emissions limitations on

criteria pollutants.

NEW SECTION. Sec. 36. A new section is added to chapter 70A.45 RCW to read as follows:

The state, state agencies, and political subdivisions of the state, in implementing their duties and authorities established under other laws, may only consider the greenhouse gas limits established in RCW 70A.45.020 in a manner that recognizes, where applicable, that the siting and placement of new or expanded best-in-class facilities with lower carbon emitting processes is in the economic and environmental interests of the state of Washington.

NEW SECTION. Sec. 37. This act may be known and cited as the Washington climate commitment act.

NEW SECTION. Sec. 38. Sections 1 through 32 and 37 of this act constitute a new chapter in Title 70A RCW.

NEW SECTION. Sec. 39. (1) Sections 8 through 24 of this act, and any rules adopted by the department of ecology to implement the program established under those sections, are suspended on December 31, 2055, in the event that the department of ecology determines by December 1, 2055, that the 2050 emissions limits of RCW 70A.45.020 have been met for two or more consecutive years.

(2) Upon the occurrence of the events identified in subsection (1) of this section, the department of ecology must provide written notice of the suspension date of sections 8 through 24 of this act to affected parties, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the department.

Sec. 40. RCW 43.376.020 and 2012 c 122 s 2 are each amended to read as follows:

In establishing a government-to-government relationship with Indian tribes, state agencies must:

(1) Make reasonable efforts to collaborate with Indian tribes in the development of policies, agreements, and program implementation that directly affect Indian tribes and develop a consultation process that is used by the agency for issues involving specific Indian tribes. State agencies described in section 6 of this act must offer consultation with Indian tribes on the actions specified in section 6 of this act;

(2) Designate a tribal liaison who reports directly to the head of the state agency;

(3) Ensure that tribal liaisons who interact with Indian tribes and the executive directors of state agencies receive training as described in RCW 43.376.040; and

(4) Submit an annual report to the governor on activities of the state agency involving Indian tribes and on implementation of this chapter.

Sec. 41. RCW 43.21B.110 and 2020 c 138 s 11 and 2020 c 20 s 1035 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 RCW 18.104.155, 70A.15.3160, 70A.300.090, 70A.20.050, 70A.530.040, 70A.350.070, 70A.515.060, section 23 of this act, 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, 43.27A.190, 70A.15.2520, 70A.15.3010, 70A.300.120, 70A.350.070, section 23 of this act, 86.16.020, 88.46.070, 90.14.130, 90.46.250, 90.48.120, and 90.56.330.

(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, or a decision to approve or deny an application for a solid waste permit exemption under RCW 70A.205.260.

(d) Decisions of local health departments regarding the grant or denial of solid waste permits pursuant to chapter 70A.205 RCW.

(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, and decisions of the department regarding waste-derived soil amendments under RCW 70A.205.145.

(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.

(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.

(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.

(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. 42. RCW 43.21B.300 and 2020 c 20 s 1038 are each amended to read as follows:

(1) Any civil penalty provided in RCW 18.104.155, 70A.15.3160, 70A.205.280, 70A.300.090, 70A.20.050, section 23 of this act, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 90.56.310, 90.56.330, and 90.64.102 and chapter 70A.355 RCW shall be imposed by a notice in writing, either by certified mail

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with return receipt requested or by personal service, to the person incurring the penalty from the department or the local air authority, describing the violation with reasonable particularity. For penalties issued by local air authorities, within thirty days after the notice is received, the person incurring the penalty may apply in writing to the authority for the remission or mitigation of the penalty. Upon receipt of the application, the authority may remit or mitigate the penalty upon whatever terms the authority in its discretion deems proper. The authority may ascertain the facts regarding all such applications in such reasonable manner and under such rules as it may deem proper and shall remit or mitigate the penalty only upon a demonstration of extraordinary circumstances such as the presence of information or factors not considered in setting the original penalty.

(2) Any penalty imposed under this section may be appealed to the pollution control hearings board in accordance with this chapter if the appeal is filed with the hearings board and served on the department or authority thirty days after the date of receipt by the person penalized of the notice imposing the penalty or thirty days after the date of receipt of the notice of disposition by a local air authority of the application for relief from penalty.

(3) A penalty shall become due and payable on the later of:

(a) Thirty days after receipt of the notice imposing the penalty;

(b) Thirty days after receipt of the notice of disposition by a local air authority on application for relief from penalty, if such an application is made; or

(c) Thirty days after receipt of the notice of decision of the hearings board if the penalty is appealed.

(4) If the amount of any penalty is not paid to the department within thirty days after it becomes due and payable, the attorney general, upon request of the department, shall bring an action in the name of the state of Washington in the superior court of Thurston county, or of any county in which the violator does business, to recover the penalty. If the amount of the penalty is not paid to the authority within thirty days after it becomes due and payable, the authority may bring an action to recover the penalty in the superior court of the county of the authority's main office or of any county in which the violator does business. In these actions, the procedures and rules of evidence shall be the same as in an ordinary civil action.

(5) All penalties recovered shall be paid into the state treasury and credited to the general fund except those penalties imposed pursuant to RCW 18.104.155, which shall be credited to the reclamation account as provided in RCW 18.104.155(7), RCW 70A.15.3160, the disposition of which shall be governed by that provision, RCW 70A.300.090, which shall be credited to the model toxics control operating account created in RCW 70A.305.180, section 23 of this act, which shall be credited to the climate investment account created in section 28 of this act, RCW 90.56.330, which shall be credited to the coastal protection fund created by RCW 90.48.390, and RCW 70A.355.070, which shall be credited to the underground storage tank account created by RCW 70A.355.090.

Sec. 43. RCW 43.52A.040 and 1984 c 223 s 1 are each amended to read as follows:

(1) Unless removed at the governor's pleasure, councilmembers shall serve a term ending January 15 of the third year following appointment except that, with respect to members initially appointed, the governor shall designate one member to serve a term ending January 15 of the second year following appointment. Initial appointments to the council shall be made within thirty days of March 9, 1981.

(2) Each member shall serve until a successor is appointed, but if a successor is not appointed within sixty days of the beginning of a new term, the member shall be considered reappointed,

subject to the consent of the senate.

(3) A vacancy on the council shall be filled for the unexpired term by the governor, with the consent of the senate.

(4) For the first available appointment and at all times thereafter, one member of Washington's delegation to the council shall reside east of the crest of the Cascade Mountains and one member shall reside west of the crest of the Cascade Mountains, except as follows: Both members may reside on the same side of the Cascade Mountains as long as this deviation does not exceed 12 months in any 10-year period.

Sec. 44. RCW 70A.45.005 and 2020 c 120 s 2 and 2020 c 20 s 1397 are each reenacted and amended to read as follows:

(1) The legislature finds that Washington has long been a national and international leader on energy conservation and environmental stewardship, including air quality protection, renewable energy development and generation, emission standards for fossil-fuel based energy generation, energy efficiency programs, natural resource conservation, sustainable forestry and the production of forest products, vehicle emission standards, and the use of biofuels. Washington is also unique among most states in that in addition to its commitment to reduce emissions of greenhouse gases, it has established goals to grow the clean energy sector and reduce the state's expenditures on imported fuels.

(2) The legislature further finds that Washington should continue its leadership on climate change policy by creating accountability for achieving the emission reductions established in RCW 70A.45.020, participating in the design of a regional multisector market-based system to help achieve those emission reductions, assessing other market strategies to reduce emissions of greenhouse gases, maintaining and enhancing the state's ability to continue to sequester carbon through natural and working lands and forest products, and ensuring the state has a well trained workforce for our clean energy future.

(3) It is the intent of the legislature that the state will: (a) Limit and reduce emissions of greenhouse gas consistent with the emission reductions established in RCW 70A.45.020; (b) minimize the potential to export pollution, jobs, and economic opportunities; (c) support industry sectors that can act as sequesterers of carbon; and (d) reduce emissions at the lowest cost to Washington's economy, consumers, and businesses.

(4) In the event the state elects to participate in a regional multisector market-based system, it is the intent of the legislature that the system will become effective by January 1, 2012, after authority is provided to the department for its implementation. By acting now, Washington businesses and citizens will have adequate time and opportunities to be well positioned to take advantage of the low-carbon economy and to make necessary investments in low-carbon technology.

(5) It is also the intent of the legislature that the regional multisector market-based system recognize Washington's unique emissions and sequestration portfolio, including the:

(a) State's hydroelectric system;

(b) Opportunities presented by Washington's abundant forest resources and the associated forest products industry, along with aquatic and agriculture land and the associated industries; and

(c) State's leadership in energy efficiency and the actions it has already taken that have reduced its generation of greenhouse gas emissions and that entities receive appropriate credit for early actions to reduce greenhouse gases.

(6) If any revenues, excluding those from state trust lands, that accrue to the state are created by a market system, they must be used for the purposes established in chapter 70A.--- RCW (the new chapter created in section 38 of this act) and to further the state's efforts to achieve the goals established in RCW

70A.45.020, address the impacts of global warming on affected habitats, species, and communities, promote and invest in industry sectors that act as sequesterers of carbon, and increase investment in the clean energy economy particularly for communities and workers that have suffered from heavy job losses and chronic unemployment and underemployment.

NEW SECTION. Sec. 45. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 46. (1) The department shall prepare, post on the department website, and submit to the appropriate committees of the legislature an annual report that identifies all distributions of moneys from the accounts created in sections 27 through 31 of this act.

(2) The report must identify, at a minimum, the recipient of the funding, the amount of the funding, the purpose of the funding, the actual end result or use of the funding, whether the project that received the funding produced any verifiable reduction in greenhouse gas emissions or other long-term impact to emissions, and if so, the quantity of reduced greenhouse gas emissions, the cost per carbon dioxide equivalent metric ton of reduced greenhouse gas emissions, and a comparison to other greenhouse gas emissions reduction projects in order to facilitate the development of cost-benefit ratios for greenhouse gas emissions reduction projects.

(3) The department shall require by rule that recipients of funds from the accounts created in sections 27 through 31 of this act report to the department, in a form and manner prescribed by the department, the information required for the department to carry out the department's duties established in this section.

(4) The department shall update its website with the information described in subsection (2) of this section as appropriate but no less frequently than once per calendar year.

(5) The department shall submit its report to the appropriate committees of the legislature with the information described in subsection (2) of this section no later than September 30 of each year.

NEW SECTION. Sec. 47. RESIDENTIAL HEATING ASSISTANCE PROGRAM. (1) The legislature intends by this section to establish policies to mitigate the cost burden of the program established by this act on consumers who use home heating fuels that are not electricity or natural gas.

(2) The department, in collaboration with interested stakeholders, shall develop a proposal for assisting households that, for residential home heating, use fuels that are not electricity or natural gas. The proposal must give priority to assisting low-income households through weatherization, conservation and efficiency services, and bill assistance.

(3) In the event the department, in collaboration with interested stakeholders, determines that the proposal developed pursuant to subsection (2) of this section requires legislative action, the department shall submit its recommendations for proposed legislation to the appropriate committees of the legislature no later than September 15, 2022."

Correct the title.

and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

MOTION

Senator Carlyle moved that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5126.

Senators Carlyle, Saldaña, Liias, Salomon, Sheldon, Rolfes

and Hobbs spoke in favor of the motion.

Senators Ericksen, Schoesler, Rivers, King, Braun, Fortunato, Wagoner, Short, Warnick, Wilson, J., Brown, Dozier, Padden, Wilson, L. and Holy spoke against the motion.

The President declared the question before the Senate to be the motion by Senator Carlyle that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5126.

The motion by Senator Carlyle carried and the Senate concurred in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5126 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 5126, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5126, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 27; Nays, 22; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, Mullet, Nguyen, Nobles, Pedersen, Randall, Robinson, Rolfes, Saldaña, Salomon, Sheldon, Stanford, Wellman and Wilson, C.

Voting nay: Senators Braun, Brown, Dozier, Ericksen, Fortunato, Gildon, Hawkins, Holy, Honeyford, King, Lovelett, McCune, Muzzall, Padden, Rivers, Schoesler, Short, Van De Wege, Wagoner, Warnick, Wilson, J. and Wilson, L.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5126, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

PERSONAL PRIVILEGE

Senator Ericksen: "Thank you Mr. President. I would like to bring, something that hopefully will unite the Senate here together. Recently there was an organization the south sound, which was going to host an event, it was a church, to host an event featuring a speaker named Charlie Kirk from Turning Point USA. However, this particular church was inundated with threats of violence and the the quotes actually were that they were threatened, that this group would come down to burn down the properties and the church, and they also brought threats to burn down the neighborhood and threats of physical threats against the church leadership the neighbors the property and basically everybody in the area. So, I have put together a letter urging our executive branch and the attorney general particular to look into this with our state patrol and to make sure that all people of Washington state have the right to free speech, assembly and that no voice there should be silenced. And so I will be a distributing that letter to the various us Senate offices I hope that that people be able to sign on to the letter so we can stand united against this type of intimidation, threats of violence to any place of worship here in Washington state. Thank you, Mr. President."

MOTION

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

SECOND READING

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1277, by House Committee on Appropriations (originally sponsored by Ormsby, Macri, Ramel, Bateman, Fitzgibbon, Ryu, Senn, Chopp, Berry, Peterson, Davis, Santos, Valdez, Hackney, Thai, Kloba, Sells, Frame, Gregerson, J. Johnson, Pollet, Harris-Talley, Stonier, Taylor and Wicks)

Providing for an additional revenue source for eviction prevention and housing stability services.

The measure was read the second time.

MOTION

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

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. A new section is added to chapter 36.22 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, a surcharge of \$100 must be charged by the county auditor for each document recorded, which is in addition to any other charge or surcharge allowed by law. The auditor must remit the funds to the state treasurer to be deposited and used as follows:

(a) Twenty percent of funds must be deposited in the affordable housing for all account for operations, maintenance, and service costs for permanent supportive housing as defined in RCW 36.70A.030;

(b) From July 1, 2021, through June 30, 2023, four percent of the funds must be deposited into the landlord mitigation program account created in RCW 43.31.615 for the purposes of RCW 43.31.605(1). Thereafter, two percent of funds must be deposited into the landlord mitigation program account created in RCW 43.31.615 for purposes of RCW 43.31.605(1); and

(c) The remainder of funds must be distributed to the home security fund account, with 60 percent of funds to be used for project-based vouchers for nonprofit housing providers and related services and rapid rehousing and acquisition. Priority for use must be given to project-based vouchers and related services, housing acquisition, or emergency housing, for persons who are chronically homeless, including families with children. At least 50 percent of persons receiving a project-based voucher, rapid rehousing, or benefiting from housing acquisition must be living unsheltered at the time of initial engagement. In addition, funds may be used for eviction prevention rental assistance pursuant to section 2 of this act, foreclosure prevention services, dispute resolution center eviction prevention services, rental assistance for people experiencing homelessness, and tenant education and legal assistance.

(2) The surcharge imposed in this section does not apply to: (a) Assignments or substitutions of previously recorded deeds of trust; (b) documents recording a birth, marriage, divorce, or death; (c) any recorded documents otherwise exempted from a recording fee or additional surcharges under state law; (d) marriage licenses issued by the county auditor; or (e) documents recording a federal, state, county, or city lien or satisfaction of lien.

NEW SECTION. Sec. 2. A new section is added to chapter 43.185C RCW to read as follows:

(1) The eviction prevention rental assistance program is created in the department to prevent evictions by providing resources to households most likely to become homeless or suffer severe

health consequences, or both, after an eviction, while promoting equity by prioritizing households, including communities of color, disproportionately impacted by public health emergencies and by homelessness and housing instability. The department must provide grants to eligible organizations, as described in RCW 43.185.060, to provide assistance to program participants. The eligible organizations must use grant moneys for:

(a) Rental assistance, including rental arrears and future rent if needed to stabilize the applicant's housing and prevent their eviction;

(b) Utility assistance for households if needed to prevent an eviction; and

(c) Administrative costs of the eligible organization, which must not exceed limits prescribed by the department.

(2) Households eligible to receive assistance through the eviction prevention rental assistance program are those:

(a) With incomes at or below 80 percent of the county area median income;

(b) Who are families with children, living in doubled up situations, young adults, senior citizens, and others at risk of homelessness or significant physical or behavioral health complications from homelessness; and

(c) That meet any other eligibility requirements as established by the department after consultation with stakeholder groups, including persons at risk of homelessness due to unpaid rent, representatives of communities of color, homeless service providers, landlord representatives, local governments that administer homelessness assistance, a statewide association representing cities, a statewide association representing counties, a representative of homeless youth and young adults, and affordable housing advocates.

(3) A landlord may assist an eligible household in applying for assistance through the eviction prevention rental assistance program or may apply for assistance on an eligible household's behalf.

(4)(a) Eligible grantees must actively work with organizations rooted in communities of color to assist and serve marginalized populations within their communities.

(b) At least 10 percent of the grant total must be subgranted to organizations that serve and are substantially governed by marginalized populations to pay the costs associated with program outreach, assistance completing applications for assistance, rent assistance payments, activities that directly support the goal of improving access to rent assistance for people of color, and related costs. Upon request by an eligible grantee or the county or city in which it exists, the department must provide a list of organizations that serve and are substantially governed by marginalized populations, if known.

(c) An eligible grantee may request an exemption from the department from the requirements under (b) of this subsection. The department must consult with the stakeholder group established under subsection (2)(c) of this section before granting an exemption. An eligible grantee may request an exemption only if the eligible grantee:

(i) Is unable to subgrant with an organization that serves and is substantially governed by marginalized populations; or

(ii) Provides the department with a plan to spend 10 percent of the grant total in a manner that the department determines will improve racial equity for historically underserved communities more effectively than a subgrant.

(5) The department must ensure equity by developing performance measures and benchmarks that promote both equitable program access and equitable program outcomes. Performance measures and benchmarks must be developed by the department in consultation with stakeholder groups, including

persons at risk of homelessness due to unpaid rent, representatives of communities of color, homeless service providers, landlord representatives, local governments that administer homelessness assistance, a statewide association representing cities, a statewide association representing counties, a representative of homeless youth and young adults, and affordable housing advocates. Performance measures and benchmarks must also ensure that the race and ethnicity of households served under the program are proportional to the numbers of people at risk of homelessness in each county for each of the following groups:

- (a) Black or African American;
 - (b) American Indian and Alaska Native;
 - (c) Native Hawaiian or other Pacific Islander;
 - (d) Hispanic or Latinx;
 - (e) Asian;
 - (f) Other multiracial.
- (6) The department may develop additional rules, requirements, procedures, and guidelines as necessary to implement and operate the eviction prevention rental assistance program.

(7)(a) The department must award funds under this section to eligible grantees in a manner that is proportional to the amount of revenue collected under section 1 of this act from the county being served by the grantee.

(b) The department must provide counties with the right of first refusal to receive grant funds distributed under this subsection. If a county refuses the funds or does not respond within a time frame established by the department, the department must identify an alternative grantee. The alternative grantee must distribute the funds in a manner that is in compliance with this chapter.

Sec. 3. RCW 43.185C.045 and 2018 c 85 s 9 are each amended to read as follows:

(1) By December 1st of each year, the department must provide an update on the state's homeless housing strategic plan and its activities for the prior fiscal year. The report must include, but not be limited to, the following information:

(a) An assessment of the current condition of homelessness in Washington state and the state's performance in meeting the goals in the state homeless housing strategic plan;

(b) A report on the results of the annual homeless point-in-time census conducted statewide under RCW 43.185C.030;

(c) The amount of federal, state, local, and private funds spent on homelessness assistance, categorized by funding source and the following major assistance types:

- (i) Emergency shelter;
- (ii) Homelessness prevention and rapid rehousing;
- (iii) Permanent housing;
- (iv) Permanent supportive housing;
- (v) Transitional housing;
- (vi) Services only; and
- (vii) Any other activity in which more than five hundred thousand dollars of category funds were expended;

(d) A report on the expenditures, performance, and outcomes of state funds distributed through the consolidated homeless grant program, including the grant recipient, award amount expended, use of the funds, counties served, and households served;

(e) A report on state and local homelessness document recording fee expenditure by county, including the total amount of fee spending, percentage of total spending from fees, number of people served by major assistance type, and amount of expenditures for private rental housing payments required in RCW 36.22.179;

(f) A report on the expenditures, performance, and outcomes of the essential needs and housing support program meeting the requirements of RCW 43.185C.220; ~~(and)~~

(g) A report on the expenditures, performance, and outcomes

of the independent youth housing program meeting the requirements of RCW 43.63A.311;

(h) A county-level report on the expenditures, performance, and outcomes of the eviction prevention rental assistance program under section 2 of this act. The report must include, but is not limited to:

(i) The number of adults without minor children served in each county;

(ii) The number of households with adults and minor children served in each county; and

(iii) The number of unaccompanied youth and young adults who are being served in each county; and

(i) A county-level report on the expenditures, performance, and outcomes of the rapid rehousing, project-based vouchers, and housing acquisition programs under section 1 of this act. The report must include, but is not limited to:

(i) The number of persons who are unsheltered receiving shelter through a project-based voucher in each county;

(ii) The number of units acquired or built via rapid rehousing and housing acquisition in each county; and

(iii) The number of adults without minor children, households with adults and minor children, unaccompanied youth, and young adults who are being served by the programs under section 1 of this act in each county.

(2) The report required in subsection (1) of this section must be posted to the department's website and may include links to updated or revised information contained in the report.

(3) Any local government receiving state funds for homelessness assistance or state or local homelessness document recording fees under RCW 36.22.178, 36.22.179, or 36.22.1791 must provide an annual report on the current condition of homelessness in its jurisdiction, its performance in meeting the goals in its local homeless housing plan, and any significant changes made to the plan. The annual report must be posted on the department's website. Along with each local government annual report, the department must produce and post information on the local government's homelessness spending from all sources by project during the prior state fiscal year in a format similar to the department's report under subsection (1)(c) of this section. If a local government fails to report or provides an inadequate or incomplete report, the department must take corrective action, which may include withholding state funding for homelessness assistance to the local government to enable the department to use such funds to contract with other public or nonprofit entities to provide homelessness assistance within the jurisdiction.

Sec. 4. RCW 43.185C.060 and 2020 c 357 s 915 are each amended to read as follows:

(1) The home security fund account is created in the state treasury, subject to appropriation. The state's portion of the surcharge established in RCW 36.22.179 and 36.22.1791 and section 1 of this act must be deposited in the account. Expenditures from the account may be used only for homeless housing programs as described in this chapter, including the eviction prevention rental assistance program established in section 2 of this act.

(2) The department must distinguish allotments from the account made to carry out the activities in RCW 43.330.167, 43.330.700 through 43.330.715, 43.330.911, 43.185C.010, 43.185C.250 through 43.185C.320, and 36.22.179(1)(b).

(3) The office of financial management must secure an independent expenditure review of state funds received under RCW 36.22.179(1)(b) on a biennial basis. The purpose of the review is to assess the consistency in achieving policy priorities within the private market rental housing segment for housing persons experiencing homelessness. The independent reviewer

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must notify the department and the office of financial management of its findings. The first biennial expenditure review, for the 2017-2019 fiscal biennium, is due February 1, 2020. Independent reviews conducted thereafter are due February 1st of each even-numbered year.

(4) During the 2019-2021 fiscal biennium, expenditures from the account may also be used for shelter capacity grants.

Sec. 5. RCW 43.185C.190 and 2011 1st sp.s. c 50 s 955 are each amended to read as follows:

The affordable housing for all account is created in the state treasury, subject to appropriation. The state's portion of the surcharges established in RCW 36.22.178 and section 1 of this act shall be deposited in the account. Expenditures from the account may only be used for affordable housing programs ~~(-During the 2011-2013 fiscal biennium, moneys in the account may be transferred to the home security fund)~~, including operations, maintenance, and services as described in section 1(1)(a) of this act.

NEW SECTION. Sec. 6. (1)(a) The legislature finds that affordable housing, housing instability, and homelessness are persistent and increasing problems throughout the state. Despite significant increases in financial resources by the federal, state, and local governments to address these problems, homelessness and the risk of becoming homeless has worsened in Washington since the legislature authorized the first homeless housing document recording surcharge in 2005. The number of unsheltered homeless encampments in greenbelts, under bridges, and on our streets is a visible reminder that the current system is not working.

(b) The legislature finds that the COVID-19 pandemic has exacerbated and shed new light on the state's homelessness problems and forced communities and providers to reexamine the types and delivery of housing and services to individuals and families who are homeless or at risk of homelessness. As a result of the changing conditions COVID-19 created, the federal government has provided an infusion of funding for housing and services for homelessness populations in its COVID-19 relief bills to pursue different strategies to improve outcomes. Moreover, there are various proposals to increase state funding to address housing insecurity and homelessness, including this act to impose an additional document recording fee to fund an eviction prevention rental assistance program and other services to persons at risk or experiencing homelessness.

(c) The legislature also finds that there are many causes of homelessness and housing instability, including: (i) A shortage of affordable housing; (ii) local land use planning and property management policies that discourage the development of private sector housing stock to serve low and extremely low-income households; (iii) unemployment and lack of education and job skills to acquire an adequate wage job; (iv) mental health, developmental, and physical disabilities; (v) chemical and alcohol dependency; and (vi) family instability and conflict. The legislature intends to provide for an examination of the economic, social, and health causes of current and expected patterns of housing instability and homelessness, and to secure a common understanding of the contribution each has to the current crisis. The legislature intends for this examination to result in a widely accepted strategy for identifying how best to address homelessness in ways that: (A) Address the root causes of the problem; (B) clearly assign responsibilities of state and local government to address those causes; (C) support local control and provision of services at the local level to address specific community needs, recognizing each community must play a part in the solution; (D) respect property owner rights and encourage private sector involvement in solutions and service; and (E)

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develop pathways to permanent housing solutions and associated services to break the cycle of housing insecurity and homelessness.

(2)(a) The department of commerce must contract with the William D. Ruckelshaus center to conduct an examination of trends affecting, and policies guiding, the housing and services provided to individuals and families who are or at risk of homelessness in Washington. The center must also facilitate meetings and discussions to develop and implement a long-term strategy to improve services and outcomes for persons at risk or experiencing homelessness and develop pathways to permanent housing solutions.

(b) In fulfilling the requirements of this section, the center must work and consult with (i) willing participants representing tribal and local governments, local providers of housing and services for homeless populations, advocates and stakeholders representing the interests of homeless populations, mental health and substance abuse professionals, representatives of the business community and other organizations, and other representatives the center determines is a necessary participant to examine these issues; (ii) a group of legislators consisting of one member from each of the two largest caucuses in the senate and in the house of representatives appointed by the president of the senate and the speaker of the house of representatives, respectively; and (iii) three representatives of the executive branch appointed by the governor.

(c)(i) The center must conduct fact-finding and stakeholder discussions with participants identified in (b) of this subsection. These discussions must identify stakeholder concerns, barriers, opportunities, and desired principles for a long-term strategy to improve the outcomes and services for persons at risk or experiencing homelessness and develop pathways to permanent housing solutions.

(ii) The center must conduct fact-finding and stakeholder discussions with participants identified in (b) of this subsection to identify root causes of housing instability and homelessness within Washington state. This fact-finding should address root causes demographically within subpopulations of persons at risk or experiencing homelessness such as veterans and persons suffering from mental health or substance abuse issues. The fact-finding should also address root causes that may differ geographically or regionally. The fact-finding must identify existing statutory and regulatory issues that impede efforts to address root causes of housing instability and homelessness within Washington state.

(iii) The center must issue two reports of its fact-finding efforts and stakeholder discussions to the governor and the appropriate committees of the house of representatives and the senate. One report on the subjects covered in (c)(i) of this subsection is due December 1, 2021, and one on the subjects covered in (c)(ii) of this subsection is due December 1, 2022.

(d) The center must facilitate discussions between the stakeholders identified in this subsection (2) for the purposes of identifying options and recommendations to develop and implement a long-term strategy to improve the outcomes and service for persons at risk or experiencing homelessness and develop pathways to permanent housing solutions, including the manner and amount in which the state funds homelessness housing and services and performance measures that must be achieved to receive state funding. A report on this effort is due to the governor and the appropriate committees of the house of representatives and the senate by December 1, 2023."

On page 1, line 2 of the title, after "services;" strike the remainder of the title and insert "amending RCW 43.185C.045, 43.185C.060, and 43.185C.190; adding a new section to chapter

36.22 RCW; adding a new section to chapter 43.185C RCW; and creating a new section."

MOTION

Senator Fortunato moved that the following floor amendment no. 839 by Senator Fortunato be adopted:

On page 1, at the beginning of line 6, strike "surcharge" and insert "tax"

On page 1, at the beginning of line 8, strike "surcharge" and insert "tax"

On page 2, line 1, after "The" strike "surcharge" and insert "tax"

On page 2, line 5, after "additional" strike "surcharges" and insert "taxes"

On page 6, at the beginning of line 29, strike "surcharge" and insert "~~((surcharge)) tax~~"

On page 7, at the beginning of line 15, strike "surcharges" and insert "~~((surcharges)) taxes~~"

On page 7, at the beginning of line 28, strike "surcharge" and insert "tax"

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

Senator Robinson 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. 839 by Senator Fortunato on page 1, line 6 to the committee striking amendment.

The motion by Senator Fortunato did not carry and floor amendment no. 839 was not adopted by voice vote.

MOTION

Senator Wilson, L. moved that the following floor amendment no. 909 by Senator Wilson, L. be adopted:

On page 1, line 6, after "of" strike "\$100" and insert "\$17"

Senators Wilson, L. and Braun spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Robinson 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. 909 by Senator Wilson, L. on page 1, line 6 to the committee striking amendment.

The motion by Senator Wilson, L. did not carry and floor amendment no. 909 was not adopted by voice vote.

MOTION

Senator Wilson, L. moved that the following floor amendment no. 910 by Senator Wilson, L. be adopted:

On page 1, line 6, after "of" strike "\$100" and insert "\$27"

Senator Wilson, L. spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Robinson 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. 910 by Senator Wilson, L. on page 1, line 6 to the committee striking amendment.

The motion by Senator Wilson, L. did not carry and floor amendment no. 910 was not adopted by voice vote.

MOTION

Senator Brown moved that the following floor amendment no. 911 by Senator Brown be adopted:

On page 1, line 6, after "of" strike "\$100" and insert "\$37"

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

Senator Robinson 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. 911 by Senator Brown on page 1, line 6 to the committee striking amendment.

The motion by Senator Brown did not carry and floor amendment no. 911 was not adopted by voice vote.

MOTION

Senator Brown moved that the following floor amendment no. 912 by Senator Brown be adopted:

On page 1, line 6, after "of" strike "\$100" and insert "\$47"

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

Senator Robinson 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. 912 by Senator Brown on page 1, line 6 to the committee striking amendment.

The motion by Senator Brown did not carry and floor amendment no. 912 was not adopted by voice vote.

MOTION

Senator Wagoner moved that the following floor amendment no. 913 by Senator Wagoner be adopted:

On page 1, line 6, after "of" strike "\$100" and insert "\$57"

Senators Wagoner, Schoesler and Padden spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Robinson 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. 913 by Senator Wagoner on page 1, line 6 to the committee striking amendment.

The motion by Senator Wagoner did not carry and floor amendment no. 913 was not adopted by voice vote.

MOTION

Senator Wagoner moved that the following floor amendment no. 914 by Senator Wagoner be adopted:

On page 1, line 6, after "of" strike "\$100" and insert "\$67"

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

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

PARLIAMENTARY INQUIRY

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Senator Ericksen: "Thank you, Mr. President. On the previous amendment I was watching the vote count as it came through and it appeared that it was 23 in favor 24 opposed until the very last moment and it turned to 24-24. And I don't see anybody excused or absent so, what would be the process in that situation to actually make a determination of the vote of the of those voting?"

REPLY BY THE PRESIDENT

President Heck: "Senator Ericksen, a tied vote is a failed vote. It requires a majority to pass."

The President declared the question before the Senate to be the adoption of floor amendment no. 914 by Senator Wagoner on page 1, line 6 to the committee striking amendment.

The motion by Senator Wagoner did not carry and floor amendment no. 914 was not adopted by voice vote.

PARLIAMENTARY INQUIRY

Senator Padden: "Thank you, Mr. President. Kind of as a follow-up to the point of inquiry from the gentleman from the 42nd, when there is a 24-24 tie, you said it fails it needs a majority, but Mr. President, do you have the authority to break that tie?"

REPLY BY THE PRESIDENT

President Heck: "It is a discretionary authority Senator."

MOTION

Senator Robinson moved that the following floor amendment no. 835 by Senator Robinson be adopted:

On page 1, line 21, after "providers" strike "and related" and insert "or public housing authorities, housing"

On page 1, line 22, after "services" strike "and" and insert ", "

On page 1, line 22, after "rehousing" strike "and" and insert ", emergency housing, or"

On page 1, line 26, after "rehousing," insert "emergency housing."

Senator Robinson 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. 835 by Senator Robinson on page 1, line 21 to the committee striking amendment.

The motion by Senator Robinson carried and floor amendment no. 835 was adopted by voice vote.

MOTION

Senator Wilson, L. moved that the following floor amendment no. 904 by Senator Wilson, L. be adopted:

On page 2, line 7, after "county," strike "or"

On page 2, line 7, after "city" insert ", or water-sewer district"

On page 10, after line 3, insert the following:

"**Sec. 7.** RCW 36.22.178 and 2019 c 136 s 1 are each amended to read as follows:

The surcharge provided for in this section shall be named the affordable housing for all surcharge.

(1) Except as provided in subsection (3) of this section, a surcharge of thirteen dollars per instrument shall be charged by the county auditor for each document recorded, which will be in

addition to any other charge authorized by law. The county may retain up to five percent of these funds collected solely for the collection, administration, and local distribution of these funds. Of the remaining funds, forty percent of the revenue generated through this surcharge will be transmitted monthly to the state treasurer who will deposit: (a) The portion of the funds attributable to ten dollars of the surcharge into the affordable housing for all account created in RCW 43.185C.190. The department of commerce must use these funds to provide housing and shelter for extremely low-income households, including but not limited to housing for victims of human trafficking and their families and grants for building operation and maintenance costs of housing projects or units within housing projects that are affordable to extremely low-income households with incomes at or below thirty percent of the area median income, and that require a supplement to rent income to cover ongoing operating expenses; and (b) the portion of the funds attributable to three dollars of the surcharge into the landlord mitigation program account created in RCW 43.31.615.

(2) All of the remaining funds generated by this surcharge will be retained by the county and be deposited into a fund that must be used by the county and its cities and towns for eligible housing activities as described in this subsection that serve very low-income households with incomes at or below fifty percent of the area median income. The portion of the surcharge retained by a county shall be allocated to eligible housing activities that serve extremely low and very low-income households in the county and the cities within a county according to an interlocal agreement between the county and the cities within the county consistent with countywide and local housing needs and policies. A priority must be given to eligible housing activities that serve extremely low-income households with incomes at or below thirty percent of the area median income. Eligible housing activities to be funded by these county funds are limited to:

(a) Acquisition, construction, or rehabilitation of housing projects or units within housing projects that are affordable to very low-income households with incomes at or below fifty percent of the area median income, including units for homeownership, rental units, seasonal and permanent farmworker housing units, units reserved for victims of human trafficking and their families, and single room occupancy units;

(b) Supporting building operation and maintenance costs of housing projects or units within housing projects eligible to receive housing trust funds, that are affordable to very low-income households with incomes at or below fifty percent of the area median income, and that require a supplement to rent income to cover ongoing operating expenses;

(c) Rental assistance vouchers for housing units that are affordable to very low-income households with incomes at or below fifty percent of the area median income, including rental housing vouchers for victims of human trafficking and their families, to be administered by a local public housing authority or other local organization that has an existing rental assistance voucher program, consistent with or similar to the United States department of housing and urban development's section 8 rental assistance voucher program standards; and

(d) Operating costs for emergency shelters and licensed overnight youth shelters.

(3) The surcharge imposed in this section does not apply to assignments or substitutions of previously recorded deeds of trust or to documents recording a federal lien, or water-sewer district lien, or satisfaction of lien.

Sec. 8. RCW 36.22.179 and 2019 c 136 s 2 are each amended to read as follows:

(1) In addition to the surcharge authorized in RCW 36.22.178,

and except as provided in subsection (3) of this section, an additional surcharge of sixty-two dollars shall be charged by the county auditor for each document recorded, which will be in addition to any other charge allowed by law. Except as provided in subsection (4) of this section, the funds collected pursuant to this section are to be distributed and used as follows:

(a) The auditor shall retain two percent for collection of the fee, and of the remainder shall remit sixty percent to the county to be deposited into a fund that must be used by the county and its cities and towns to accomplish the purposes of chapter 484, Laws of 2005, six percent of which may be used by the county for the collection and local distribution of these funds and administrative costs related to its homeless housing plan, and the remainder for programs which directly accomplish the goals of the county's local homeless housing plan, except that for each city in the county which elects as authorized in RCW 43.185C.080 to operate its own local homeless housing program, a percentage of the surcharge assessed under this section equal to the percentage of the city's local portion of the real estate excise tax collected by the county shall be transmitted at least quarterly to the city treasurer, without any deduction for county administrative costs, for use by the city for program costs which directly contribute to the goals of the city's local homeless housing plan; of the funds received by the city, it may use six percent for administrative costs for its homeless housing program.

(b) The auditor shall remit the remaining funds to the state treasurer for deposit in the home security fund account to be used as follows:

(i) The department may use twelve and one-half percent of this amount for administration of the program established in RCW 43.185C.020, including the costs of creating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program.

(ii) The remaining eighty-seven and one-half percent of this amount must be used as follows:

(A) At least forty-five percent must be set aside for the use of private rental housing payments; and

(B) All remaining funds are to be used by the department to:

(I) Provide housing and shelter for homeless people including, but not limited to: Grants to operate, repair, and staff shelters; grants to operate transitional housing; partial payments for rental assistance; consolidated emergency assistance; overnight youth shelters; grants and vouchers designated for victims of human trafficking and their families; and emergency shelter assistance; and

(II) Fund the homeless housing grant program.

(2) A county issuing general obligation bonds pursuant to RCW 36.67.010, to carry out the purposes of subsection (1)(a) of this section, may provide that such bonds be made payable from any surcharge provided for in subsection (1)(a) of this section and may pledge such surcharges to the repayment of the bonds.

(3) The surcharge imposed in this section does not apply to (a) assignments or substitutions of previously recorded deeds of trust, (b) documents recording a birth, marriage, divorce, or death, (c) any recorded documents otherwise exempted from a recording fee or additional surcharges under state law, (d) marriage licenses issued by the county auditor, or (e) documents recording a federal, state, county, ~~((or))~~ city, or water-sewer district lien or satisfaction of lien.

(4) Ten dollars of the surcharge imposed under subsection (1) of this section must be distributed to the counties to carry out the purposes of subsection (1)(a) of this section.

(5) For purposes of this section, "private rental housing" means housing owned by a private landlord and includes housing owned by a nonprofit housing entity.

Sec. 9. RCW 36.22.1791 and 2019 c 136 s 3 are each amended to read as follows:

(1) In addition to the surcharges authorized in RCW 36.22.178 and 36.22.179, and except as provided in subsection (2) of this section, the county auditor shall charge an additional surcharge of eight dollars for each document recorded, which is in addition to any other charge allowed by law. The funds collected under this section are to be distributed and used as follows:

(a) The auditor shall remit ninety percent to the county to be deposited into a fund six percent of which may be used by the county for administrative costs related to its homeless housing plan, and the remainder for programs that directly accomplish the goals of the county's local homeless housing plan, except that for each city in the county that elects, as authorized in RCW 43.185C.080, to operate its own local homeless housing program, a percentage of the surcharge assessed under this section equal to the percentage of the city's local portion of the real estate excise tax collected by the county must be transmitted at least quarterly to the city treasurer for use by the city for program costs that directly contribute to the goals of the city's local homeless housing plan.

(b) The auditor shall remit the remaining funds to the state treasurer for deposit in the home security fund account. The department may use the funds for administering the program established in RCW 43.185C.020, including the costs of creating and updating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program. Remaining funds may also be used to:

(i) Provide housing and shelter for homeless people including, but not limited to: Grants to operate, repair, and staff shelters; grants to operate transitional housing; partial payments for rental assistance; consolidated emergency assistance; overnight youth shelters; grants and vouchers designated for victims of human trafficking and their families; and emergency shelter assistance; and

(ii) Fund the homeless housing grant program.

(2) The surcharge imposed in this section does not apply to assignments or substitutions of previously recorded deeds of trust or to documents recording a federal or water-sewer district lien or satisfaction of lien.

Sec. 10. RCW 36.22.240 and 2019 c 348 s 11 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, a surcharge of two dollars and fifty cents shall be charged by the county auditor for each document recorded, which will be in addition to any other charge or surcharge allowed by law. The auditor shall remit the funds to the state treasurer to be deposited and used as follows:

(a) Through June 30, 2024, funds must be deposited into the growth management planning and environmental review fund created in RCW 36.70A.490 to be used first for grants for costs associated with RCW 36.70A.600 and for costs associated with RCW 36.70A.610, and thereafter for any allowable use of the fund.

(b) Beginning July 1, 2024, sufficient funds must be deposited into the growth management planning and environmental review fund created in RCW 36.70A.490 for costs associated with RCW 36.70A.610, and the remainder deposited into the home security fund account created in RCW 43.185C.060 to be used for maintenance and operation costs of: (i) Permanent supportive housing and (ii) affordable housing for very low-income and extremely low-income households. Funds may only be expended in cities that have taken action under RCW 36.70A.600.

(2) The surcharge imposed in this section does not apply to: (a) Assignments or substitutions of previously recorded deeds of

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trust; (b) documents recording a birth, marriage, divorce, or death; (c) any recorded documents otherwise exempted from a recording fee or additional surcharges under state law; (d) marriage licenses issued by the county auditor; or (e) documents recording a federal, state, county, ~~((or))~~ city, or water-sewer district lien or satisfaction of lien.

(3) For purposes of this section, the terms "permanent supportive housing," "affordable housing," "very low-income households," and "extremely low-income households" have the same meaning as provided in RCW 36.70A.030."

On page 10, line 6, after "43.185C.060," strike "and 43.185C.190" and insert "43.185C.190, 36.22.178, 36.22.179, 36.22.1791, and 36.22.240"

Senators Wilson, L. and Robinson 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. 904 by Senator Wilson, L. on page 2, line 7 to the committee striking amendment.

The motion by Senator Wilson, L. carried and floor amendment no. 904 was adopted by voice vote.

MOTION

Senator Robinson moved that the following floor amendment no. 915 by Senator Robinson be adopted:

On page 2, line 7, after "county," strike "or city" and insert "city, or wage"

On page 10, after line 3, insert the following:

"**Sec. 7.** RCW 36.22.178 and 2019 c 136 s 1 are each amended to read as follows:

The surcharge provided for in this section shall be named the affordable housing for all surcharge.

(1) Except as provided in subsection (3) of this section, a surcharge of thirteen dollars per instrument shall be charged by the county auditor for each document recorded, which will be in addition to any other charge authorized by law. The county may retain up to five percent of these funds collected solely for the collection, administration, and local distribution of these funds. Of the remaining funds, forty percent of the revenue generated through this surcharge will be transmitted monthly to the state treasurer who will deposit: (a) The portion of the funds attributable to ten dollars of the surcharge into the affordable housing for all account created in RCW 43.185C.190. The department of commerce must use these funds to provide housing and shelter for extremely low-income households, including but not limited to housing for victims of human trafficking and their families and grants for building operation and maintenance costs of housing projects or units within housing projects that are affordable to extremely low-income households with incomes at or below thirty percent of the area median income, and that require a supplement to rent income to cover ongoing operating expenses; and (b) the portion of the funds attributable to three dollars of the surcharge into the landlord mitigation program account created in RCW 43.31.615.

(2) All of the remaining funds generated by this surcharge will be retained by the county and be deposited into a fund that must be used by the county and its cities and towns for eligible housing activities as described in this subsection that serve very low-income households with incomes at or below fifty percent of the area median income. The portion of the surcharge retained by a county shall be allocated to eligible housing activities that serve extremely low and very low-income households in the county and the cities within a county according to an interlocal agreement

between the county and the cities within the county consistent with countywide and local housing needs and policies. A priority must be given to eligible housing activities that serve extremely low-income households with incomes at or below thirty percent of the area median income. Eligible housing activities to be funded by these county funds are limited to:

(a) Acquisition, construction, or rehabilitation of housing projects or units within housing projects that are affordable to very low-income households with incomes at or below fifty percent of the area median income, including units for homeownership, rental units, seasonal and permanent farmworker housing units, units reserved for victims of human trafficking and their families, and single room occupancy units;

(b) Supporting building operation and maintenance costs of housing projects or units within housing projects eligible to receive housing trust funds, that are affordable to very low-income households with incomes at or below fifty percent of the area median income, and that require a supplement to rent income to cover ongoing operating expenses;

(c) Rental assistance vouchers for housing units that are affordable to very low-income households with incomes at or below fifty percent of the area median income, including rental housing vouchers for victims of human trafficking and their families, to be administered by a local public housing authority or other local organization that has an existing rental assistance voucher program, consistent with or similar to the United States department of housing and urban development's section 8 rental assistance voucher program standards; and

(d) Operating costs for emergency shelters and licensed overnight youth shelters.

(3) The surcharge imposed in this section does not apply to assignments or substitutions of previously recorded deeds of trust or to documents recording a federal lien, wage lien, or satisfaction of lien.

Sec. 8. RCW 36.22.179 and 2019 c 136 s 2 are each amended to read as follows:

(1) In addition to the surcharge authorized in RCW 36.22.178, and except as provided in subsection (3) of this section, an additional surcharge of sixty-two dollars shall be charged by the county auditor for each document recorded, which will be in addition to any other charge allowed by law. Except as provided in subsection (4) of this section, the funds collected pursuant to this section are to be distributed and used as follows:

(a) The auditor shall retain two percent for collection of the fee, and of the remainder shall remit sixty percent to the county to be deposited into a fund that must be used by the county and its cities and towns to accomplish the purposes of chapter 484, Laws of 2005, six percent of which may be used by the county for the collection and local distribution of these funds and administrative costs related to its homeless housing plan, and the remainder for programs which directly accomplish the goals of the county's local homeless housing plan, except that for each city in the county which elects as authorized in RCW 43.185C.080 to operate its own local homeless housing program, a percentage of the surcharge assessed under this section equal to the percentage of the city's local portion of the real estate excise tax collected by the county shall be transmitted at least quarterly to the city treasurer, without any deduction for county administrative costs, for use by the city for program costs which directly contribute to the goals of the city's local homeless housing plan; of the funds received by the city, it may use six percent for administrative costs for its homeless housing program.

(b) The auditor shall remit the remaining funds to the state treasurer for deposit in the home security fund account to be used as follows:

(i) The department may use twelve and one-half percent of this amount for administration of the program established in RCW 43.185C.020, including the costs of creating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program.

(ii) The remaining eighty-seven and one-half percent of this amount must be used as follows:

(A) At least forty-five percent must be set aside for the use of private rental housing payments; and

(B) All remaining funds are to be used by the department to:

(I) Provide housing and shelter for homeless people including, but not limited to: Grants to operate, repair, and staff shelters; grants to operate transitional housing; partial payments for rental assistance; consolidated emergency assistance; overnight youth shelters; grants and vouchers designated for victims of human trafficking and their families; and emergency shelter assistance; and

(II) Fund the homeless housing grant program.

(2) A county issuing general obligation bonds pursuant to RCW 36.67.010, to carry out the purposes of subsection (1)(a) of this section, may provide that such bonds be made payable from any surcharge provided for in subsection (1)(a) of this section and may pledge such surcharges to the repayment of the bonds.

(3) The surcharge imposed in this section does not apply to (a) assignments or substitutions of previously recorded deeds of trust, (b) documents recording a birth, marriage, divorce, or death, (c) any recorded documents otherwise exempted from a recording fee or additional surcharges under state law, (d) marriage licenses issued by the county auditor, or (e) documents recording a federal, state, county, ~~((€))~~ city, or wage lien or satisfaction of lien.

(4) Ten dollars of the surcharge imposed under subsection (1) of this section must be distributed to the counties to carry out the purposes of subsection (1)(a) of this section.

(5) For purposes of this section, "private rental housing" means housing owned by a private landlord and includes housing owned by a nonprofit housing entity.

Sec. 9. RCW 36.22.1791 and 2019 c 136 s 3 are each amended to read as follows:

(1) In addition to the surcharges authorized in RCW 36.22.178 and 36.22.179, and except as provided in subsection (2) of this section, the county auditor shall charge an additional surcharge of eight dollars for each document recorded, which is in addition to any other charge allowed by law. The funds collected under this section are to be distributed and used as follows:

(a) The auditor shall remit ninety percent to the county to be deposited into a fund six percent of which may be used by the county for administrative costs related to its homeless housing plan, and the remainder for programs that directly accomplish the goals of the county's local homeless housing plan, except that for each city in the county that elects, as authorized in RCW 43.185C.080, to operate its own local homeless housing program, a percentage of the surcharge assessed under this section equal to the percentage of the city's local portion of the real estate excise tax collected by the county must be transmitted at least quarterly to the city treasurer for use by the city for program costs that directly contribute to the goals of the city's local homeless housing plan.

(b) The auditor shall remit the remaining funds to the state treasurer for deposit in the home security fund account. The department may use the funds for administering the program established in RCW 43.185C.020, including the costs of creating and updating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program. Remaining funds may also be used to:

(i) Provide housing and shelter for homeless people including, but not limited to: Grants to operate, repair, and staff shelters; grants to operate transitional housing; partial payments for rental assistance; consolidated emergency assistance; overnight youth shelters; grants and vouchers designated for victims of human trafficking and their families; and emergency shelter assistance; and

(ii) Fund the homeless housing grant program.

(2) The surcharge imposed in this section does not apply to assignments or substitutions of previously recorded deeds of trust or to documents recording a federal or wage lien or satisfaction of lien.

Sec. 10. RCW 36.22.240 and 2019 c 348 s 11 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, a surcharge of two dollars and fifty cents shall be charged by the county auditor for each document recorded, which will be in addition to any other charge or surcharge allowed by law. The auditor shall remit the funds to the state treasurer to be deposited and used as follows:

(a) Through June 30, 2024, funds must be deposited into the growth management planning and environmental review fund created in RCW 36.70A.490 to be used first for grants for costs associated with RCW 36.70A.600 and for costs associated with RCW 36.70A.610, and thereafter for any allowable use of the fund.

(b) Beginning July 1, 2024, sufficient funds must be deposited into the growth management planning and environmental review fund created in RCW 36.70A.490 for costs associated with RCW 36.70A.610, and the remainder deposited into the home security fund account created in RCW 43.185C.060 to be used for maintenance and operation costs of: (i) Permanent supportive housing and (ii) affordable housing for very low-income and extremely low-income households. Funds may only be expended in cities that have taken action under RCW 36.70A.600.

(2) The surcharge imposed in this section does not apply to: (a) Assignments or substitutions of previously recorded deeds of trust; (b) documents recording a birth, marriage, divorce, or death; (c) any recorded documents otherwise exempted from a recording fee or additional surcharges under state law; (d) marriage licenses issued by the county auditor; or (e) documents recording a federal, state, county, ~~((€))~~ city, or wage lien or satisfaction of lien.

(3) For purposes of this section, the terms "permanent supportive housing," "affordable housing," "very low-income households," and "extremely low-income households" have the same meaning as provided in RCW 36.70A.030."

On page 10, line 6, after "43.185C.060," strike "and 43.185C.190" and insert "43.185C.190, 36.22.178, 36.22.179, 36.22.1791, and 36.22.240"

Senator Robinson 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. 915 by Senator Robinson on page 2, line 7 to the committee striking amendment.

The motion by Senator Robinson carried and floor amendment no. 915 was adopted by voice vote.

MOTION

Senator Wilson, L. moved that the following floor amendment no. 916 by Senator Wilson, L. be adopted:

On page 4, line 23, after "grantee." insert "The award of redistributed funds to an alternative grantee under this subsection

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(7)(b) must be on a competitive contract basis in accordance with state public contracting bidding laws under chapter 39.04 RCW."

Senator Wilson, L. spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Robinson 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. 916 by Senator Wilson, L. on page 4, line 23 to the committee striking amendment.

The motion by Senator Wilson, L. did not carry and floor amendment no. 916 was not adopted by voice vote.

MOTION

Senator Wilson, L. moved that the following floor amendment no. 834 by Senator Wilson, L. be adopted:

On page 6, line 33, after "act," insert "No funds deposited in the account from the surcharge established in section 1 of this act may be expended from the account for shelters or housing that allow drug consumption."

On page 7, line 20, after "act," insert "No funds deposited in the account from the surcharge established in section 1 of this act may be expended from the account for shelters or housing that allow drug consumption."

Senators Wilson, L. and Fortunato spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Dhingra 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. 834 by Senator Wilson, L. on page 6, line 33 to the committee striking amendment.

The motion by Senator Wilson, L. did not carry and floor amendment no. 834 was not adopted by voice vote.

MOTION

Senator Rivers moved that the following floor amendment no. 836 by Senator Rivers be adopted:

On page 6, line 33, after "act," insert "After June 30, 2023, the department must award funds for project-based vouchers for nonprofit housing providers and related services, rapid rehousing, and housing acquisition under section 1 of this act to eligible grantees in a manner that 25 percent of funding is distributed as a performance-based allocation, in addition to any base allocation of funding, to counties that demonstrate a reduction in its unsheltered population over the previous two years."

On page 7, line 20, after "act," insert "After June 30, 2023, the department must award funds for operations, maintenance, and services as described in section 1(1)(a) of this act to eligible grantees in a manner that 25 percent of funding is distributed as a performance-based allocation, in addition to any base allocation of funding, to counties that demonstrate a reduction in its unsheltered population over the previous two years."

Senators Rivers and Wagoner spoke in favor of adoption of the amendment to the committee striking amendment.

Senators Robinson and Frockt 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. 836 by Senator Rivers on page 6, line 33 to the committee striking amendment.

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The motion by Senator Rivers did not carry and floor amendment no. 836 was not adopted by voice vote.

MOTION

Senator Gildon moved that the following floor amendment no. 917 by Senator Gildon be adopted:

On page 6, line 33, after "act" insert ". No funds deposited in the account from the surcharges established in RCW 36.22.179, 36.22.1791, and section 1 of this act may be granted to a county where homeless encampments are allowed on school district property or within 500 feet of school district property"

On page 7, line 20, after "act" insert ". No funds deposited in the account from the surcharges established in RCW 36.22.178 and section 1 of this act may be granted to a county where homeless encampments are allowed on school district property or within 500 feet of school district property"

Senators Gildon, King, Rivers and Short spoke in favor of adoption of the amendment to the committee striking amendment.

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

MOTION

Senator Short demanded a roll call.

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

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

Senators Wilson, J., Robinson and Liias spoke against adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Gildon on page 6, line 33 to the committee striking amendment.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Gildon and the amendment was not adopted by the following vote: Yeas, 24; Nays, 25; Absent, 0; Excused, 0.

Voting yea: Senators Braun, Brown, Dozier, Ericksen, Fortunato, Gildon, Hawkins, Hobbs, Holy, Honeyford, King, McCune, Muzzall, Nobles, Padden, Randall, Rivers, Schoesler, Sheldon, Short, Wagoner, Warnick, Wilson, J. and Wilson, L.

Voting nay: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Liias, Lovelett, Mullet, Nguyen, Pedersen, Robinson, Rolfes, Saldaña, Salomon, Stanford, Van De Wege, Wellman and Wilson, C.

MOTION

Senator Robinson moved that the following floor amendment no. 923 by Senator Robinson be adopted:

On page 6, line 34, after "(2)" insert:

"(a) By December 15, 2021, the department, in consultation with stakeholder groups specified in section 2(2)(c) of this act, must create a set of performance metrics for each county receiving funding under section 1 of this act. The metrics must target actions within a county's control that will prevent and

reduce homelessness, such as increasing the number of permanent supportive housing units and increasing or maintaining an adequate number of noncongregate shelter beds.

(b)(i) Beginning July 1, 2023, and by July 1st every two years thereafter, the department must award funds for project-based vouchers for nonprofit housing providers and related services, rapid rehousing, and housing acquisition under section 1 of this act to eligible grantees in a manner that 15 percent of funding is distributed as a performance-based allocation based on performance metrics created under (a) of this subsection, in addition to any base allocation of funding for the county.

(ii) Any county that demonstrates that it has met or exceeded the majority of the target actions to prevent and reduce homelessness over the previous two years must receive the remaining 15 percent performance-based allocation. Any county that fails to meet or exceed the majority of target actions to prevent and reduce homelessness must enter into a corrective action plan with the department. To receive its performance-based allocation, a county must agree to undertake the corrective actions outlined in the corrective action plan and any reporting and monitoring deemed necessary by the department. Any county that fails to meet or exceed the majority of targets for two consecutive years after entering into a corrective action plan may be subject to a reduction in the performance-based portion of the funds received in (b)(i) of this subsection, at the discretion of the department in consultation with stakeholder groups specified in section 2(2)(c) of this act. Performance-based allocations unspent due to lack of compliance with a corrective action plan created under this subsection (2)(b) may be distributed to other counties that have met or exceeded their target actions.

(3)"

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

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

Senator Rivers spoke on 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. 923 by Senator Robinson on page 6, line 34 to the committee striking amendment.

The motion by Senator Robinson carried and floor amendment no. 923 was 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 as amended to Engrossed Second Substitute House Bill No. 1277.

The motion by Senator Robinson carried and the committee striking amendment as amended was adopted by voice vote.

MOTION

On motion of Senator Robinson, the rules were suspended, Engrossed Second Substitute House Bill No. 1277, 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 Robinson spoke in favor of passage of the bill.

Senator Rivers spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1277 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1277, as amended by the Senate, and the bill passed the Senate by the following vote: Yeas, 26; Nays, 23; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Liias, Lovelett, Nguyen, Nobles, Pedersen, Randall, Robinson, Rolfes, Saldaña, Salomon, Stanford, Van De Wege, Wellman and Wilson, C.

Voting nay: Senators Braun, Brown, Dozier, Ericksen, Fortunato, Gildon, Hawkins, Hobbs, Holy, Honeyford, King, McCune, Mullet, Muzzall, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Warnick, Wilson, J. and Wilson, L.

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1277, 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.

MOTION

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

MESSAGE FROM THE HOUSE

April 22, 2021

MR. PRESIDENT:

The House grants the request for a conference on ENGROSSED SUBSTITUTE SENATE BILL NO. 5092. The Speaker has appointed the following members as Conferees: Representatives Ormsby, Gregerson, Stokesbary and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

MOTION

At 5:12 p.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President.

EVENING SESSION

The Senate was called to order at 7:35 p.m. by President Heck.

MESSAGE FROM THE HOUSE

April 24, 2021

MR. PRESIDENT:

The House has passed:
ENGROSSED SUBSTITUTE SENATE BILL NO. 5084,
and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

MESSAGE FROM THE HOUSE

April 24, 2021

MR. PRESIDENT:

The House passed ENGROSSED SENATE BILL NO. 5476 with the following amendment(s): 5476.E AMH ENGR H1622.E

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A new section is added to chapter 71.24 RCW to read as follows:

(1) The authority, in collaboration with the substance use

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recovery services advisory committee established in subsection (2) of this section, shall establish a substance use recovery services plan. The purpose of the plan is to implement measures to assist persons with substance use disorder in accessing outreach, treatment, and recovery support services that are low barrier, person centered, informed by people with lived experience, and culturally and linguistically appropriate. The plan must articulate the manner in which continual, rapid, and widespread access to a comprehensive continuum of care will be provided to all persons with substance use disorder.

(2)(a) The authority shall establish the substance use recovery services advisory committee to collaborate with the authority in the development and implementation of the substance use recovery services plan under this section. The authority must appoint members to the advisory committee who have relevant background related to the needs of persons with substance use disorder. The advisory committee shall be reflective of the community of individuals living with substance use disorder, including persons who are Black, indigenous, and persons of color, persons with co-occurring substance use disorders and mental health conditions, as well as persons who represent the unique needs of rural communities. The advisory committee shall be convened and chaired by the director of the authority, or the director's designee. In addition to the member from the authority, the advisory committee shall include:

(i) One member and one alternate from each of the two largest caucuses of the house of representatives, as appointed by the speaker of the house of representatives;

(ii) One member and one alternate from each of the two largest caucuses of the senate, as appointed by the president of the senate;

(iii) One representative of the governor's office;

(iv) At least one adult in recovery from substance use disorder who has experienced criminal legal consequences as a result of substance use;

(v) At least one youth in recovery from substance use disorder who has experienced criminal legal consequences as a result of substance use;

(vi) One expert from the addictions, drug, and alcohol institute at the University of Washington;

(vii) One outreach services provider;

(viii) One substance use disorder treatment provider;

(ix) One peer recovery services provider;

(x) One recovery housing provider;

(xi) One expert in serving persons with co-occurring substance use disorders and mental health conditions;

(xii) One expert in antiracism and equity in health care delivery systems;

(xiii) One employee who provides substance use disorder treatment or services as a member of a labor union representing workers in the behavioral health field;

(xiv) One representative of the association of Washington health plans;

(xv) One expert in diversion from the criminal legal system to community-based care for persons with substance use disorder;

(xvi) One representative of public defenders;

(xvii) One representative of prosecutors;

(xviii) One representative of sheriffs and police chiefs;

(xix) One representative of a federally recognized tribe; and

(xx) One representative of local governments.

(b) The advisory committee may create subcommittees with expanded participation.

(c) In its collaboration with the advisory committee to develop the substance use recovery services plan, the authority must give due consideration to the recommendations of the advisory committee. If the authority determines that any of the advisory

committee's recommendations are not feasible to adopt and implement, the authority must notify the advisory committee and offer an explanation.

(d) The advisory committee must convene as necessary for the development of the substance use recovery services plan and to provide consultation and advice related to the development and adoption of rules to implement the plan. The advisory committee must convene to monitor implementation of the plan and advise the authority.

(3) The plan must consider:

(a) The points of intersection that persons with substance use disorder have with the health care, behavioral health, criminal, civil legal, and child welfare systems as well as the various locations in which persons with untreated substance use disorder congregate, including homeless encampments, motels, and casinos;

(b) New community-based care access points, including crisis stabilization services and the safe station model in partnership with fire departments;

(c) Current regional capacity for substance use disorder assessments, including capacity for persons with co-occurring substance use disorders and mental health conditions, each of the American society of addiction medicine levels of care, and recovery support services;

(d) Barriers to accessing the existing behavioral health system and recovery support services for persons with untreated substance use disorder, especially indigent youth and adult populations, persons with co-occurring substance use disorders and mental health conditions, and populations chronically exposed to criminal legal system responses, and possible innovations that could improve the quality and accessibility of care for those populations;

(e) Evidence-based, research-based, and promising treatment and recovery services appropriate for target populations, including persons with co-occurring substance use disorders and mental health conditions;

(f) Options for leveraging existing integrated managed care, medicaid waiver, American Indian or Alaska Native fee-for-service behavioral health benefits, and private insurance service capacity for substance use disorders, including but not limited to coordination with managed care organizations, behavioral health administrative services organizations, the Washington health benefit exchange, accountable communities of health, and the office of the insurance commissioner;

(g) Framework and design assistance for jurisdictions to assist in compliance with the requirements of RCW 10.31.110 for diversion of individuals with complex or co-occurring behavioral health conditions to community-based care whenever possible and appropriate, and identifying resource gaps that impede jurisdictions in fully realizing the potential impact of this approach;

(h) The design of recovery navigator programs in section 2 of this act, including reporting requirements by behavioral health administrative services organizations to monitor the effectiveness of the programs and recommendations for program improvement;

(i) The proposal of a funding framework in which, over time, resources are shifted from punishment sectors to community-based care interventions such that community-based care becomes the primary strategy for addressing and resolving public order issues related to behavioral health conditions;

(j) Strategic grant making to community organizations to promote public understanding and eradicate stigma and prejudice against persons with substance use disorder by promoting hope, empathy, and recovery;

(k) Recommendations for diversion to community-based care

for individuals with substance use disorders, including persons with co-occurring substance use disorders and mental health conditions, across all points of the sequential intercept model;

(l) Recommendations regarding the appropriate criminal legal system response, if any, to possession of controlled substances;

(m) Recommendations regarding the collection and reporting of data that identifies the number of persons law enforcement officers and prosecutors engage related to drug possession and disparities across geographic areas, race, ethnicity, gender, age, sexual orientation, and income. The recommendations shall include, but not be limited to, the number and rate of persons who are diverted from charges to recovery navigator services or other services, who receive services and what type of services, who are charged with simple possession, and who are taken into custody; and

(n) The design of a mechanism for referring persons with substance use disorder or problematic behaviors resulting from substance use into the supportive services described in section 2 of this act.

(4) The plan and related rules adopted by the authority must give due consideration to persons with co-occurring substance use disorders and mental health conditions and the needs of youth. The plan must include the substance use outreach, treatment, and recovery services outlined in sections 2 through 4 of this act which must be available in or accessible by all jurisdictions. These services must be equitably distributed across urban and rural settings. If feasible and appropriate, service initiation shall be made available on demand through 24-hour, seven days a week peer recovery coach response, behavioral health walk-in centers, or other innovative rapid response models. These services must, at a minimum, incorporate the following principles: Establish low barriers to entry and reentry; improve the health and safety of the individual; reduce the harm of substance use and related activity for the public; include integrated and coordinated services; incorporate structural competency and antiracism; use noncoercive methods of engaging and retaining people in treatment and recovery services, including contingency management; consider the unique needs of rural communities; and have a focus on services that increase social determinants of health.

(5) In developing the plan, the authority shall:

(a) Align the components of the plan with previous and ongoing studies, plans, and reports, including the Washington state opioid overdose and response plan, published by the authority, the roadmap to recovery planning grant strategy being developed by the authority, and plans associated with federal block grants; and

(b) Coordinate its work with the efforts of the blue ribbon commission on the intersection of the criminal justice and behavioral health crisis systems and the crisis response improvement strategy committee established in chapter . . . , Laws of 2021 (Engrossed Second Substitute House Bill No. 1477).

(6) The authority must submit a preliminary report by December 1, 2021, regarding progress toward the substance use recovery services plan. The authority must submit the final substance use recovery services plan to the governor and the legislature by December 1, 2022. After submitting the plan, the authority shall adopt rules and enter into contracts with providers to implement the plan by December 1, 2023. In addition to seeking public comment under chapter 34.05 RCW, the authority must adopt rules in accordance with the recommendations of the substance use recovery services advisory committee as provided in subsection (2) of this section.

(7) In consultation with the substance use recovery services advisory committee, the authority must submit a report on the implementation of the substance use recovery services plan to the

appropriate committees of the legislature and governor by December 1st of each year, beginning in 2023. This report shall include progress on the substance use disorder continuum of care, including availability of outreach, treatment, and recovery support services statewide.

(8) For the purposes of this section, "recovery support services" means a collection of resources that sustain long-term recovery from substance use disorder, including for persons with co-occurring substance use disorders and mental health conditions, recovery housing, permanent supportive housing, employment and education pathways, peer supports and recovery coaching, family education, technological recovery supports, transportation and child care assistance, and social connectedness.

(9) This section expires December 31, 2026.

NEW SECTION. Sec. 2. A new section is added to chapter 71.24 RCW to read as follows:

(1) Each behavioral health administrative services organization shall establish a recovery navigator program. The program shall provide community-based outreach, intake, assessment, and connection to services and, as appropriate, long-term intensive case management and recovery coaching services, to youth and adults with substance use disorder, including for persons with co-occurring substance use disorders and mental health conditions, who are referred to the program from diverse sources and shall facilitate and coordinate connections to a broad range of community resources for youth and adults with substance use disorder, including treatment and recovery support services.

(2) The authority shall establish uniform program standards for behavioral health administrative services organizations to follow in the design of their recovery navigator programs. The uniform program standards must be modeled upon the components of the law enforcement assisted diversion program and address project management, field engagement, biopsychosocial assessment, intensive case management and care coordination, stabilization housing when available and appropriate, and, as necessary, legal system coordination. The authority must adopt the uniform program standards from the components of the law enforcement assisted diversion program to accommodate an expanded population of persons with substance use disorders, including persons with co-occurring substance use disorders and mental health conditions, and allow for referrals from a broad range of sources. In addition to accepting referrals from law enforcement, the uniform program standards must provide guidance for accepting referrals on behalf of persons with substance use disorders, including persons with co-occurring substance use disorders and mental health conditions, from various sources including, but not limited to, self-referral, family members of the individual, emergency department personnel, persons engaged with serving homeless persons, including those living unsheltered or in encampments, fire department personnel, emergency medical service personnel, community-based organizations, members of the business community, harm reduction program personnel, faith-based organization staff, and other sources within the criminal legal system, as outlined within the sequential intercept model. In developing response time requirements within the statewide program standards, the authority shall require, subject to the availability of amounts appropriated for this specific purpose, that responses to referrals from law enforcement occur immediately for in-custody referrals and shall strive for rapid response times to other appropriate settings such as emergency departments.

(3) Subject to the availability of amounts appropriated for this specific purpose, the authority shall provide funding to each behavioral health administrative services organization for the development of its recovery navigator program. Before receiving funding for implementation and ongoing administration, each

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behavioral health administrative services organization must submit a program plan that demonstrates the ability to fully comply with statewide program standards. The authority shall establish a schedule for the regular review of behavioral health administrative services organizations' programs. The authority shall arrange for technical assistance to be provided by the LEAD national support bureau to all behavioral health administrative services organizations.

(4) Each behavioral health administrative services organization must have a substance use disorder regional administrator for its recovery navigator program. The regional administrator shall be responsible for assuring compliance with program standards, including staffing standards. Each recovery navigator program must maintain a sufficient number of appropriately trained personnel for providing intake and referral services, conducting comprehensive biopsychosocial assessments, providing intensive case management services, and making warm handoffs to treatment and recovery support services along the continuum of care. Program staff must include people with lived experience with substance use disorder to the extent possible. The substance use disorder regional administrator must assure that staff who are conducting intake and referral services and field assessments are paid a livable and competitive wage and have appropriate initial training and receive continuing education.

(5) Each recovery navigator program must submit quarterly reports to the authority with information identified by the authority and the substance use recovery services advisory committee. The reports must be provided to the substance use recovery services advisory committee for discussion at meetings following the submission of the reports.

NEW SECTION. Sec. 3. A new section is added to chapter 71.24 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the authority shall establish a grant program to:

(a) Provide treatment services for low-income individuals with substance use disorder who are not eligible for medical assistance programs under chapter 74.09 RCW, with priority for the use of the funds for very low-income individuals; and

(b) Provide treatment services that are not eligible for federal matching funds to individuals who are enrolled in medical assistance programs under chapter 74.09 RCW.

(2) In establishing the grant program, the authority shall consult with the substance use recovery services advisory committee established in section 1 of this act, behavioral health administrative services organizations, managed care organizations, and regional behavioral health providers to adopt regional standards that are consistent with the substance use recovery services plan developed under section 1 of this act to provide sufficient access for youth and adults to meet each region's needs for:

- (a) Opioid use disorder treatment programs;
- (b) Low-barrier buprenorphine clinics;
- (c) Outpatient substance use disorder treatment;
- (d) Withdrawal management services, including both subacute and medically managed withdrawal management;
- (e) Secure withdrawal management and stabilization services;
- (f) Inpatient substance use disorder treatment services;
- (g) Inpatient co-occurring disorder treatment services; and
- (h) Behavioral health crisis walk-in and drop-off services.

(3) Funds in the grant program must be used to reimburse providers for the provision of services to individuals identified in subsection (1) of this section. The authority may use the funds to support evidence-based practices and promising practices that are not reimbursed by medical assistance or private insurance, including contingency management. In addition, funds may be

used to provide assistance to organizations to establish or expand services as reasonably necessary and feasible to increase the availability of services to achieve the regional access standards developed under subsection (2) of this section, including such items as training and recruitment of personnel, reasonable modifications to existing facilities to accommodate additional clients, start-up funding, and similar forms of assistance. Funds may not be used to support the ongoing operational costs of a provider or organization, except in relation to payments for specific service encounters with an individual identified in subsection (1) of this section or for noninsurance reimbursable services.

(4) The authority must establish regional access standards under subsection (2) of this section, subject to the availability of amounts appropriated for this specific purpose, by January 1, 2023, and begin distributing grant funds by March 1, 2023.

NEW SECTION. Sec. 4. A new section is added to chapter 71.24 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the authority shall establish the expanded recovery support services program to increase access to recovery services for individuals in recovery from substance use disorder.

(2) In establishing the program, the authority shall consult with the substance use recovery services advisory committee established in section 1 of this act, behavioral health administrative services organizations, regional behavioral health providers, and regional community organizations that support individuals in recovery from substance use disorders, including individuals with co-occurring substance use disorders and mental health conditions, to adopt regional expanded recovery plans that are consistent with the substance use recovery services plan developed under section 1 of this act to provide sufficient access for youth and adults to meet each region's needs for:

- (a) Recovery housing;
- (b) Employment pathways, support, training, and job placement, including evidence-based supported employment program services;
- (c) Education pathways, including recovery high schools and collegiate recovery programs;
- (d) Recovery coaching and substance use disorder peer support;
- (e) Social connectedness initiatives, including the recovery café model;
- (f) Family support services, including family reconciliation services;
- (g) Technology-based recovery support services;
- (h) Transportation assistance; and
- (i) Legal support services.

(3) Funds in the expanded recovery support services program must be used to reimburse providers for the provision of services to individuals in recovery from substance use disorders, including individuals with co-occurring substance use disorders and mental health conditions. In addition, the funds may be used to provide assistance to organizations to establish or expand recovery support services as reasonably necessary and feasible to increase the availability of services to achieve the regional expanded recovery plans developed under subsection (2) of this section, including such items as training and recruitment of personnel, reasonable modifications to existing facilities to accommodate additional clients, and similar forms of assistance.

(4) The authority must establish regional expanded recovery plans under subsection (2) of this section, subject to the availability of amounts appropriated for this specific purpose, by January 1, 2023, and begin distributing grant funds by March 1, 2023.

NEW SECTION. Sec. 5. A new section is added to chapter 71.24 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the authority shall establish a homeless outreach stabilization transition program to expand access to modified assertive community treatment services provided by multidisciplinary behavioral health outreach teams to serve people who are living with serious substance use disorders or co-occurring substance use disorders and mental health conditions, are experiencing homelessness, and whose severity of behavioral health symptom acuity level creates a barrier to accessing and receiving conventional behavioral health services and outreach models.

(a) In establishing the program, the authority shall consult with behavioral health outreach organizations who have experience delivering this service model in order to establish program guidelines regarding multidisciplinary team staff types, service intensity and quality fidelity standards, and criteria to ensure programs are reaching the appropriate priority population.

(b) Funds for the homeless outreach stabilization transition program must be used to reimburse organizations for the provision of multidisciplinary outreach services to individuals who are living with substance use disorders or co-occurring substance use and mental health disorders and are experiencing homelessness or transitioning from homelessness to housing. The funds may be used to provide assistance to organizations to establish or expand services as reasonably necessary to create a homeless outreach stabilization transition program, including items such as training and recruitment of personnel, outreach and engagement resources, client engagement and health supplies, medications for people who do not have access to insurance, and similar forms of assistance.

(c) The authority must establish one or more homeless outreach stabilization transition programs by January 1, 2024, and begin distributing grant funds by March 1, 2024.

(2) Subject to the availability of amounts appropriated for this specific purpose, the authority shall establish a project for psychiatric outreach to the homeless program to expand access to behavioral health medical services for people who are experiencing homelessness and living in permanent supportive housing.

(a) In establishing the program, the authority shall consult with behavioral health medical providers, homeless service providers, and permanent supportive housing providers that support people living with substance use disorders, co-occurring substance use and mental health conditions, and people who are currently or have formerly experienced homelessness.

(b) Funds for the project for psychiatric outreach to the homeless program must be used to reimburse organizations for the provision of medical services to individuals who are living with or in recovery from substance use disorders, co-occurring substance use and mental health disorders, or other behavioral and physical health conditions. Organizations must provide medical services to people who are experiencing homelessness or are living in permanent supportive housing and would be at risk of homelessness without access to appropriate services. The funds may be used to provide assistance to organizations to establish or expand behavioral health medical services as reasonably necessary to create a project for psychiatric outreach to the homeless program, including items such as training and recruitment of personnel, outreach and engagement resources, medical equipment and health supplies, medications for people who do not have access to insurance, and similar forms of assistance.

(c) The authority must establish one or more projects for psychiatric outreach to the homeless programs by January 1,

2024, and begin distributing grant funds by March 1, 2024.

(3) Subject to the availability of amounts appropriated for this specific purpose, the authority shall increase contingency management resources for opioid treatment networks that are serving people living with co-occurring stimulant use and opioid use disorder.

(4) Subject to the availability of amounts appropriated for this specific purpose, the authority shall develop a plan for implementing a comprehensive statewide substance misuse prevention effort. The plan must be completed by January 1, 2024.

(5) Subject to the availability of amounts appropriated for this specific purpose, the authority shall administer a competitive grant process to broaden existing local community coalition efforts to prevent substance misuse by increasing relevant protective factors while decreasing risk factors. Coalitions are to be open to all stakeholders interested in substance misuse prevention, including, but not limited to, representatives from people in recovery, law enforcement, education, behavioral health, parent organizations, treatment organizations, organizations serving youth, prevention professionals, and business.

Sec. 6. RCW 10.31.110 and 2019 c 326 s 3 and 2019 c 325 s 5004 are each reenacted and amended to read as follows:

(1) When a police officer has reasonable cause to believe that the individual has committed acts constituting a crime, and the individual is known by history or consultation with the behavioral health administrative services organization, managed care organization, ~~((behavioral health administrative services organization,))~~ crisis hotline, ~~((or))~~ local crisis services providers, or community health providers to ((suffer from)) have a mental disorder or substance use disorder, in addition to existing authority under state law or local policy, as an alternative to arrest, the arresting officer is authorized and encouraged to:

(a) Take the individual to a crisis stabilization unit as defined in RCW 71.05.020. Individuals delivered to a crisis stabilization unit pursuant to this section may be held by the facility for a period of up to twelve hours. The individual must be examined by a mental health professional or substance use disorder professional within three hours of arrival;

(b) Take the individual to a triage facility as defined in RCW 71.05.020. An individual delivered to a triage facility which has elected to operate as an involuntary facility may be held up to a period of twelve hours. The individual must be examined by a mental health professional or substance use disorder professional within three hours of arrival;

(c) Refer the individual to a ~~((mental health professional))~~ designated crisis responder for evaluation for initial detention and proceeding under chapter 71.05 RCW; ~~((or))~~

(d) Release the individual upon agreement to voluntary participation in outpatient treatment;

(e) Refer the individual to youth, adult, or geriatric mobile crisis response services, as appropriate; or

(f) Refer the individual to the regional entity responsible to receive referrals in lieu of legal system involvement, including the recovery navigator program described in section 2 of this act.

(2) If the individual is released to the community from the facilities in subsection (1)(a) through (c) of this section, the mental health provider or substance use disorder professional shall make reasonable efforts to inform the arresting officer of the planned release prior to release if the arresting officer has specifically requested notification and provided contact information to the provider.

(3) In deciding whether to refer the individual to treatment under this section, the police officer must be guided by local law enforcement diversion guidelines for behavioral health developed

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and mutually agreed upon with the prosecuting authority with an opportunity for consultation and comment by the defense bar and disability community. These guidelines must address, at a minimum, the length, seriousness, and recency of the known criminal history of the individual, the mental health history of the individual, if available, the substance use disorder history of the individual, if available, the opinions of a mental health professional, if available, the opinions of a substance use disorder professional, if available, and the circumstances surrounding the commission of the alleged offense. The guidelines must include a process for clearing outstanding warrants or referring the individual for assistance in clearing outstanding warrants, if any, and issuing a new court date, if appropriate, without booking or incarcerating the individual or disqualifying ~~((him or her))~~ the individual from referral to treatment under this section, and define the circumstances under which such action is permissible. Referrals to services, care, and treatment for substance use disorder must be made in accordance with protocols developed for the recovery navigator program described in section 2 of this act.

(4) Any agreement to participate in treatment or services in lieu of jail booking or referring a case for prosecution shall not require individuals to stipulate to any of the alleged facts regarding the criminal activity as a prerequisite to participation in ~~((a mental health treatment))~~ the alternative response described in this section. ~~((The))~~ Any agreement is inadmissible in any criminal or civil proceeding. ~~((The agreement does))~~ Such agreements do not create immunity from prosecution for the alleged criminal activity.

(5) If ~~((an individual violates such agreement and the mental health treatment alternative is no longer appropriate))~~ there are required terms of participation in the services or treatment to which an individual was referred under this section, and if the individual violates such terms and is therefore no longer participating in services:

(a) The ~~((mental health))~~ behavioral health or service provider shall inform the referring law enforcement agency of the violation, if consistent with the terms of the program and applicable law; and

(b) The original charges may be filed or referred to the prosecutor, as appropriate, and the matter may proceed accordingly, unless filing or referring the charges is inconsistent with the terms of a local diversion program or a recovery navigator program described in section 2 of this act.

(6) The police officer is immune from liability for any good faith conduct under this section.

NEW SECTION. Sec. 7. A new section is added to chapter 43.101 RCW to read as follows:

(1) Beginning July 1, 2022, all law enforcement personnel required to complete basic law enforcement training under RCW 43.101.200 must receive training on law enforcement interaction with persons with substance use disorders, including persons with co-occurring substance use disorders and mental health conditions, and referral to treatment and recovery services and the unique referral processes for youth, as part of the basic law enforcement training. The training must be developed by the commission in collaboration with the University of Washington behavioral health institute and agencies that have expertise in the area of working with persons with substance use disorders, including law enforcement diversion of such individuals to community-based care. In developing the training, the commission must also examine existing courses certified by the commission that relate to persons with a substance use disorder, and should draw on existing training partnerships with the Washington association of sheriffs and police chiefs.

(2) The training must consist of classroom instruction or internet instruction and shall replicate likely field situations to the maximum extent possible. The training should include, at a minimum, core instruction in all of the following:

(a) Proper procedures for referring persons to the recovery navigator program in accordance with section 2 of this act;

(b) The etiology of substance use disorders, including the role of trauma;

(c) Barriers to treatment engagement experienced by many with such disorders who have contact with the legal system;

(d) How to identify indicators of substance use disorder and how to respond appropriately in a variety of common situations;

(e) Conflict resolution and de-escalation techniques for potentially dangerous situations involving persons with a substance use disorder;

(f) Appropriate language usage when interacting with persons with a substance use disorder;

(g) Alternatives to lethal force when interacting with potentially dangerous persons with a substance use disorder;

(h) The principles of recovery and the multiple pathways to recovery; and

(i) Community and state resources available to serve persons with substance use disorders and how these resources can be best used by law enforcement to support persons with a substance use disorder in their communities.

(3) In addition to incorporation into the basic law enforcement training under RCW 43.101.200, training must be made available to law enforcement agencies, through electronic means, for use during in-service training.

Sec. 8. RCW 69.50.4011 and 2003 c 53 s 332 are each amended to read as follows:

(1) Except as authorized by this chapter, it is unlawful for ~~((any))~~:

(a) Any person to create~~((+))~~ or deliver~~((- or possess))~~ a counterfeit substance; or

(b) Any person to knowingly possess a counterfeit substance.

(2) Any person who violates subsection (1)(a) of this section with respect to:

(a) A counterfeit substance classified in Schedule I or II which is a narcotic drug, or flunitrazepam classified in Schedule IV, is guilty of a class B felony and upon conviction may be imprisoned for not more than ten years, fined not more than twenty-five thousand dollars, or both;

(b) A counterfeit substance which is methamphetamine, is guilty of a class B felony and upon conviction may be imprisoned for not more than ten years, fined not more than twenty-five thousand dollars, or both;

(c) Any other counterfeit substance classified in Schedule I, II, or III, is guilty of a class C felony punishable according to chapter 9A.20 RCW;

(d) A counterfeit substance classified in Schedule IV, except flunitrazepam, is guilty of a class C felony punishable according to chapter 9A.20 RCW;

(e) A counterfeit substance classified in Schedule V, is guilty of a class C felony punishable according to chapter 9A.20 RCW.

(3) A violation of subsection (1)(b) of this section is a misdemeanor. The prosecutor is encouraged to divert such cases for assessment, treatment, or other services.

Sec. 9. RCW 69.50.4013 and 2017 c 317 s 15 are each amended to read as follows:

(1) It is unlawful for any person to knowingly possess a controlled substance unless the substance was obtained directly from, or pursuant to, a valid prescription or order of a practitioner while acting in the course of his or her professional practice, or except as otherwise authorized by this chapter.

(2) Except as provided in RCW 69.50.4014, any person who violates this section is guilty of a ~~((class C felony punishable under chapter 9A.20 RCW))~~ misdemeanor.

(3) The prosecutor is encouraged to divert cases under this section for assessment, treatment, or other services.

~~(4)~~(a) The possession, by a person twenty-one years of age or older, of useable marijuana, marijuana concentrates, or marijuana-infused products in amounts that do not exceed those set forth in RCW 69.50.360(3) is not a violation of this section, this chapter, or any other provision of Washington state law.

(b) The possession of marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products being physically transported or delivered within the state, in amounts not exceeding those that may be established under RCW 69.50.385(3), by a licensed employee of a common carrier when performing the duties authorized in accordance with RCW 69.50.382 and 69.50.385, is not a violation of this section, this chapter, or any other provision of Washington state law.

~~((4))~~ ~~(5)~~(a) The delivery by a person twenty-one years of age or older to one or more persons twenty-one years of age or older, during a single twenty-four hour period, for noncommercial purposes and not conditioned upon or done in connection with the provision or receipt of financial consideration, of any of the following marijuana products, is not a violation of this section, this chapter, or any other provisions of Washington state law:

- (i) One-half ounce of useable marijuana;
- (ii) Eight ounces of marijuana-infused product in solid form;
- (iii) Thirty-six ounces of marijuana-infused product in liquid form; or

(iv) Three and one-half grams of marijuana concentrates.

(b) The act of delivering marijuana or a marijuana product as authorized under this subsection ~~((4))~~ ~~(5)~~ must meet one of the following requirements:

- (i) The delivery must be done in a location outside of the view of general public and in a nonpublic place; or
- (ii) The marijuana or marijuana product must be in the original packaging as purchased from the marijuana retailer.

~~((5))~~ ~~(6)~~ No person under twenty-one years of age may possess, manufacture, sell, or distribute marijuana, marijuana-infused products, or marijuana concentrates, regardless of THC concentration. This does not include qualifying patients with a valid authorization.

~~((6))~~ ~~(7)~~ The possession by a qualifying patient or designated provider of marijuana concentrates, useable marijuana, marijuana-infused products, or plants in accordance with chapter 69.51A RCW is not a violation of this section, this chapter, or any other provision of Washington state law.

Sec. 10. RCW 69.50.4014 and 2015 2nd sp.s. c 4 s 505 are each amended to read as follows:

Except as provided in RCW 69.50.401(2)(c) or as otherwise authorized by this chapter, any person found guilty of knowing possession of forty grams or less of marijuana is guilty of a misdemeanor. The prosecutor is encouraged to divert cases under this section for assessment, treatment, or other services.

Sec. 11. RCW 69.41.030 and 2019 c 55 s 9 are each amended to read as follows:

(1) It shall be unlawful for any person to sell, deliver, or knowingly possess any legend drug except upon the order or prescription of a physician under chapter 18.71 RCW, an osteopathic physician and surgeon under chapter 18.57 RCW, an optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010, a dentist under chapter 18.32 RCW, a podiatric physician and surgeon under chapter 18.22 RCW, a veterinarian under chapter 18.92 RCW, a commissioned medical or dental officer in the United States armed forces or public health service in the discharge of his or her

official duties, a duly licensed physician or dentist employed by the veterans administration in the discharge of his or her official duties, a registered nurse or advanced registered nurse practitioner under chapter 18.79 RCW when authorized by the nursing care quality assurance commission, a pharmacist licensed under chapter 18.64 RCW to the extent permitted by drug therapy guidelines or protocols established under RCW 18.64.011 and authorized by the commission and approved by a practitioner authorized to prescribe drugs, an osteopathic physician assistant under chapter 18.57A RCW when authorized by the board of osteopathic medicine and surgery, a physician assistant under chapter 18.71A RCW when authorized by the Washington medical commission, or any of the following professionals in any province of Canada that shares a common border with the state of Washington or in any state of the United States: A physician licensed to practice medicine and surgery or a physician licensed to practice osteopathic medicine and surgery, a dentist licensed to practice dentistry, a podiatric physician and surgeon licensed to practice podiatric medicine and surgery, a licensed advanced registered nurse practitioner, a licensed physician assistant, a licensed osteopathic physician assistant, or a veterinarian licensed to practice veterinary medicine: PROVIDED, HOWEVER, That the above provisions shall not apply to sale, delivery, or possession by drug wholesalers or drug manufacturers, or their agents or employees, or to any practitioner acting within the scope of his or her license, or to a common or contract carrier or warehouse operator, or any employee thereof, whose possession of any legend drug is in the usual course of business or employment: PROVIDED FURTHER, That nothing in this chapter or chapter 18.64 RCW shall prevent a family planning clinic that is under contract with the health care authority from selling, delivering, possessing, and dispensing commercially prepackaged oral contraceptives prescribed by authorized, licensed health care practitioners: PROVIDED FURTHER, That nothing in this chapter prohibits possession or delivery of legend drugs by an authorized collector or other person participating in the operation of a drug take-back program authorized in chapter 69.48 RCW.

(2)(a) A violation of this section involving the sale, delivery, or possession with intent to sell or deliver is a class B felony punishable according to chapter 9A.20 RCW.

(b) A violation of this section involving possession is a misdemeanor. The prosecutor is encouraged to divert such cases for assessment, treatment, or other services.

Sec. 12. RCW 69.41.030 and 2020 c 80 s 41 are each amended to read as follows:

(1) It shall be unlawful for any person to sell, deliver, or knowingly possess any legend drug except upon the order or prescription of a physician under chapter 18.71 RCW, an osteopathic physician and surgeon under chapter 18.57 RCW, an optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010, a dentist under chapter 18.32 RCW, a podiatric physician and surgeon under chapter 18.22 RCW, a veterinarian under chapter 18.92 RCW, a commissioned medical or dental officer in the United States armed forces or public health service in the discharge of his or her official duties, a duly licensed physician or dentist employed by the veterans administration in the discharge of his or her official duties, a registered nurse or advanced registered nurse practitioner under chapter 18.79 RCW when authorized by the nursing care quality assurance commission, a pharmacist licensed under chapter 18.64 RCW to the extent permitted by drug therapy guidelines or protocols established under RCW 18.64.011 and authorized by the commission and approved by a practitioner authorized to prescribe drugs, a physician assistant under chapter 18.71A RCW when authorized by the Washington medical

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commission, or any of the following professionals in any province of Canada that shares a common border with the state of Washington or in any state of the United States: A physician licensed to practice medicine and surgery or a physician licensed to practice osteopathic medicine and surgery, a dentist licensed to practice dentistry, a podiatric physician and surgeon licensed to practice podiatric medicine and surgery, a licensed advanced registered nurse practitioner, a licensed physician assistant, or a veterinarian licensed to practice veterinary medicine: PROVIDED, HOWEVER, That the above provisions shall not apply to sale, delivery, or possession by drug wholesalers or drug manufacturers, or their agents or employees, or to any practitioner acting within the scope of his or her license, or to a common or contract carrier or warehouse operator, or any employee thereof, whose possession of any legend drug is in the usual course of business or employment: PROVIDED FURTHER, That nothing in this chapter or chapter 18.64 RCW shall prevent a family planning clinic that is under contract with the health care authority from selling, delivering, possessing, and dispensing commercially prepackaged oral contraceptives prescribed by authorized, licensed health care practitioners: PROVIDED FURTHER, That nothing in this chapter prohibits possession or delivery of legend drugs by an authorized collector or other person participating in the operation of a drug take-back program authorized in chapter 69.48 RCW.

(2)(a) A violation of this section involving the sale, delivery, or possession with intent to sell or deliver is a class B felony punishable according to chapter 9A.20 RCW.

(b) A violation of this section involving possession is a misdemeanor. The prosecutor is encouraged to divert such cases for assessment, treatment, or other services.

NEW SECTION. Sec. 13. A new section is added to chapter 10.31 RCW to read as follows:

(1) For all individuals who otherwise would be subject to arrest for possession of a counterfeit substance under RCW 69.50.4011, possession of a controlled substance under RCW 69.50.4013, possession of 40 grams or less of marijuana under RCW 69.50.4014, or possession of a legend drug under RCW 69.41.030(2)(b), in lieu of jail booking and referral to the prosecutor, law enforcement shall offer a referral to assessment and services available pursuant to RCW 10.31.110 or other program or entity responsible for receiving referrals in lieu of legal system involvement, which may include the recovery navigator program established under section 2 of this act.

(2) If law enforcement agency records reflect that an individual has been diverted to referral for assessment and services twice or more previously, officers may, but are not required to, make additional diversion efforts.

(3) Nothing in this section precludes prosecutors from diverting or declining to file any charges for possession offenses that are referred under RCW 69.50.4011, 69.50.4013, 69.50.4014, or 69.41.030(2)(b) in the exercise of their discretion.

Sec. 14. RCW 69.50.412 and 2019 c 64 s 22 are each amended to read as follows:

(1) It is unlawful for any person to use drug paraphernalia to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, or prepare(~~(, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body))~~) a controlled substance other than marijuana. Any person who violates this subsection is guilty of a misdemeanor.

(2) It is unlawful for any person to deliver, possess with intent to deliver, or manufacture with intent to deliver drug paraphernalia, knowing, or under circumstances where one reasonably should know, that it will be used to plant, propagate,

cultivate, grow, harvest, manufacture, compound, convert, produce, process, or prepare(~~(, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body))~~) a controlled substance other than marijuana. Any person who violates this subsection is guilty of a misdemeanor.

(3) Any person eighteen years of age or over who violates subsection (2) of this section by delivering drug paraphernalia to a person under eighteen years of age who is at least three years his or her junior is guilty of a gross misdemeanor.

(4) It is unlawful for any person to place in any newspaper, magazine, handbill, or other publication any advertisement, knowing, or under circumstances where one reasonably should know, that the purpose of the advertisement, in whole or in part, is to promote the sale of objects designed or intended for use as drug paraphernalia. Any person who violates this subsection is guilty of a misdemeanor.

(5) It is lawful for any person over the age of eighteen to possess sterile hypodermic syringes and needles for the purpose of reducing blood-borne diseases.

Sec. 15. RCW 9.94A.518 and 2003 c 53 s 57 are each amended to read as follows:

TABLE 4

DRUG OFFENSES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

III	Any felony offense under chapter 69.50 RCW with a deadly weapon special verdict under RCW (9.94A.602)) <u>9.94A.825</u> Controlled Substance Homicide (RCW 69.50.415) Delivery of imitation controlled substance by person eighteen or over to person under eighteen (RCW 69.52.030(2)) Involving a minor in drug dealing (RCW 69.50.4015) Manufacture of methamphetamine (RCW 69.50.401(2)(b)) Over 18 and deliver heroin, methamphetamine, a narcotic from Schedule I or II, or flunitrazepam from Schedule IV to someone under 18 (RCW 69.50.406) Over 18 and deliver narcotic from Schedule III, IV, or V or a nonnarcotic, except flunitrazepam or methamphetamine, from Schedule I-V to someone under 18 and 3 years junior (RCW 69.50.406) Possession of Ephedrine, Pseudoephedrine, or Anhydrous Ammonia with intent to manufacture methamphetamine (RCW 69.50.440) Selling for profit (controlled or counterfeit) any controlled substance (RCW 69.50.410)
II	Create((, or possess))) a counterfeit controlled substance (RCW 69.50.4011(1)(a))

Deliver or possess with intent to deliver methamphetamine (RCW 69.50.401(2)(b))

Delivery of a material in lieu of a controlled substance (RCW 69.50.4012)

Maintaining a Dwelling or Place for Controlled Substances (RCW 69.50.402(1)(f))

Manufacture, deliver, or possess with intent to deliver amphetamine (RCW 69.50.401(2)(b))

Manufacture, deliver, or possess with intent to deliver narcotics from Schedule I or II or flunitrazepam from Schedule IV (RCW 69.50.401(2)(a))

Manufacture, deliver, or possess with intent to deliver narcotics from Schedule III, IV, or V or nonnarcotics from Schedule I-V (except marijuana, amphetamine, methamphetamines, or flunitrazepam) (RCW 69.50.401(2)(c) through (e))

Manufacture, distribute, or possess with intent to distribute an imitation controlled substance (RCW 69.52.030(1))

I Forged Prescription (RCW 69.41.020)

Forged Prescription for a Controlled Substance (RCW 69.50.403)

Manufacture, deliver, or possess with intent to deliver marijuana (RCW 69.50.401(2)(c))

~~((Possess Controlled Substance that is a Narcotic from Schedule III, IV, or V or Nonnarcotic from Schedule I-V (RCW 69.50.4013))~~

~~Possession of Controlled Substance that is either heroin or narcotics from Schedule I or II (RCW 69.50.4013))~~

Unlawful Use of Building for Drug Purposes (RCW 69.53.010)

Sec. 16. RCW 13.40.0357 and 2020 c 18 s 8 are each amended to read as follows:

DESCRIPTION AND OFFENSE CATEGORY

JUVENILE DISPOSITION OFFENSE CATEGORY	DESCRIPTION CITATION)	JUVENILE DISPOSITION CATEGORY FOR ATTEMPT, BAILJUMP, CONSPIRACY, OR SOLICITATION
A	Arson 1 (9A.48.020)	B+
B	Arson 2 (9A.48.030)	C
C	Reckless Burning 1 (9A.48.040)	D
D	Reckless Burning 2 (9A.48.050)	E
B	Malicious Mischief 1 (9A.48.070)	C

C	Malicious Mischief 2 (9A.48.080)	D
D	Malicious Mischief 3 (9A.48.090)	E
E	Tampering with Fire Alarm Apparatus (9.40.100)	E
E	Tampering with Fire Alarm Apparatus with Intent to Commit Arson (9.40.105)	E
A	Possession of Incendiary Device (9.40.120)	B+
Assault and Other Crimes Involving Physical Harm		
A	Assault 1 (9A.36.011)	B+
B+	Assault 2 (9A.36.021)	C+
C+	Assault 3 (9A.36.031)	D+
D+	Assault 4 (9A.36.041)	E
B+	Drive-By Shooting (9A.36.045) committed at age 15 or under	C+
A++	Drive-By Shooting (9A.36.045) committed at age 16 or 17	A
D+	Reckless Endangerment (9A.36.050)	E
C+	Promoting Suicide Attempt (9A.36.060)	D+
D+	Coercion (9A.36.070)	E
C+	Custodial Assault (9A.36.100)	D+
Burglary and Trespass		
B+	Burglary 1 (9A.52.020) committed at age 15 or under	C+
A-	Burglary 1 (9A.52.020) committed at age 16 or 17	B+
B	Residential Burglary (9A.52.025)	C
B	Burglary 2 (9A.52.030)	C
D	Burglary Tools (Possession of) (9A.52.060)	E
D	Criminal Trespass 1 (9A.52.070)	E
E	Criminal Trespass 2 (9A.52.080)	E
C	Mineral Trespass (78.44.330)	C
C	Vehicle Prowling 1 (9A.52.095)	D
D	Vehicle Prowling 2 (9A.52.100)	E
Drugs		
E	Possession/Consumption of Alcohol (66.44.270)	E
C	Illegally Obtaining Legend Drug (69.41.020)	D
C+	Sale, Delivery, Possession of Legend Drug with Intent to Sell (69.41.030(2)(a))	D+
E	Possession of Legend Drug (69.41.030(2)(b))	E
B+	Violation of Uniform Controlled Substances Act - Narcotic, Methamphetamine, or Flunitrazepam Sale (69.50.401(2) (a) or (b))	B+
C	Violation of Uniform Controlled Substances Act - Nonnarcotic Sale (69.50.401(2)(c))	C
E	Possession of Marihuana <40 grams (69.50.4014)	E
C	Fraudulently Obtaining Controlled Substance (69.50.403)	C
C+	Sale of Controlled Substance for Profit (69.50.410)	C+
E	Unlawful Inhalation (9.47A.020)	E
B	Violation of Uniform Controlled Substances Act - Narcotic, Methamphetamine, or Flunitrazepam Counterfeit Substances (69.50.4011(2) (a) or (b))	B
C	Violation of Uniform Controlled	C

	Substances Act - Nonnarcotic Counterfeit Substances (69.50.4011(2) (c), (d), or (e))		B+	(9A.88.010)	
((€)) E	Violation of Uniform Controlled Substances Act - Possession of a Controlled Substance (69.50.4013)	((€))	C+	Promoting Prostitution 1 (9A.88.070)	C+
C	Violation of Uniform Controlled Substances Act - Possession of a Controlled Substance (69.50.4012)	C	E	Promoting Prostitution 2 (9A.88.080)	D+
	Firearms and Weapons		B+	O & A (Prostitution) (9A.88.030)	E
B	Theft of Firearm (9A.56.300)	C	B++	Indecent Liberties (9A.44.100)	C+
B	Possession of Stolen Firearm (9A.56.310)	C		Child Molestation 1 (9A.44.083)	B+
E	Carrying Loaded Pistol Without Permit (9.41.050)	E	A-	committed at age 14 or under	
C	Possession of Firearms by Minor (<18) (9.41.040(2)(a) (vi))	C		Child Molestation 1 (9A.44.083)	B+
D+	Possession of Dangerous Weapon (9.41.250)	E	B	committed at age 15 through age 17	
D	Intimidating Another Person by use of Weapon (9.41.270)	E	C	Child Molestation 2 (9A.44.086)	C+
	Homicide		C	Failure to Register as a Sex Offender (9A.44.132)	D
A+	Murder 1 (9A.32.030)	A	B	Theft, Robbery, Extortion, and Forgery	
A+	Murder 2 (9A.32.050)	B+	C	Theft 1 (9A.56.030)	C
B+	Manslaughter 1 (9A.32.060)	C+	C	Theft 2 (9A.56.040)	D
C+	Manslaughter 2 (9A.32.070)	D+	D	Theft 3 (9A.56.050)	E
B+	Vehicular Homicide (46.61.520)	C+	B	Theft of Livestock 1 and 2 (9A.56.080 and 9A.56.083)	C
	Kidnapping		C	Forgery (9A.60.020)	D
A	Kidnap 1 (9A.40.020)	B+	A	Robbery 1 (9A.56.200) committed at age 15 or under	B+
B+	Kidnap 2 (9A.40.030)	C+	A++	Robbery 1 (9A.56.200) committed at age 16 or 17	A
C+	Unlawful Imprisonment (9A.40.040)	D+	B+	Robbery 2 (9A.56.210)	C+
	Obstructing Governmental Operation		B+	Extortion 1 (9A.56.120)	C+
D	Obstructing a Law Enforcement Officer (9A.76.020)	E	C+	Extortion 2 (9A.56.130)	D+
E	Resisting Arrest (9A.76.040)	E	C	Identity Theft 1 (9.35.020(2))	D
B	Introducing Contraband 1 (9A.76.140)	C	D	Identity Theft 2 (9.35.020(3))	E
C	Introducing Contraband 2 (9A.76.150)	D	D	Improperly Obtaining Financial Information (9.35.010)	E
E	Introducing Contraband 3 (9A.76.160)	E	B	Possession of a Stolen Vehicle (9A.56.068)	C
B+	Intimidating a Public Servant (9A.76.180)	C+	B	Possession of Stolen Property 1 (9A.56.150)	C
B+	Intimidating a Witness (9A.72.110)	C+	C	Possession of Stolen Property 2 (9A.56.160)	D
	Public Disturbance		D	Possession of Stolen Property 3 (9A.56.170)	E
C+	Criminal Mischief with Weapon (9A.84.010(2)(b))	D+	B	Taking Motor Vehicle Without Permission 1 (9A.56.070)	C
D+	Criminal Mischief Without Weapon (9A.84.010(2)(a))	E	C	Taking Motor Vehicle Without Permission 2 (9A.56.075)	D
E	Failure to Disperse (9A.84.020)	E	B	Theft of a Motor Vehicle (9A.56.065)	C
E	Disorderly Conduct (9A.84.030)	E	E	Motor Vehicle Related Crimes	
	Sex Crimes		B+	Driving Without a License (46.20.005)	E
A	Rape 1 (9A.44.040)	B+	C	Hit and Run - Death (46.52.020(4)(a))	C+
B++	Rape 2 (9A.44.050) committed at age 14 or under	B+	D	Hit and Run - Injury (46.52.020(4)(b))	D
A-	Rape 2 (9A.44.050) committed at age 15 through age 17	B+	E	Hit and Run-Attended (46.52.020(5))	E
C+	Rape 3 (9A.44.060)	D+	E	Hit and Run-Unattended (46.52.010)	E
B++	Rape of a Child 1 (9A.44.073) committed at age 14 or under	B+	C	Vehicular Assault (46.61.522)	D
A-	Rape of a Child 1 (9A.44.073) committed at age 15	B+	C	Attempting to Elude Pursuing Police Vehicle (46.61.024)	D
B+	Rape of a Child 2 (9A.44.076)	C+	E	Reckless Driving (46.61.500)	E
B	Incest 1 (9A.64.020(1))	C	D	Driving While Under the Influence (46.61.502 and 46.61.504)	E
C	Incest 2 (9A.64.020(2))	D	B+	Felony Driving While Under the Influence (46.61.502(6))	B
D+	Indecent Exposure (Victim <14) (9A.88.010)	E	B+	Felony Physical Control of a Vehicle While Under the Influence (46.61.504(6))	B
E	Indecent Exposure (Victim 14 or over)	E		Other	
			B	Animal Cruelty 1 (16.52.205)	C
			B	Bomb Threat (9.61.160)	C
			C	Escape 1 ¹ (9A.76.110)	C
			C	Escape 2 ¹ (9A.76.120)	C

D	Escape 3 (9A.76.130)	E
E	Obscene, Harassing, Etc., Phone Calls (9.61.230)	E
A	Other Offense Equivalent to an Adult Class A Felony	B+
B	Other Offense Equivalent to an Adult Class B Felony	C
C	Other Offense Equivalent to an Adult Class C Felony	D
D	Other Offense Equivalent to an Adult Gross Misdemeanor	E
E	Other Offense Equivalent to an Adult Misdemeanor	E
V	Violation of Order of Restitution, Community Supervision, or Confinement (13.40.200) ²	V

¹Escape 1 and 2 and Attempted Escape 1 and 2 are classed as C offenses and the standard range is established as follows:

1st escape or attempted escape during 12-month period - 28 days confinement

2nd escape or attempted escape during 12-month period - 8 weeks confinement

3rd and subsequent escape or attempted escape during 12-month period - 12 weeks confinement

²If the court finds that a respondent has violated terms of an order, it may impose a penalty of up to 30 days of confinement.

JUVENILE SENTENCING STANDARDS

This schedule must be used for juvenile offenders. The court may select sentencing option A, B, C, or D.

**OPTION A
JUVENILE OFFENDER
SENTENCING GRID
STANDARD RANGE**

A	129 to 260 weeks for all category A++ offenses
A	180 weeks to age 21 for all category A+ offenses
A	103-129 weeks for all category A offenses
A	3 5 8 1 1 0- 2- 0- 03- 03- 40 65 100 129 129 wee wee wee wee wee ks ks ks ks ks
B	1 5 8 1 1 5- 2- 0- 03- 03- 36 65 100 129 129 wee wee wee wee wee ks ks ks ks ks
B	1 1 5 8 1 5- 5- 2- 0- 03- 36 36 65 100 129 wee wee wee wee wee ks ks ks ks ks
CURRENT OFFENSE	B L L 1 1 5 S S 5- 5-36 2-65 36 wee wee wee ks ks ks
CATEGOR Y	C L L L 1 1 + S S S 5-36 5-36 wee wee

					ks	ks
C	L	L	L	L	1	5-36
	S	S	S	S	wee	ks
D	L	L	L	L	L	
+	S	S	S	S	S	
D	L	L	L	L	L	
	S	S	S	S	S	
E	L	L	L	L	L	
	S	S	S	S	S	
PRIOR	0	1	2	3	4	or more

ADJUDICATIONS

NOTE: References in the grid to days or weeks mean periods of confinement. "LS" means "local sanctions" as defined in RCW 13.40.020.

(1) The vertical axis of the grid is the current offense category. The current offense category is determined by the offense of adjudication.

(2) The horizontal axis of the grid is the number of prior adjudications included in the juvenile's criminal history. Each prior felony adjudication shall count as one point. Each prior violation, misdemeanor, and gross misdemeanor adjudication shall count as 1/4 point. Fractional points shall be rounded down.

(3) The standard range disposition for each offense is determined by the intersection of the column defined by the prior adjudications and the row defined by the current offense category.

(4) RCW 13.40.180 applies if the offender is being sentenced for more than one offense.

(5) A current offense that is a violation is equivalent to an offense category of E. However, a disposition for a violation shall not include confinement.

**OR
OPTION B**

SUSPENDED DISPOSITION ALTERNATIVE

(1) If the offender is subject to a standard range disposition involving confinement by the department, the court may impose the standard range and suspend the disposition on condition that the offender comply with one or more local sanctions and any educational or treatment requirement. The treatment programs provided to the offender must be either research-based best practice programs as identified by the Washington state institute for public policy or the joint legislative audit and review committee, or for chemical dependency treatment programs or services, they must be evidence-based or research-based best practice programs. For the purposes of this subsection:

(a) "Evidence-based" means a program or practice that has had multiple site random controlled trials across heterogeneous populations demonstrating that the program or practice is effective for the population; and

(b) "Research-based" means a program or practice that has some research demonstrating effectiveness, but that does not yet meet the standard of evidence-based practices.

(2) If the offender fails to comply with the suspended disposition, the court may impose sanctions pursuant to RCW 13.40.200 or may revoke the suspended disposition and order the disposition's execution.

(3) An offender is ineligible for the suspended disposition option under this section if the offender:

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- (a) Is adjudicated of an A+ or A++ offense;
- (b) Is fourteen years of age or older and is adjudicated of one or more of the following offenses:
 - (i) A class A offense, or an attempt, conspiracy, or solicitation to commit a class A offense;
 - (ii) Manslaughter in the first degree (RCW 9A.32.060);
 - (iii) Assault in the second degree (RCW 9A.36.021), extortion in the first degree (RCW 9A.56.120), kidnapping in the second degree (RCW 9A.40.030), drive-by shooting (RCW 9A.36.045), vehicular homicide (RCW 46.61.520), hit and run death (RCW 46.52.020(4)(a)), or manslaughter 2 (RCW 9A.32.070); or
 - (iv) Violation of the uniform controlled substances act (RCW 69.50.401(2) (a) and (b)), when the offense includes infliction of bodily harm upon another or when during the commission or immediate withdrawal from the offense the respondent was armed with a deadly weapon;
- (c) Is ordered to serve a disposition for a firearm violation under RCW 13.40.193;
- (d) Is adjudicated of a sex offense as defined in RCW 9.94A.030; or
- (e) Has a prior option B disposition.

OR

OPTION C

CHEMICAL DEPENDENCY/MENTAL HEALTH DISPOSITION ALTERNATIVE

If the juvenile offender is subject to a standard range disposition of local sanctions or 15 to 36 weeks of confinement and has not committed a B++ or B+ offense, the court may impose a disposition under RCW 13.40.160(4) and 13.40.165.

OR

OPTION D

MANIFEST INJUSTICE

If the court determines that a disposition under option A, B, or C would effectuate a manifest injustice, the court shall impose a disposition outside the standard range under RCW 13.40.160(2).

Sec. 17. RCW 2.24.010 and 2013 c 27 s 3 are each amended to read as follows:

(1) There may be appointed in each county or judicial district, by the judges of the superior court having jurisdiction therein, one or more court commissioners for said county or judicial district. Each such commissioner shall be a citizen of the United States and shall hold the office during the pleasure of the judges making the appointment.

(2)(a) There may be appointed in counties with a population of more than four hundred thousand, by the presiding judge of the superior court having jurisdiction therein, one or more attorneys to act as criminal commissioners to assist the superior court in disposing of adult criminal cases. Such criminal commissioners shall have power, authority, and jurisdiction, concurrent with the superior court and the judges thereof, in adult criminal cases, to preside over arraignments, preliminary appearances, initial extradition hearings, and noncompliance proceedings pursuant to RCW 9.94A.6333 or 9.94B.040; accept pleas if authorized by local court rules; appoint counsel; make determinations of probable cause; set, amend, and review conditions of pretrial release; set bail; set trial and hearing dates; authorize continuances; accept waivers of the right to speedy trial; and authorize and issue search warrants and orders to intercept, monitor, or record wired or wireless telecommunications or for the installation of electronic taps or other devices to include, but not be limited to, vehicle global positioning system or other mobile tracking devices with all the powers conferred upon the judge of the superior court in such matters.

(b) Criminal commissioners shall also have the authority to conduct resentencing hearings and to vacate convictions related

to *State v. Blake*, No. 96873-0 (Feb. 25, 2021). Criminal commissioners may be appointed for this purpose regardless of the population of the county served by the appointing court.

(c) The county legislative authority must approve the creation of criminal commissioner positions.

Sec. 18. RCW 2.24.040 and 2009 c 28 s 1 are each amended to read as follows:

Such court commissioner shall have power, authority, and jurisdiction, concurrent with the superior court and the judge thereof, in the following particulars:

(1) To hear and determine all matters in probate, to make and issue all proper orders therein, and to issue citations in all cases where same are authorized by the probate statutes of this state.

(2) To grant and enter defaults and enter judgment thereon.

(3) To issue temporary restraining orders and temporary injunctions, and to fix and approve bonds thereon.

(4) To act as referee in all matters and actions referred to him or her by the superior court as such, with all the powers now conferred upon referees by law.

(5) To hear and determine all proceedings supplemental to execution, with all the powers conferred upon the judge of the superior court in such matters.

(6) To hear and determine all petitions for the adoption of children and for the dissolution of incorporations.

(7) To hear and determine all applications for the commitment of any person to the hospital for the insane, with all the powers of the superior court in such matters: PROVIDED, That in cases where a jury is demanded, same shall be referred to the superior court for trial.

(8) To hear and determine all complaints for the commitments of minors with all powers conferred upon the superior court in such matters.

(9) To hear and determine ex parte and uncontested civil matters of any nature.

(10) To grant adjournments, administer oaths, preserve order, compel attendance of witnesses, and to punish for contempts in the refusal to obey or the neglect of the court commissioner's lawful orders made in any matter before the court commissioner as fully as the judge of the superior court.

(11) To take acknowledgments and proofs of deeds, mortgages and all other instruments requiring acknowledgment under the laws of this state, and to take affidavits and depositions in all cases.

(12) To provide an official seal, upon which shall be engraved the words "Court Commissioner," and the name of the county for which he or she may be appointed, and to authenticate his official acts therewith in all cases where same is necessary.

(13) To charge and collect, for his or her own use, the same fees for the official performance of official acts mentioned in subsections (4) and (11) of this section as are provided by law for referees and notaries public.

(14) To hear and determine small claims appeals as provided in chapter 12.36 RCW.

(15) In adult criminal cases, to preside over arraignments, preliminary appearances, initial extradition hearings, and noncompliance proceedings pursuant to RCW 9.94A.6333 or 9.94B.040; accept pleas if authorized by local court rules; appoint counsel; make determinations of probable cause; set, amend, and review conditions of pretrial release; set bail; set trial and hearing dates; authorize continuances; ~~(and)~~ accept waivers of the right to speedy trial; and conduct resentencing hearings and hearings to vacate convictions related to *State v. Blake*, No. 96873-0 (Feb. 25, 2021).

Sec. 19. RCW 9.94A.728 and 2018 c 166 s 2 are each amended to read as follows:

(1) No person 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 offender may earn early release time as authorized by RCW 9.94A.729;

(b) An offender may leave a correctional facility pursuant to an authorized furlough or leave of absence. In addition, offenders 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 offender when all of the following conditions exist:

(A) The offender has a medical condition that is serious and is expected to require costly care or treatment;

(B) The offender poses a low risk to the community because he or she is currently physically incapacitated due to age or the medical condition or is expected to be so 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 offender 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 offenders in extraordinary medical placement unless the electronic monitoring equipment interferes with the function of the offender's medical equipment or results in the loss of funding for the offender'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 reasons of serious health problems, senility, advanced age, extraordinary meritorious acts, or other extraordinary circumstances;

(e) No more than the final twelve months of the offender's term of confinement may be served in partial confinement for aiding the offender 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) No more than the final six months of the offender'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;

(g) The governor may pardon any offender;

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

(i) An offender 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 offender 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 person convicted of one or more crimes committed prior to the person's eighteenth birthday may be released from confinement pursuant to RCW 9.94A.730.

(2) Notwithstanding any other provision of this section, an offender 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 offender 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) Offenders 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. 20. RCW 10.64.110 and 1977 ex.s. c 259 s 1 are each amended to read as follows:

(1) Following June 15, 1977, except as provided in subsection (3) of this section, there shall be affixed to the original of every judgment and sentence of a felony conviction in every court in this state and every order adjudicating a juvenile to be a delinquent based upon conduct which would be a felony if committed by an adult, a fingerprint of the defendant or juvenile who is the subject of the order. When requested by the clerk of the court, the actual affixing of fingerprints shall be done by a representative of the office of the county sheriff.

(2) The clerk of the court shall attest that the fingerprints appearing on the judgment in sentence, order of adjudication of delinquency, or docket, is that of the individual who is the subject of the judgment or conviction, order, or docket entry.

(3) Amended judgment and sentences issued pursuant to *State v. Blake*, No. 96873-0 (Feb. 25, 2021), are exempt from the fingerprinting requirements in subsection (1) of this section when there are no additional offenses of conviction from the original judgment and sentence and the defendant is in custody in a correctional facility. In such cases, the amended judgment and sentence shall reference the original judgment and sentence and the fingerprints affixed thereto.

NEW SECTION. Sec. 21. The *State v. Blake* reimbursement account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for state and local government costs resulting from the supreme court's decision in *State v. Blake*, No. 96873-0 (Feb. 25, 2021), and to reimburse individuals for legal financial obligations paid in connection with sentences that have been invalidated as a result of the decision.

NEW SECTION. Sec. 22. The appropriations in this section are provided to the health care authority community behavioral health program and are subject to the following conditions and limitations:

(1) The following sums, or so much thereof as may be necessary, are each appropriated: \$25,000,000 from the state general fund for the fiscal year ending June 30, 2022; and \$20,000,000 from the state general fund for the fiscal year ending June 30, 2023. The amounts in this subsection are provided solely for the authority to contract with behavioral health administrative service organizations to implement the statewide recovery navigator program established in section 2 of this act and for related technical assistance to support this implementation. This includes funding for recovery navigator teams to provide community-based outreach and case management services based on the law enforcement assisted diversion model and for technical assistance support from the law enforcement assisted diversion national support bureau.

(2) The following sums, or so much thereof as may be necessary, are each appropriated: \$1,673,000 from the state general fund for the fiscal year ending June 30, 2022; \$3,114,000

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from the state general fund for the fiscal year ending June 30, 2023; and \$3,890,000, from the general fund-federal account for the fiscal biennium ending June 30, 2023. The amounts in this subsection are provided solely for the authority to implement clubhouse services in every region of the state.

(3) The following sums, or so much thereof as may be necessary, are each appropriated: \$5,000,000 from the state general fund for the fiscal year ending June 30, 2022; and \$7,500,000 from the state general fund for the fiscal year ending June 30, 2023. The amounts in this subsection are provided solely for the authority to implement the homeless outreach stabilization team program, pursuant to section 5(1) of this act.

(4) The following sums, or so much thereof as may be necessary, are each appropriated: \$2,500,000 from the state general fund for the fiscal year ending June 30, 2022; and \$2,500,000 from the state general fund for the fiscal year ending June 30, 2023. The amounts in this subsection are provided solely for the authority to expand efforts to provide opioid use disorder medication in city, county, regional, and tribal jails.

(5) The following sums, or so much thereof as may be necessary, are each appropriated: \$500,000 from the state general fund for the fiscal year ending June 30, 2022; and \$500,000 from the state general fund for the fiscal year ending June 30, 2023. The amounts in this subsection are provided solely for the authority to expand opioid treatment network programs for people with co-occurring opioid and stimulant use disorder.

(6) The following sums, or so much thereof as may be necessary, are each appropriated: \$1,400,000 from the state general fund for the fiscal year ending June 30, 2022; and \$1,400,000 from the state general fund for the fiscal year ending June 30, 2023. The amounts in this subsection are provided solely for behavioral health administrative service organizations to develop regional recovery navigator program plans pursuant to section 2 of this act and to establish positions focusing on regional planning to improve access to and quality of regional behavioral health services with a focus on integrated care.

(7) The following sums, or so much thereof as may be necessary, are each appropriated: \$75,000 from the state general fund for the fiscal year ending June 30, 2022; and \$75,000 from the state general fund for the fiscal year ending June 30, 2023. The amounts in this subsection are provided solely for the authority to contract with an organization with expertise in supporting efforts to increase access to and improve quality in recovery housing and recovery residences. This funding shall be used to increase recovery housing availability through partnership with private landlords, increase accreditation of recovery residences statewide, operate a grievance process for resolving challenges with recovery residences, and conduct a recovery capital outcomes assessment for individuals living in recovery residences.

(8) The following sums, or so much thereof as may be necessary, are each appropriated: \$500,000 from the state general fund for the fiscal year ending June 30, 2022; and \$500,000 from the state general fund for the fiscal year ending June 30, 2023. The amounts in this subsection are provided solely for the authority to provide short-term housing vouchers for individuals with substance use disorders.

(9) The following sums, or so much thereof as may be necessary, are each appropriated: \$250,000 from the state general fund for the fiscal year ending June 30, 2022; and \$250,000 from the state general fund for the fiscal year ending June 30, 2023. The amounts in this subsection are provided solely for the authority to issue grants for substance use disorder family navigator services.

(10) The following sums, or so much thereof as may be

necessary, are each appropriated: \$200,000 from the state general fund for the fiscal year ending June 30, 2022; and \$200,000 from the state general fund for the fiscal year ending June 30, 2023. The amounts in this subsection are provided solely for the authority to convene and provide staff and contracted services support to the recovery oversight committee established in section 1 of this act.

(11) The following sums, or so much thereof as may be necessary, are each appropriated: \$2,565,000 from the state general fund for the fiscal year ending June 30, 2022; and \$2,565,000 from the state general fund for the fiscal year ending June 30, 2023. The amounts in this subsection are provided solely for staff and contracted services support for the authority to develop and implement the recovery services plan established in section 1 of this act and to carry out other requirements of this act. Within these amounts, funding is provided for the authority to:

(a) Establish an occupational nurse consultant position within the authority to provide contract oversight, accountability, performance improvement activities, and to ensure medicaid managed care organization plan compliance with provisions in law and contract related to care transitions work with local jails.

(b) Establish a position within the authority to create and oversee a program to initiate and support emergency department programs for inducing medications for patients with opioid use disorder paired with a referral to community-based outreach and case management programs.

NEW SECTION. Sec. 23. The appropriation in this section is provided to the administrative office of the courts and is subject to the following conditions and limitations:

The following sums, or so much thereof as may be necessary, are each appropriated: \$2,250,000 from the state general fund for the fiscal year ending June 30, 2022; and \$2,250,000 from the state general fund for the fiscal year ending June 30, 2023. The amounts in this subsection are provided solely to fund grants for therapeutic courts operated by municipalities and district courts. The administrative office of the courts must allocate grant funding based upon a formula established by the administrative office of the courts. The formula must distribute the grant funding equitably between those therapeutic courts located east of the crest of the Cascade mountains and those therapeutic courts located west of the crest of the Cascade mountains. Multiple jurisdictions served by a single municipal court or district court may apply for funds as a single entity. Local jurisdictions receiving grant funding for therapeutic courts must use funding to identify individuals before the courts with substance use disorders or other behavioral health needs and engage those individuals with community-based therapeutic interventions.

NEW SECTION. Sec. 24. The appropriation in this section is provided to the department of commerce and is subject to the following conditions and limitations:

The following sums, or so much thereof as may be necessary, are each appropriated: \$500,000 from the state general fund for the fiscal year ending June 30, 2022; and \$1,000,000 from the state general fund for the fiscal year ending June 30, 2023. The amounts in this subsection are provided solely for the department to provide grants for the operational costs of new staffed recovery residences which serve individuals with substance use disorders who require more support than a level 1 recovery residence.

NEW SECTION. Sec. 25. The appropriation in this section is provided to the criminal justice training commission and is subject to the following conditions and limitations:

The following sums, or so much thereof as may be necessary, are each appropriated: \$150,000 from the state general fund for the fiscal year ending June 30, 2022; and \$150,000 from the state general fund for the fiscal year ending June 30, 2023. The

amounts in this subsection are provided solely for the commission to compensate trainer time to deliver the curriculum related to law enforcement interactions with persons with a substance use disorder pursuant to section 7 of this act.

NEW SECTION. Sec. 26. Sections 1 through 11 and 13 through 21 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

NEW SECTION. Sec. 27. Section 11 of this act expires July 1, 2022.

NEW SECTION. Sec. 28. Section 12 of this act takes effect July 1, 2022.

NEW SECTION. Sec. 29. Sections 8 through 10, 12, 15, and 16 of this act expire July 1, 2023.

NEW SECTION. Sec. 30. 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."

Correct the title.

and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

MOTION

Senator Dhingra moved that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 5476.

Senators Dhingra, Pedersen, Carlyle, Billig and Salomon spoke in favor of the motion.

Senators Padden, Wagoner, Rivers, Ericksen, Braun, Brown, Dozier, Wilson, J., Wilson, L., Holy and McCune spoke against the motion.

The President declared the question before the Senate to be the motion by Senator Dhingra that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 5476.

The motion by Senator Dhingra carried and the Senate concurred in the House amendment(s) to Engrossed Senate Bill No. 5476 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5476, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5476, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 26; Nays, 23; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hobbs, Hunt, Keiser, Kuderer, Liias, Lovelett, Mullet, Nobles, Pedersen, Randall, Robinson, Rolfes, Saldaña, Salomon, Stanford, Van De Wege, Wellman and Wilson, C.

Voting nay: Senators Braun, Brown, Dozier, Ericksen, Fortunato, Gildon, Hasegawa, Hawkins, Holy, Honeyford, King, McCune, Muzzall, Nguyen, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Warnick, Wilson, J. and Wilson, L.

ENGROSSED SENATE BILL NO. 5476, as amended by the House, 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:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5084,
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO.

5126

ENGROSSED SUBSTITUTE SENATE BILL NO. 5478

MESSAGE FROM THE HOUSE

April 24, 2021

MR. PRESIDENT:

The House has adopted the report of the Conference Committee on SUBSTITUTE SENATE BILL NO. 5165 and has passed the bill as recommended by the Conference Committee. and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

REPORT OF THE CONFERENCE COMMITTEE

Substitute Senate Bill No. 5165

April 23, 2021

MR. PRESIDENT:

MR. SPEAKER:

We of your conference committee, to whom was referred Substitute Senate Bill No. 5165, have had the same under consideration and recommend that all previous amendments not be adopted and that the following striking amendment be adopted:

Strike everything after the enacting clause and insert the following:

"2021-2023 FISCAL BIENNIUM

NEW SECTION. Sec. 1. (1) The transportation budget of the state is hereby adopted and, subject to the provisions set forth, the several amounts specified, or as much thereof as may be necessary to accomplish the purposes designated, are hereby appropriated from the several accounts and funds named to the designated state agencies and offices for employee compensation and other expenses, for capital projects, and for other specified purposes, including the payment of any final judgments arising out of such activities, for the period ending June 30, 2023.

(2) Unless the context clearly requires otherwise, the definitions in this subsection apply throughout this act.

(a) "Fiscal year 2022" or "FY 2022" means the fiscal year ending June 30, 2022.

(b) "Fiscal year 2023" or "FY 2023" means the fiscal year ending June 30, 2023.

(c) "FTE" means full-time equivalent.

(d) "Lapse" or "revert" means the amount shall return to an unappropriated status.

(e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose that is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.

(f) "Reappropriation" means appropriation and, unless the context clearly provides otherwise, is subject to the relevant conditions and limitations applicable to appropriations.

(g) "LEAP" means the legislative evaluation and accountability program committee.

GENERAL GOVERNMENT AGENCIES—OPERATING
NEW SECTION. Sec. 101. FOR THE DEPARTMENT
OF ARCHAEOLOGY AND HISTORIC PRESERVATION

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Motor Vehicle Account—State Appropriation \$546,000
NEW SECTION. Sec. 102. FOR THE UTILITIES AND TRANSPORTATION COMMISSION

Grade Crossing Protective Account—State Appropriation	\$504,000
Pilotage Account—State Appropriation	\$150,000
Multimodal Transportation Account—State Appropriation	\$225,000
TOTAL APPROPRIATION.....	\$879,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$225,000 of the multimodal transportation account—state appropriation is provided solely for the commission to prepare an inventory of rail safety oversight conducted by state agencies in other states identified for review by program area as compared to the role of state agencies in Washington due September 1, 2022. This inventory must include a comparison of the oversight conducted by state agencies in California and New York, as well as other state agencies selected by the commission that play a broader role in rail safety oversight than state agencies in Washington. In developing its inventory, the commission shall include consideration of the relationship of state efforts to federal law. The inventory must include information related to safety oversight, coordination, communication, and enforcement of state and federal laws and regulations relating to transportation of persons or commodities, or both, of any nature or description by rail.

(2) The commission must host one workshop with interested parties. The purpose of the workshop is to ensure consideration of relevant information in development of an inventory of current efforts in rail safety oversight by other states that can inform the legislature's intended expansion of the role of the commission in rail safety in the state of Washington. The purpose of the workshop is not to foreclose consideration of a specific legislative approach. Interested legislators and legislative staff and staff of the governor's office may participate in the workshop or workshops. Participation in the workshop must include, but is not limited to, representatives of:

- (a) Host and tenant railroads;
- (b) Rail labor organizations;
- (c) The state safety oversight agency for rail fixed guideway public transportation systems;
- (d) Operators of, and entities providing financial support for, intercity passenger rail and rail fixed guideway systems;
- (e) Local jurisdictions;
- (f) Rail advocacy organizations;
- (g) State emergency management organizations;
- (h) The department of ecology;
- (i) The department of labor and industries;
- (j) The national transportation safety board;
- (k) The federal railroad administration; and
- (l) The pipeline and hazardous materials safety administration.

(3) The commission shall review, at a minimum, the report of the national transportation safety board report on the 2017 Amtrak derailment, the joint transportation committee's 2020 rail safety governance study, Engrossed Substitute House Bill No. 1418 (2021), as passed by the house on March 7, 2021, relevant federal laws and rules, and state rail safety plans.

(4) The commission's inventory must include, but is not limited to:

- (a) An analysis of expanding the commission's role to match the role of other state agencies examined, including as it relates to oversight of implementation of new and materially changed railroad operations and infrastructure; operator safety management practices; the safety of transportation of crude oil by

rail and enforcement of chapter 90.56 RCW; the safety and oversight of rail fixed guideway systems as defined in RCW 81.104.015; annual reporting practices; and rail safety communication and collaboration efforts, including through the use of a rail safety committee;

(b) A review of federal preemption issues and analysis of state rail safety authority in the context of the current rail safety oversight role of other states, as examined in this section;

(c) A review of workshop discussions;

(d) Estimated costs associated with implementation in Washington state of the safety program elements included in the inventory required in this section, itemized by program area and level of oversight performed, including estimated costs of options to improve the safety of transportation of crude oil by rail and enforcement of chapter 90.56 RCW;

(e) A review of revenue sources that support rail safety oversight activities in other states included in the inventory, including federal revenue sources. For each source, the review must also include:

- (i) Estimates of revenue generated if imposed in Washington;
- (ii) Estimates of how much would be paid by different types of entities; and

(f) A review of the level of liability protection afforded agencies that perform rail safety oversight under state law in the states examined in the inventory conducted.

NEW SECTION. Sec. 103. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Motor Vehicle Account—State Appropriation	\$1,441,000
Puget Sound Ferry Operations Account—State Appropriation	\$126,000
Multimodal Transportation Account—State Appropriation	\$250,000
TOTAL APPROPRIATION	\$1,817,000

The appropriations in this section are subject to the following conditions and limitations:

\$250,000 of the multimodal transportation account—state appropriation is provided solely for the office of financial management, in collaboration with the Washington department of transportation and the office of the chief information officer, to conduct an evaluation of short term and long term facility and information technology needs. In conducting the evaluation, the office of financial management may contract with an entity with direct expertise in this area. The office of financial management must submit a final report of their evaluation by October 1, 2022. The evaluation must be coordinated with any legislatively directed study regarding leased space. The evaluation must include, but is not limited to:

(1) Development of a status quo scenario based on current policy and projections and two alternative scenarios of the number of people and percentage of staff in telework status on a permanent basis with one alternative being the minimum feasible level of teleworking and one alternative being the maximum feasible level of teleworking;

(2) Current and projected facility needs by location and function for the scenarios in subsection (1) of this section;

(3) The specific number of employees and percentage of the workforce expected to be teleworking by location and function and the anticipated impact on facility space needs for the scenarios in subsection (1) of this section;

(4) Analysis of opportunities to colocate with other state, local, and other public agencies to reduce costs and improve cost-efficiency;

(5) Detailed information on any increased costs, such as end-user devices, software, technology infrastructure, and other types of assistance needed to meet the teleworking levels in each of the

scenarios in subsection (1) of this section;

(6) Detailed information on any reduced costs, such as leases, facility maintenance, and utilities, resulting from the projected teleworking levels for the scenarios in subsection (1) of this section; and

(7) Cost-benefit analysis detailing the net impact of teleworking on facility and total costs for the scenarios in subsection (1) of this section.

NEW SECTION. Sec. 104. FOR THE STATE PARKS AND RECREATION COMMISSION

Motor Vehicle Account—State Appropriation \$1,186,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for road maintenance purposes.

NEW SECTION. Sec. 105. FOR THE DEPARTMENT OF AGRICULTURE

Motor Vehicle Account—State Appropriation \$1,346,000

NEW SECTION. Sec. 106. FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

Motor Vehicle Account—State Appropriation \$668,000

NEW SECTION. Sec. 107. FOR THE EVERGREEN STATE COLLEGE

Motor Vehicle Account—State Appropriation \$150,000

The appropriation in this section is subject to the following conditions and limitations: The total appropriation in this section is provided solely for the Washington state institute for public policy to conduct a cost-benefit analysis for an exclusive or partial American steel requirement for future transportation contracts and subcontracts authorized in the transportation budget. This cost-benefit analysis must, to the extent feasible: (1) Compare existing types and uses of steel to made in America steel alternatives including evaluation of quality; (2) examine benefits to Washington workers and the Washington economy; (3) examine lifecycle and embodied carbon greenhouse gas emissions; (4) identify requirements for purchasing American steel that minimize costs and maximize benefits; and (5) evaluate American steel requirements or preferences in other states. The Washington state institute for public policy may solicit input for the analysis from representatives of interested parties to include, but not be limited to, the construction and manufacturing sectors, organized labor in the construction and manufacturing sectors, cities, counties, American steel manufacturing companies, environmental advocacy organizations, and appropriate state agencies. A final report is due to the legislature by December 1, 2021.

NEW SECTION. Sec. 108. FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

Motor Vehicle Account—State Appropriation \$2,000,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation in this section is provided solely for increasing the number of certified women and minority-owned contractors outside of the Puget Sound area in the transportation sector and supporting these contractors to successfully compete and earn more transportation contracting opportunities. This shall be done through various programs including but not limited to: (1) Outreach to women and minority business communities and individuals; (2) technical assistance as needed in areas such as financing, accounting, contracting, procurement, and resolution of disputes and grievances; (3) language access programs for those with limited English proficiency; and (4) other programs that aim to increase the number of women and minority contractors that are successful in obtaining contracts in the transportation sector either directly with state agencies such as the department, with local jurisdictions, or as subcontractors for prime contractors.

NEW SECTION. Sec. 109. FOR THE BOARD OF PILOTAGE COMMISSIONERS

Pilotage Account—State Appropriation \$5,777,000

The appropriation in this section is subject to the following conditions and limitations:

(1) \$2,926,000 of the pilotage account—state appropriation is provided solely for self-insurance liability premium expenditures; however, this appropriation is contingent upon the board:

(a) Annually depositing the first \$150,000 collected through Puget Sound pilotage district pilotage tariffs into the pilotage account; and

(b) Assessing a self-insurance premium surcharge of \$16 per pilotage assignment on vessels requiring pilotage in the Puget Sound pilotage district.

(2) The board of pilotage commissioners shall file the annual report to the governor and chairs of the transportation committees required under RCW 88.16.035(1)(f) by September 1, 2021, and annually thereafter. The report must include the continuation of policies and procedures necessary to increase the diversity of pilots, trainees, and applicants, including a diversity action plan. The diversity action plan must articulate a comprehensive vision of the board's diversity goals and the steps it will take to reach those goals.

NEW SECTION. Sec. 110. FOR THE HOUSE OF REPRESENTATIVES

Motor Vehicle Account—State Appropriation \$3,210,000

NEW SECTION. Sec. 111. FOR THE SENATE

Motor Vehicle Account—State Appropriation \$3,085,000

NEW SECTION. Sec. 112. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Motor Vehicle Account—State Appropriation..... \$400,000

The appropriation in this section is subject to the following conditions and limitations: \$400,000 of the motor vehicle account—state appropriation is provided solely for the department, from amounts set aside out of statewide fuel taxes distributed to cities according to RCW 46.68.110(2), to contract with the association of Washington cities to inventory and assess fish passage barriers associated with city roads located in the *U.S. v. Washington* case area, water resource inventory area numbers one through 23. The study is a continuation of previous inventories, and must finalize a complete inventory of city-owned fish passage barriers in water resource inventory area numbers one through 23. The inventories and assessments must be conducted using the methods described in the department's fish passage, inventory, assessment, and prioritization manual. A report of the study must be provided to the office of financial management and the transportation committees of the legislature by July 1, 2023.

NEW SECTION. Sec. 113. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

Puget Sound Ferry Capital Construction Account—State

Appropriation \$300,000

Multimodal Transportation Account—State Appropriation

..... \$200,000

TOTAL APPROPRIATION \$500,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$300,000 of the Puget Sound ferry capital construction account—state is provided solely for an independent review of the design-build contracting process for the hybrid-electric Olympic class vessels. The review must evaluate, at minimum, the department's cost estimation and cost management practices relating to the design and construction of the first hybrid-electric vessel. The review must include recommendations to benefit the full program for the design and construction of five hybrid-electric vessels. The joint legislative audit and review committee

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must report to the legislature with the findings by October 1, 2022.

(2) \$200,000 of the multimodal transportation account—state appropriation is provided solely for the joint legislative audit and review committee to conduct a review of the method used to determine the rates for leasing state-owned lands and air space to a regional transit authority. As part of this review, the committee must examine and evaluate the accounting and valuation methodology for debits and credits used in the land bank accounting program utilized by the department of transportation and a regional transit authority. The review must also provide an evaluation of the specific type of lease agreements used for air space leasing by the department of transportation with a regional transit authority and the valuation methodology used to determine the lease rate for the property and the cost and benefits of long-term leases based on the periodic land value appraisals under the terms of the land bank agreement. The committee must identify the full cost to the state transportation system if the entire plan for land and air rights leases by a regional transit authority is undertaken at full economic rent, and the difference in costs to the regional transit authority if the leases were to be issued at less than economic rent, including a scenario in which the value of the land and air rights are discounted by the federal share of the funds that were used to acquire or improve the property originally. The committee shall complete the review and provide a report to the transportation committees of the legislature by December 1, 2022.

**TRANSPORTATION AGENCIES—OPERATING
NEW SECTION. Sec. 201. FOR THE WASHINGTON
TRAFFIC SAFETY COMMISSION**

Highway Safety Account—State Appropriation	...\$4,625,000
Highway Safety Account—Federal Appropriation	.....\$27,202,000
Highway Safety Account—Private/Local Appropriation	.....\$60,000
School Zone Safety Account—State Appropriation	..\$850,000
TOTAL APPROPRIATION.....	\$32,737,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The Washington traffic safety commission may oversee a demonstration project in one county, coordinating with a public transportation benefit area (PTBA) and the department of transportation, to test the feasibility and accuracy of the use of automated enforcement technology for high occupancy vehicle (HOV) lane passenger compliance. All costs associated with the demonstration project must be borne by the participating public transportation benefit area. Any photograph, microphotograph, or electronic images of a driver or passengers are for the exclusive use of the PTBA in the determination of whether an HOV passenger violation has occurred to test the feasibility and accuracy of automated enforcement under this subsection and are not open to the public and may not be used in a court in a pending action or proceeding. All photographs, microphotographs, and electronic images must be destroyed after determining a passenger count and no later than the completion of the demonstration project. No warnings or notices of infraction may be issued under the demonstration project.

For purposes of the demonstration project, an automated enforcement technology device may record an image of a driver and passenger of a motor vehicle. The county and PTBA must erect signs marking the locations where the automated enforcement for HOV passenger requirements is occurring.

The PTBA, in consultation with the Washington traffic safety commission, must provide a report to the transportation committees of the legislature with the number of violations detected during the demonstration project, whether the

technology used was accurate and any recommendations for future use of automated enforcement technology for HOV lane enforcement by June 30, 2022.

(2) The Washington traffic safety commission may oversee a pilot program in up to three cities implementing the use of automated vehicle noise enforcement cameras in zones that have been designated by ordinance as "Stay Out of Areas of Racing."

(a) Any programs authorized by the commission must be authorized by December 31, 2022.

(b) If a city has established an authorized automated vehicle noise enforcement camera pilot program under this section, the compensation paid to the manufacturer or vendor of the equipment used must be based upon the value of the equipment and services provided or rendered in support of the system.

(c) Any city administering a pilot program overseen by the traffic safety commission shall use the following guidelines to administer the program:

(i) Automated vehicle noise enforcement camera may record photographs or audio of the vehicle and vehicle license plate only while a violation is occurring. The picture must not reveal the face of the driver or of passengers in the vehicle;

(ii) The law enforcement agency of the city or county government shall install two signs facing opposite directions within 200 feet, or otherwise consistent with the uniform manual on traffic control devices, where the automated vehicle noise enforcement camera is used that state "Street Racing Noise Pilot Program in Progress";

(iii) Cities testing the use of automated vehicle noise enforcement cameras must post information on the city website and notify local media outlets indicating the zones in which the automated vehicle noise enforcement cameras will be used;

(iv) A city may only issue a warning notice with no penalty for a violation detected by automated vehicle noise enforcement cameras in a Stay Out of Areas of Racing zone. Warning notices must be mailed to the registered owner of a vehicle within fourteen days of the detected violation;

(v) A violation detected through the use of automated vehicle noise enforcement cameras is not part of the registered owner's driving record under RCW 46.52.101 and 46.52.120;

(vi) Notwithstanding any other provision of law, all photographs, videos, microphotographs, audio recordings, or electronic images prepared under this section are for the exclusive use of law enforcement in the discharge of duties under this section and are not open to the public and may not be used in a court in a pending action or proceeding. No photograph, microphotograph, audio recording, or electronic image may be used for any purpose other than the issuance of warnings for violations under this section or retained longer than necessary to issue a warning notice as required under this subsection (2); and

(vii) By June 30, 2023, the participating cities shall provide a report to the commission and appropriate committees of the legislature regarding the use, public acceptance, outcomes, warnings issued, data retention and use, and other relevant issues regarding automated vehicle noise enforcement cameras demonstrated by the pilot projects.

(3) The Washington traffic safety commission shall coordinate with each city that implements a pilot program as authorized in RCW 46.63.170, chapter 224, Laws of 2020 to provide the transportation committees of the legislature with the following information by June 30, 2023:

(a) The number of warnings and infractions issued to first-time violators under the pilot program;

(b) The number of warnings and infractions issued to the registered owners of vehicles that are not registered with an address located in the city conducting the pilot program; and

(c) The frequency with which warnings and infractions are issued on weekdays versus weekend days.

NEW SECTION. Sec. 202. FOR THE COUNTY ROAD ADMINISTRATION BOARD

Rural Arterial Trust Account—State Appropriation	\$1,134,000
Motor Vehicle Account—State Appropriation	\$4,760,000
County Arterial Preservation Account—State Appropriation	\$1,669,000
TOTAL APPROPRIATION.....	\$7,563,000

The appropriations in this section are subject to the following conditions and limitations: \$2,000,000 of the motor vehicle account—state appropriation is provided solely for deposit into the county road administration board emergency loan account—state account.

NEW SECTION. Sec. 203. FOR THE TRANSPORTATION IMPROVEMENT BOARD

Transportation Improvement Account—State Appropriation	\$4,510,000
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NEW SECTION. Sec. 204. FOR THE JOINT TRANSPORTATION COMMITTEE

Motor Vehicle Account—State Appropriation	\$2,679,000
Multimodal Transportation Account—State Appropriation	\$420,000
TOTAL APPROPRIATION.....	\$3,099,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) \$250,000 of the motor vehicle account—state appropriation is for the joint transportation committee to convene a vehicle registration payment work group to study and recommend new options for payment of vehicle fees or taxes due at the time of application for vehicle registration.

(b) The work group must consist of, but is not limited to, the following members: A representative of the department of licensing, a representative of county auditors, a representative of subagents, a representative of local taxing authorities imposing a fee or tax due at the time of application for vehicle registration, a representative of a city offering or considering a rebate program for vehicle fees or taxes due at the time of application for vehicle registration, a representative of vehicle owners subject to a motor vehicle excise tax, a representative of vehicle owners subject to an electric car or transportation electrification fee, and an advocate for multimodal transportation options. Work group members are eligible for reimbursement or allowance for expenses pursuant to RCW 43.03.220.

(c) The work group must engage with members of the public who are interested in new options for payment of fees or taxes due at the time of application for vehicle registration, including persons from communities of color, low-income households, vulnerable populations, and displaced communities. Input from members of the public must inform the work group's recommendations. The work group must notify members of the public of opportunities to engage through a variety of communication channels including, but not limited to, the following: Outreach through community organizations, print and broadcast media, and social media.

(d) The work group's recommendations must include, but are not limited to, the following:

- (i) Options to provide or encourage rebates to vehicle owners who pay taxes and fees due at the time of application for vehicle registration;
- (ii) An agreed upon service fee structure for vehicle registration payment plans;
- (iii) An agreed upon service fee revenue allocation method;
- (iv) A process to allow agents and subagents to determine if a vehicle owner has paid all taxes and fees due prior to renewal of

a vehicle registration;

(v) Options for reducing revenue loss due to missed payments, transfer of the certificate of title, or registration of a vehicle out of state; and

(vi) Options to reduce impacts to communities of color, low-income households, vulnerable populations, and displaced communities.

(e) A report of the work group's findings and recommendations is due to the transportation committees of the legislature by September 30, 2022.

(2) \$50,000 of the motor vehicle account—state appropriation is for the joint transportation committee to contract for a legal consultant to analyze and recommend options for the formation of a bistate bridge authority for the purpose of constructing, financing, operating and maintaining a new replacement bridge over the Columbia River near Hood River connecting Klickitat county in Washington to Hood River county in Oregon. The consultant may confer with the Hood River Bistate Working Group to understand the work and analysis that has been completed.

The Washington interlocal cooperation act, chapter 39.34 RCW, authorizes public agencies to contract with other public agencies via interlocal agreements that enable cooperation among the agencies to perform governmental activities and deliver public services, including agreements with public entities in other states. Such interstate agreements are deemed interstate compacts. The legal analysis must identify and recommend alternative and/or additional statutory authority that would be necessary to allow for the formation of a local government bistate bridge authority or governance structure for the Hood River Bridge replacement that at a minimum may:

- (a) Issue bonds for bridge construction;
- (b) Collect tolls; and
- (c) Secure and administer state or federal grants and loans.

The legal analysis must be presented to the transportation committees of the legislature by September 30, 2021.

(3) \$220,000 of the multimodal transportation account—state appropriation is for overseeing a consultant study to provide recommendations related to the Washington state department of transportation's role in broadband service expansion efforts as directed in chapter . . . (Engrossed Substitute House Bill No. 1457), Laws of 2021 (broadband along state highways). If chapter . . . (Engrossed Substitute House Bill No. 1457), Laws of 2021 (broadband along state highways) is not enacted by June 30, 2021, the amount provided in this subsection lapses.

(4) \$215,000 of the motor vehicle account—state appropriation is provided solely for the joint transportation committee, from amounts set aside out of statewide fuel taxes distributed to cities according to RCW 46.68.110(2), to convene a study on the impacts of current and historical city transportation investments on designated populations, including communities of color, low-income households, vulnerable populations, and displaced communities. The study must identify and measure the true costs of underinvestment of accessible transportation for designated populations, including the secondary impacts to public health, economic opportunity, educational access, and environmental risk factors. The assessment must include specific approaches to addressing existing inequities within cities, as well as recommendations to develop best practices to improve, diversify, and expand city transportation investments. A report must be provided to the office of financial management and the transportation committees of the legislature by December 20, 2022.

(5) \$400,000 of the motor vehicle account—state appropriation is for the development of a workforce plan for the Washington state ferries which addresses recruitment, retention, diversity,

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training needs, leadership development, succession planning and other elements needed to ensure sufficient and cost-effective crewing and staffing of the ferry system. In developing the scope of work for the plan and throughout plan development, the joint transportation committee must solicit input from representatives of the Washington state ferries division and the human resources division of the Washington state department of transportation. Represented employee groups must also be consulted as part of plan development. The plan must include a roadmap for Washington state ferries to comprehensively address persistent staffing challenges and strategically position itself for its future workforce needs. The joint transportation committee must issue an interim report identifying short-term strategies to reduce reliance on overtime for staffing day-to-day ferry service. The interim report is due to the transportation committees of the legislature by January 1, 2022. The final report is due to the transportation committees of the legislature by December 20, 2022.

(6) \$200,000 of the multimodal transportation account—state appropriation is for the joint transportation committee to update the Washington State Short Line Rail Inventory and Needs Assessment, prepared in 2015, and to facilitate a stakeholder process to assess the effectiveness of state support for short line rail infrastructure based on current and future short line rail infrastructure needs. This assessment must include consideration of current state grant and loan programs, including state investment in nonstate owned short lines, the state's role and investments in the Palouse River and Coulee City (PCC) rail system, and any other ongoing state activities related to short line rail infrastructure. The joint transportation committee must solicit input from all regions of the state from representatives of: Short line rail infrastructure owners, short line rail operators, short line rail customers from representative industries, ports served by short line rail infrastructure, the Washington state department of transportation, the utilities and transportation commission, and other relevant stakeholders as identified by the joint transportation committee. A report with recommendations to enhance the state's support for short line rail infrastructure is due to the transportation committees of the legislature by January 1, 2022.

(7)(a) \$200,000 of the motor vehicle account—state appropriation is for the joint transportation committee to develop a truck parking action plan with recommendations for immediate next steps for near-term and lasting change in the availability of truck parking for short-haul and long-distance commercial vehicle drivers who require reasonable accommodations for parking commercial motor vehicles, obtaining adequate services, and complying with federal rest requirements. For each opportunity identified, the action plan must:

- (i) Assess the magnitude of potential impact;
 - (ii) Assess the potential difficulty level of implementation; and
 - (iii) Explain barriers to success and specific steps required to overcome them.
- (b) The action plan must focus on approaches that would be most impactful and feasible and may include, but not be limited to:
- (i) Specific cooperative private sector and government actions;
 - (ii) Legal and regulatory frameworks at the state level to drive private and/or public-sector action;
 - (iii) Incentive-based government programs to spur private sector innovation and investment; and
 - (iv) Direct government action at the state, regional, and/or local level.
- (c) The action plan must identify specific, promising projects and approaches, and provide a clear roadmap to what is needed to

drive real, substantial improvements in truck parking.

(d) Outreach for action plan input, including on the feasibility of each opportunity evaluated, must include outreach to representatives of: The trucking industry; truck labor organizations; the shipping industry; truck stop owners; commercial freight delivery recipients, including warehouse and retail recipients; the association of Washington cities; the Washington state association of counties; the Washington state department of transportation; the Washington state patrol; and an academic or research institution that can provide input on technical components of the plan.

(e) A concise action plan with specific recommended next steps is due to the transportation committees of the legislature by January 1, 2022.

NEW SECTION. Sec. 205. FOR THE TRANSPORTATION COMMISSION

Motor Vehicle Account—State Appropriation	\$2,438,000
Interstate 405 and State Route Number 167 Express Toll Lanes Account—State Appropriation.....	\$127,000
State Route Number 520 Corridor Account—State Appropriation	\$276,000
Tacoma Narrows Toll Bridge Account—State Appropriation	\$180,000
Alaskan Way Viaduct Replacement Project Account—State Appropriation.....	\$172,000
TOTAL APPROPRIATION	\$3,193,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The commission shall reconvene the road usage charge steering committee, with the same membership described in chapter 297, Laws of 2018, and shall periodically report to the steering committee with updates on activities undertaken in accordance with the federal grant awarded July 2020 ("Forward Drive"). A year-end update on the status of any federally-funded project for which federal funding is secured must be provided to the governor's office and the transportation committees of the legislature by January 1, 2022, and by January 1, 2023. Any legislative vacancies on the steering committee must be appointed by the speaker of the house of representatives for a house of representatives member vacancy, and by the president of the senate for a senate member vacancy.

(2) \$200,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Substitute Senate Bill No. 5444), Laws of 2021 (per mile charge). If chapter . . . (Substitute Senate Bill No. 5444), Laws of 2021 is not enacted by June 30, 2021, the amount provided in this subsection lapses.

(3) \$127,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation, \$276,000 of the state route number 520 corridor account—state appropriation, \$180,000 of the Tacoma Narrows toll bridge account—state appropriation, and \$172,000 of the Alaskan Way viaduct replacement project account—state appropriation are provided solely for the transportation commission's proportional share of time spent supporting tolling operations for the respective tolling facilities.

(4) \$50,000 of the motor vehicle account—state appropriation is provided solely for the commission to identify and measure how a road usage charge could be adjusted so that vehicles of comparable efficiency pay the same rate regardless of their means of propulsion and examine options for indexing to stabilize revenue as vehicle fleets become more efficient over time. If chapter . . . (Substitute Senate Bill No. 5444), Laws of 2021 is not enacted by June 30, 2021, the amount provided in this subsection lapses.

(5)(a) The transportation budget is currently reliant on vehicle and driver related fees. Motor vehicle registrations, driver licenses, tolls, and the motor vehicle fuel tax provide the primary revenues for the transportation budget. These user revenues no longer adequately support the transportation system's needs. Many of the transportation modes have no or little ability to generate revenue, yet are important elements of a functioning transportation network. Providing transportation options that do not involve passenger vehicles is critical. The tax burden in the transportation budget falls on people that own and drive vehicles. It fails to provide the money needed for the system quality that the people of Washington want.

(b) Therefore, the commission is directed to evaluate, identify, and consider agencies, programs, and activities that are currently funded in the transportation budget that provide a public good that might be paid for using other revenues. The commission is directed to make recommendations for potential changes to funding sources for the transportation system with the goal of providing funding to maintain existing transportation assets in a state of good repair without exclusively relying on vehicle owners or drivers as the revenue source. Preliminary findings must be presented to the Joint Transportation Committee by September 30, 2022, and a final report issued to the appropriate committees of the legislature by December 1, 2022.

NEW SECTION. Sec. 206. FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

Freight Mobility Investment Account—State
 Appropriation \$831,000

NEW SECTION. Sec. 207. FOR THE WASHINGTON STATE PATROL

State Patrol Highway Account—State	Appropriation	.....	\$517,391,000
State Patrol Highway Account—Federal	Appropriation	.....	\$15,838,000
State Patrol Highway Account—Private/Local	Appropriation	.....	\$4,267,000
Highway Safety Account—State	Appropriation	.....	\$1,214,000
Ignition Interlock Device Revolving Account—State	Appropriation	.....	\$5,053,000
Multimodal Transportation Account—State	Appropriation	.....	\$288,000
State Route Number 520 Corridor Account—State	Appropriation	.....	\$433,000
Tacoma Narrows Toll Bridge Account—State	Appropriation	.....	\$77,000
I-405 and SR 167 Express Toll Lanes Account—State	Appropriation	.....	\$1,348,000
TOTAL APPROPRIATION		.....	\$545,909,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Washington state patrol officers engaged in off-duty uniformed employment providing traffic control services to the department of transportation or other state agencies may use state patrol vehicles for the purpose of that employment, subject to guidelines adopted by the chief of the Washington state patrol. The Washington state patrol must be reimbursed for the use of the vehicle at the prevailing state employee rate for mileage and hours of usage, subject to guidelines developed by the chief of the Washington state patrol.

(2) \$580,000 of the state patrol highway account—state appropriation is provided solely for the operation of and administrative support to the license investigation unit to enforce vehicle registration laws in southwestern Washington. The Washington state patrol, in consultation with the department of revenue, shall maintain a running estimate of the additional vehicle registration fees, sales and use taxes, and local vehicle

fees remitted to the state pursuant to activity conducted by the license investigation unit. Beginning October 1, 2021, and quarterly thereafter, the Washington state patrol shall submit a report detailing the additional revenue amounts generated since January 1, 2021, to the director of the office of financial management and the transportation committees of the legislature. At the end of the calendar quarter in which it is estimated that more than \$625,000 in state sales and use taxes have been remitted to the state since January 1, 2021, the Washington state patrol shall notify the state treasurer and the state treasurer shall transfer funds pursuant to section 406 of this act.

(3) \$4,000,000 of the state patrol highway account—state appropriation is provided solely for a third arming and a third trooper basic training class. The cadet class is expected to graduate in June 2023.

(4) By December 1st of each year during the 2021-2023 biennium, the Washington state patrol must report to the house and senate transportation committees on the status of recruitment and retention activities as follows:

- (a) A summary of recruitment and retention strategies;
- (b) The number of transportation funded staff vacancies by major category;
- (c) The number of applicants for each of the positions by these categories;
- (d) The composition of workforce;
- (e) Other relevant outcome measures with comparative information with recent comparable months in prior years; and
- (f) Activities related to the implementation of the agency's workforce diversity plan, including short-term and long-term, specific comprehensive outreach and recruitment strategies to increase populations underrepresented within both commissioned and noncommissioned employee groups.

(5) \$493,000 of the state patrol highway account—state appropriation is provided solely for aerial criminal investigation tools, including software licensing and maintenance, and annual certification, and is subject to the conditions, limitations, and review requirements of section 701 of this act.

(6) \$7,962,000 of the state patrol highway account—state appropriation is provided solely for the land mobile radio system replacement, upgrade, and other related activities. Beginning January 1, 2022, the Washington state patrol must report semiannually to the office of the state chief information officer on the progress related to the projects and activities associated with the land mobile radio system, including the governance structure, outcomes achieved in the prior six month time period, and how the activities are being managed holistically as recommended by the office of the chief information officer. At the time of submittal to the office of the state chief information officer, this report shall be transmitted to the office of financial management and the house and senate transportation committees.

(7) \$510,000 of the ignition interlock device revolving account—state appropriation is provided solely for the ignition interlock program at the Washington state patrol to provide funding for two staff to work and provide support for the program in working with manufacturers, service centers, technicians, and participants in the program.

(8) \$1,348,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation, \$433,000 of the state route number 520 corridor account—state appropriation, and \$77,000 of the Tacoma Narrows toll bridge account—state appropriation are provided solely for the Washington state patrol's proportional share of time spent supporting tolling operations and enforcement for the respective tolling facilities.

(9) \$289,000 of the state patrol highway account—state appropriation is provided solely for the replacement of 911 workstations.

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(10) \$35,000 of the state patrol highway account—state appropriation is provided solely for the replacement of bomb response equipment.

(11) \$713,000 of the state patrol highway account—state appropriation is provided solely for information technology infrastructure maintenance.

(12) The Washington state patrol must provide a report to the office of financial management and the house and senate transportation committees on its plan for implementing a transition to cloud computing and storage with its 2023-2025 budget submittal.

(13) \$945,000 of the state patrol highway account—state appropriation is provided solely for implementation of chapter . . . (Substitute House Bill No. 1223), Laws of 2021 (custodial interrogations). If chapter . . . (Substitute House Bill No. 1223), Laws of 2021 (custodial interrogations) is not enacted by June 30, 2021, the amount provided in this subsection lapses.

(14) \$46,000 of the state patrol highway account—state appropriation is provided solely for implementation of chapter . . . (Engrossed Substitute House Bill No. 1054), Laws of 2021 (peace officer tactics). If chapter . . . (Engrossed Substitute House Bill No. 1054), Laws of 2021 (peace officer tactics) is not enacted by June 30, 2021, the amount provided in this subsection lapses.

(15) \$46,000 of the state patrol highway account—state appropriation is provided solely for implementation of chapter . . . (Engrossed Second Substitute House Bill No. 1310), Laws of 2021 (use of force by officers). If chapter . . . (Engrossed Second Substitute House Bill No. 1310), Laws of 2021 (use of force by officers) is not enacted by June 30, 2021, the amount provided in this subsection lapses.

(16)(a) The legislature finds that the water connection extension constructed by the Washington state patrol from the city of Shelton's water facilities to the Washington state patrol academy was necessary to meet the water supply needs of the academy. The legislature also finds that the water connection provides an ongoing water supply that is necessary to the operation of the training facility, that the state is making use of the water connection for these public activities, and that any future incidental use of the municipal infrastructure put in place to support these activities will not impede the Washington state patrol's ongoing use of the water connection extension.

(b) \$2,220,000 of the transfer from the waste tire removal account to the motor vehicle fund, as required under RCW 70A.205.425, reimburses the motor vehicle fund for the portion of the water project costs assigned by the agreement to properties, other than the Washington state patrol academy, that make use of the water connection while the agreement remains in effect. This reimbursement to the motor vehicle fund is intended to address any possibility that the termination of this agreement could be determined to result in the unconstitutional use of 18th amendment designated funds for nonhighway purposes under the constitution of the state of Washington; however, this transfer is not intended to indicate that the incidental use of this infrastructure by these properties necessarily requires such reimbursement under the state Constitution. Immediately following the transfer of funds, Washington state patrol and the city of Shelton shall meet to formally update the terms of their "Agreement for Utility Connection and Reimbursement of Water Extension Expenses" executed on June 12, 2017, to reflect the intent of the proviso.

(17) The appropriations in this section provide sufficient funding for state patrol staffing assuming vacancy savings which may change over time. Funding for staffing will be monitored and adjusted in the 2022 supplemental budget to restore funding as authorized staffing levels are achieved.

NEW SECTION. Sec. 208. FOR THE DEPARTMENT OF LICENSING

Marine Fuel Tax Refund Account—State Appropriation	\$34,000
Motorcycle Safety Education Account—State Appropriation	\$4,894,000
Limited Fish and Wildlife Account—State Appropriation	\$917,000
Highway Safety Account—State Appropriation	\$241,868,000
Highway Safety Account—Federal Appropriation	\$1,294,000
Motor Vehicle Account—State Appropriation	\$73,327,000
Motor Vehicle Account—Federal Appropriation	\$150,000
Motor Vehicle Account—Private/Local Appropriation	\$6,600,000
Ignition Interlock Device Revolving Account—State Appropriation	\$6,071,000
Department of Licensing Services Account—State Appropriation	\$8,157,000
License Plate Technology Account—State Appropriation	\$4,250,000
Abandoned Recreational Vehicle Account—State Appropriation	\$3,066,000
Limousine Carriers Account—State Appropriation ..	\$110,000
Electric Vehicle Account—State Appropriation	\$405,000
DOL Technology Improvement & Data Management Account—State Appropriation	\$748,000
Agency Financial Transaction Account—State Appropriation	\$21,257,000
Driver Licensing Technology Support Account—State Appropriation	\$1,373,000
TOTAL APPROPRIATION	\$374,521,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,100,000 of the highway safety account—state appropriation is provided solely for the department to provide an interagency transfer to the department of social and health services, children's administration division for the purpose of providing driver's license support to a larger population of foster youth than is already served within existing resources. Support services include reimbursement of driver's license issuance costs, fees for driver training education, and motor vehicle liability insurance costs.

(2) The appropriations in this section assume implementation by the department of cost recovery mechanisms to recoup at least \$21,257,000 during the 2021-2023 biennium in credit card and other financial transaction costs as part of charges imposed for driver and vehicle fee transactions. During the 2021-2023 fiscal biennium, the department must report any amounts recovered to the office of financial management and appropriate committees of the legislature on a quarterly basis.

(3)(a) For the 2021-2023 biennium, the department shall charge \$6,600,000 for the administration and collection of a motor vehicle excise tax on behalf of a regional transit authority, as authorized under RCW 82.44.135. The amount in this subsection must be deducted before distributing any revenues to a regional transit authority.

(b) \$100,000 of the motor vehicle account—state appropriation is provided solely for the department to work with the regional transit authority imposing a motor vehicle excise tax pursuant to RCW 81.104.160 and transportation benefit districts imposing vehicle fees pursuant to RCW 82.80.140, and other relevant parties, to determine cost recovery options for the administration and collection of the taxes and fees. The options must include:

(i) Full cost recovery for the direct and indirect expenses by the department of licensing, subagents, and counties;

(ii) Marginal cost recovery for the direct and indirect expenses by the department of licensing, subagents, and counties;

(iii) The estimated costs if the regional transit authority or transportation benefit districts had to contract out the entire collection and administrative activity with a nongovernmental entity.

(4) \$12,000 of the motorcycle safety education account—state appropriation, \$2,000 of the limited fish and wildlife account—state appropriation, \$728,000 of the highway safety account—state appropriation, \$238,000 of the motor vehicle account—state appropriation, \$10,000 of the ignition interlock device revolving account—state appropriation, and \$10,000 of the department of licensing services account—state appropriation are provided solely for the department to redesign and improve its online services and website, and are subject to the conditions, limitations, and review requirements of section 701 of this act.

(5) \$28,636,000 of the highway safety account—state appropriation is provided solely for costs necessary to accommodate increased demand for enhanced drivers' licenses and enhanced identicards. The department shall report on a quarterly basis on the use of these funds, associated workload, and information with comparative information with recent comparable months in prior years. The report must include detailed statewide and by licensing service office information on staffing levels, average monthly wait times, the number of enhanced drivers' licenses and enhanced identicards issued/renewed, and the number of primary drivers' licenses and identicards issued/renewed. Within the amounts provided in this subsection, the department shall implement efficiency measures to reduce the time for licensing transactions and wait times including, but not limited to, the installation of additional cameras at licensing service offices that reduce bottlenecks and align with the "keep your customer" initiative.

(6) \$500,000 of the highway safety account—state appropriation is provided solely for communication and outreach activities necessary to inform the public of federally acceptable identification options including, but not limited to, enhanced drivers' licenses and enhanced identicards. The department shall continue the outreach plan that includes informational material that can be effectively communicated to all communities and populations in Washington. To accomplish this work, the department shall contract with an external vendor with demonstrated experience and expertise in outreach and marketing to underrepresented communities in a culturally responsive fashion.

(7) \$523,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter . . . (Substitute House Bill No. 1207), Laws of 2021 (DOL issued documents). If chapter . . . (Substitute House Bill No. 1207), Laws of 2021 is not enacted by June 30, 2021, the amount provided in this subsection lapses.

(8) \$1,373,000 of the driver licensing technology support account—state appropriation is provided solely for the implementation of chapter . . . (Engrossed Substitute Senate Bill No. 5226), Laws of 2021 (suspension of licenses for traffic infractions). If chapter . . . (Engrossed Substitute Senate Bill No. 5226), Laws of 2021 is not enacted by June 30, 2021, the amount provided in this subsection lapses.

(9) \$23,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter 10 (Engrossed Substitute House Bill No. 1078), Laws of 2021 (restoring voter eligibility after felony conviction).

(10) \$3,074,000 of the abandoned recreational vehicle disposal account—state appropriation is provided solely for providing reimbursements in accordance with the department's abandoned recreational vehicle disposal reimbursement program. It is the

intent of the legislature that the department prioritize this funding for allowable and approved reimbursements and not to build a reserve of funds within the account. During the 2021-2023 fiscal biennium, the department must report any amounts recovered to the office of financial management and appropriate committees of the legislature on a quarterly basis.

(11)(a) \$54,000 of the motor vehicle account—state appropriation is provided solely for the issuance of nonemergency medical transportation vehicle decals to implement the high occupancy vehicle lane access pilot program established in section 216 of this act. A for hire nonemergency medical transportation vehicle is a vehicle that is a "for hire vehicle" under RCW 46.04.190 that provides nonemergency medical transportation, including for life-sustaining transportation purposes, to meet the medical transportation needs of individuals traveling to medical practices and clinics, cancer centers, dialysis facilities, hospitals, and other care providers.

(b) As part of this pilot program, the owner of a for hire nonemergency medical transportation vehicle may apply to the department, county auditor or other agent, or subagent appointed by the director, for a high occupancy vehicle exempt decal for a for hire nonemergency medical transportation vehicle. The high occupancy vehicle exempt decal allows the for hire nonemergency medical transportation vehicle to use a high occupancy vehicle lane as specified in RCW 46.61.165 and 47.52.025 during the 2021-2023 fiscal biennium.

(c) For the exemption in this subsection to apply to a for hire nonemergency medical transportation vehicle, the decal:

(i) Must be displayed on the vehicle so that it is clearly visible from outside the vehicle;

(ii) Must identify that the vehicle is exempt from the high occupancy vehicle requirements; and

(iii) Must be visible from the rear of the vehicle.

(d) The owner of a for hire nonemergency medical transportation vehicle or the owner's representative must apply for a high occupancy vehicle exempt decal on a form provided or approved by the department. The application must include:

(i) The name and address of the person who is the owner of the vehicle;

(ii) A full description of the vehicle, including its make, model, year, and the vehicle identification number;

(iii) The purpose for which the vehicle is principally used;

(iv) An attestation signed by the vehicle's owner or the owner's representative that the vehicle's owner has a minimum of one contract or service agreement to provide for hire transportation services for medical purposes with one or more of the following entities: A health insurance company; a hospital, clinic, dialysis center, or other medical institution; a day care center, retirement home, or group home; a federal, state, or local agency or jurisdiction; or a broker who negotiates these services on behalf of one or more of these entities; and

(v) Other information as required by the department upon application.

(e) The department, county auditor or other agent, or subagent appointed by the director shall collect the fee required under (f) of this subsection when issuing a high occupancy vehicle exempt decal.

(f) The department, county auditor or other agent, or subagent, is required to collect a \$5 fee when issuing a decal under this subsection, in addition to any other fees and taxes required by law.

(g) A high occupancy vehicle exempt decal expires June 30, 2023, and must be marked to indicate its expiration date. The decal may be renewed if the pilot program is continued past the date of a decal's expiration. The status as an exempt vehicle continues until the high occupancy vehicle exempt decal is suspended or revoked for misuse, the vehicle is no longer used as

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a for hire nonemergency medical transportation vehicle, or the pilot program established in section 216 of this act is terminated.

(h) The department may adopt rules to implement this subsection.

NEW SECTION. Sec. 209. FOR THE DEPARTMENT OF TRANSPORTATION—TOLL OPERATIONS AND MAINTENANCE—PROGRAM B

State Route Number 520 Corridor Account—State Appropriation	\$53,689,000
State Route Number 520 Civil Penalties Account—State Appropriation	\$4,122,000
Tacoma Narrows Toll Bridge Account—State Appropriation	\$29,809,000
Alaskan Way Viaduct Replacement Project Account—State Appropriation.....	\$20,840,000
Interstate 405 and State Route Number 167 Express Toll Lanes Account—State Appropriation	\$23,910,000
TOTAL APPROPRIATION.....	\$132,370,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,300,000 of the Tacoma Narrows toll bridge account—state appropriation and \$12,484,000 of the state route number 520 corridor account—state appropriation are provided solely for the purposes of addressing unforeseen operations and maintenance costs on the Tacoma Narrows bridge and the state route number 520 bridge, respectively. The office of financial management shall place the amounts provided in this subsection, which represent a portion of the required minimum fund balance under the policy of the state treasurer, in unallotted status. The office may release the funds only when it determines that all other funds designated for operations and maintenance purposes have been exhausted.

(2) As long as the facility is tolled, the department must provide annual reports to the transportation committees of the legislature on the Interstate 405 express toll lane project performance measures listed in RCW 47.56.880(4). These reports must include:

(a) Information on the travel times and travel time reliability (at a minimum, average and 90th percentile travel times) maintained during peak and nonpeak periods in the express toll lanes and general purpose lanes for both the entire corridor and commonly made trips in the corridor including, but not limited to, northbound from Bellevue to Rose Hill, state route number 520 at NE 148th to Interstate 405 at state route number 522, Bellevue to Bothell (both NE 8th to state route number 522 and NE 8th to state route number 527), and a trip internal to the corridor (such as NE 85th to NE 160th) and similar southbound trips;

(b) A month-to-month comparison of travel times and travel time reliability for the entire corridor and commonly made trips in the corridor as specified in (a) of this subsection since implementation of the express toll lanes and, to the extent available, a comparison to the travel times and travel time reliability prior to implementation of the express toll lanes;

(c) Total express toll lane and total general purpose lane traffic volumes, as well as per lane traffic volumes for each type of lane (i) compared to total express toll lane and total general purpose lane traffic volumes, as well as per lane traffic volumes for each type of lane, on this segment of Interstate 405 prior to implementation of the express toll lanes and (ii) compared to total express toll lane and total general purpose lane traffic volumes, as well as per lane traffic volumes for each type of lane, from month to month since implementation of the express toll lanes; and

(d) Underlying congestion measurements, that is, speeds, that are being used to generate the summary graphs provided, to be

made available in a digital file format.

(3)(a) \$708,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation, \$1,651,000 of the state route number 520 corridor account—state appropriation, \$709,000 of the Tacoma Narrows toll bridge account—state appropriation, and \$932,000 of the Alaskan Way viaduct replacement project account—state appropriation are provided solely for the reappropriation of unspent funds on the new tolling back office system from the 2019-2021 biennium, and are subject to the conditions, limitations, and review provided in section 701 of this act.

(b) The department shall continue to work with the office of financial management, office of the chief information officer, and the transportation committees of the legislature on the project management plan that includes a provision for independent verification and validation of contract deliverables from the successful bidder and a provision for quality assurance that includes reporting independently to the office of the chief information officer on an ongoing basis during system implementation.

(c) The office of financial management shall place the amounts provided in this subsection in unallotted status until the department submits a detailed progress report on the progress of the new tolling back office system. The director of the office of financial management or their designee shall consult with the chairs and ranking members of the transportation committees of the legislature prior to making a decision to allot these funds.

(4) Out of funding appropriated in this section, the department shall contract with the state auditor's office for a performance audit of the department's project to replace its electronic toll collection system. The audit should include an evaluation of the department's project planning, vendor procurement, contract management and project oversight. The final report is to be issued by December 31, 2022. The state auditor will transmit copies of the report to the jurisdictional committees of the legislature and the department.

(5) The department shall make detailed annual reports to the transportation committees of the legislature and the public on the department's web site on the following:

(a) The use of consultants in the tolling program, including the name of the contractor, the scope of work, the type of contract, timelines, deliverables, any new task orders, and any extensions to existing consultant contracts;

(b) The nonvendor costs of administering toll operations, including the costs of staffing the division, consultants, and other personal service contracts required for technical oversight and management assistance, insurance, payments related to credit card processing, transponder purchases and inventory management, facility operations and maintenance, and other miscellaneous nonvendor costs;

(c) The vendor-related costs of operating tolled facilities, including the costs of the customer service center, cash collections on the Tacoma Narrows bridge, electronic payment processing, and toll collection equipment maintenance, renewal, and replacement;

(d) The toll adjudication process, including a summary table for each toll facility that includes:

- (i) The number of notices of civil penalty issued;
- (ii) The number of recipients who pay before the notice becomes a penalty;
- (iii) The number of recipients who request a hearing and the number who do not respond;
- (iv) Workload costs related to hearings;
- (v) The cost and effectiveness of debt collection activities; and
- (vi) Revenues generated from notices of civil penalty; and

(e) A summary of toll revenue by facility on all operating toll facilities and express toll lane systems, and an itemized depiction of the use of that revenue.

(6) During the 2021-2023 fiscal biennium, the department plans to issue a request for proposals as the first stage of a competitive procurement process that will replace the toll equipment and select a new tolling operator for the Tacoma Narrows Bridge. The request for proposals and subsequent competitive procurement must incorporate elements that prioritize the overall goal of lowering costs per transaction for the facility, such as incentives for innovative approaches which result in lower transactional costs, requests for efficiencies on the part of the bidder that lower operational costs, and incorporation of technologies such as self-serve credit card machines or other point-of-payment technologies that lower costs or improve operational efficiencies.

(7) \$19,908,000 of the Alaskan Way viaduct replacement project account—state appropriation is provided solely for the new state route number 99 tunnel toll facility's expected share of collecting toll revenues, operating customer services, and maintaining toll collection systems. The legislature expects to see appropriate reductions to the other toll facility accounts once tolling on the new state route number 99 tunnel toll facility stabilizes and any previously incurred costs for start-up of the new facility are charged back to the Alaskan Way viaduct replacement project account. The office of financial management shall closely monitor the application of the cost allocation model and ensure that the new state route number 99 tunnel toll facility is adequately sharing costs and the other toll facility accounts are not being overspent or subsidizing the new state route number 99 tunnel toll facility.

(8) The department shall submit a plan to the legislature for the Interstate 405 and state route number 167 express toll lanes account detailing how bond proceeds can cover the proposed construction plan on the Interstate 405 and state route number 167 express toll lane corridor outlined on LEAP Transportation Document 2021-1 as developed April 23, 2021, by January 1, 2022.

(9) \$1,516,000 of the state route number 520 corridor account—state appropriation is provided solely for the increased costs of insurance for the state route number 520 floating bridge. The department shall conduct an evaluation of the short and long-term costs and benefits including risk mitigation of self-insurance as compared to the commercial insurance option for the state route number 520 floating bridge, as allowed under the terms of the state route number 520 master bond resolution. By December 15, 2021, the department shall report to the legislature on the results of this evaluation.

(10) As part of the department's 2023-2025 biennial budget request, the department shall update the cost allocation recommendations that assign appropriate costs to each of the toll funds for services provided by relevant Washington state department of transportation programs, the Washington state patrol, and the transportation commission. The recommendations shall be based on updated traffic and toll transaction patterns and other relevant factors.

(11) All amounts provided for operations and maintenance expenses on the SR 520 facility from the state route number 520 corridor account during the 2021-2023 fiscal biennium in this act, up to a maximum of \$59,567,000, are derived from the receipt of federal American rescue plan act of 2021 funds and not toll revenues.

NEW SECTION. Sec. 210. FOR THE DEPARTMENT OF TRANSPORTATION—INFORMATION TECHNOLOGY—PROGRAM C

Transportation Partnership Account—State Appropriation

.....	\$1,377,000
Motor Vehicle Account—State Appropriation	....\$97,026,000
Puget Sound Ferry Operations Account—State Appropriation	..... \$263,000
Multimodal Transportation Account—State Appropriation	..... \$6,986,000
Transportation 2003 Account (Nickel Account)—State Appropriation	..... \$1,393,000
TOTAL APPROPRIATION	.....\$107,045,000

The appropriations in this section are subject to the following conditions and limitations: \$4,273,000 of the multimodal transportation account—state appropriation and \$4,273,000 of the motor vehicle account—state appropriation are provided solely for the department's cost related to the one Washington project, and is subject to the conditions, limitations, and review requirements of section 701 of this act.

NEW SECTION. Sec. 211. FOR THE DEPARTMENT OF TRANSPORTATION—FACILITY MAINTENANCE, OPERATIONS, AND CONSTRUCTION—PROGRAM D—OPERATING

Motor Vehicle Account—State Appropriation	....\$35,574,000
State Route Number 520 Corridor Account—State Appropriation	..... \$34,000
TOTAL APPROPRIATION	.....\$35,608,000

NEW SECTION. Sec. 212. FOR THE DEPARTMENT OF TRANSPORTATION—AVIATION—PROGRAM F

Aeronautics Account—State Appropriation	..... \$8,055,000
Aeronautics Account—Federal Appropriation	.... \$3,916,000
Aeronautics Account—Private/Local Appropriation	. \$60,000
TOTAL APPROPRIATION	.....\$12,031,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$2,888,000 of the aeronautics account—state appropriation is provided solely for the airport aid grant program, which provides competitive grants to public use airports for pavement, safety, maintenance, planning, and security.

(2) \$257,000 of the aeronautics account—state appropriation is provided solely for supporting the commercial aviation coordinating commission, pursuant to section 718 of this act.

(3) \$280,000 of the aeronautics account—state appropriation is provided solely for the implementation of chapter . . . (Substitute House Bill No. 1379), Laws of 2021 (unpiloted aircraft system state coordinator). If chapter . . . (Substitute House Bill No. 1379), Laws of 2021 is not enacted by June 30, 2021, the amount provided in this subsection lapses.

NEW SECTION. Sec. 213. FOR THE DEPARTMENT OF TRANSPORTATION—PROGRAM DELIVERY MANAGEMENT AND SUPPORT—PROGRAM H

Motor Vehicle Account—State Appropriation	....\$59,138,000
Motor Vehicle Account—Federal Appropriation	.... \$500,000
Multimodal Transportation Account—State Appropriation	..... \$758,000
TOTAL APPROPRIATION	.....\$60,396,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The legislature recognizes that the trail known as the Rocky Reach Trail, and its extensions, serve to separate motor vehicle traffic from pedestrians and bicyclists, increasing motor vehicle safety on state route number 2 and the coincident section of state route number 97. Consistent with chapter 47.30 RCW and pursuant to RCW 47.12.080, the legislature declares that transferring portions of WSDOT Inventory Control (IC) No. 2-09-04686 containing the trail and associated buffer areas to the Washington state parks and recreation commission is consistent with the public interest. The legislature directs the department to transfer the property to the Washington state parks and recreation

commission.

(a) The department must be paid fair market value for any portions of the transferred real property that is later abandoned, vacated, or ceases to be publicly maintained for trail purposes.

(b) Prior to completing the transfer in this subsection (1), the department must ensure that provisions are made to accommodate private and public utilities and any facilities that predate the department's acquisition of the property, at no cost to those entities. Prior to completing the transfer, the department shall also ensure that provisions, by fair market assessment, are made to accommodate other private and public utilities and any facilities that have been legally allowed by permit or other instrument.

(c) The department may sell any adjoining property that is not necessary to support the Rocky Reach Trail and adjacent buffer areas only after the transfer of trail-related property to the Washington state parks and recreation commission is complete. Adjoining property owners must be given the first opportunity to acquire such property that abuts their property, and applicable boundary line or other adjustments must be made to the legal descriptions for recording purposes.

(2) With respect to Parcel 12 of the real property conveyed by the state of Washington to the city of Mercer Island under that certain quitclaim deed, dated April 19, 2000, recorded in King county under recording no. 20000425001234, the requirement in the deed that the property be used for road/street purposes only will be deemed satisfied by the department of transportation so long as commuter parking, as part of the vertical development of the property, is one of the significant uses of the property.

(3) \$1,600,000 of the motor vehicle account—state appropriation is provided solely for real estate services activities. Consistent with RCW 47.12.120 and during the 2021-2023 fiscal biennium, when initiating, extending, or renewing any rent or lease agreements with a regional transit authority, consideration of value must be equivalent to one hundred percent of economic or market rent.

(4) The department shall report to the transportation committees of the legislature by December 1, 2021, on the status of its efforts to consolidate franchises for broadband facilities across the state, including plans for increasing the number of consolidated franchises in the future.

(5) During the 2021-2023 biennium, if the department takes possession of the property situated in the city of Edmonds for which a purchase agreement was executed between Unocal and the department in 2005 (Tax Parcel Number 262703-2-003-0009), and if the department confirms that the property is still no longer needed for transportation purposes, the department shall provide the city of Edmonds with the right of first purchase at fair market value in accordance with RCW 47.12.063(3) for the city's intended use of the property to rehabilitate near-shore habitat for salmon and related species.

(6) \$300,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Substitute House Bill No. 1355), Laws of 2021 (noxious weeds). If chapter . . . (Substitute House Bill No. 1355), Laws of 2021 (noxious weeds) is not enacted by June 30, 2021, the amount provided in this subsection lapses.

(7) \$500,000 of the multimodal transportation account—state appropriation is provided solely for the implementation of chapter . . . (Engrossed Second Substitute Senate Bill No. 5141), Laws of 2021 (environmental justice task force). If chapter . . . (Engrossed Second Substitute Senate Bill No. 5141), Laws of 2021 (environmental justice task force) is not enacted by June 30, 2021, the amount provided in this subsection lapses.

NEW SECTION. Sec. 214. FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC-PRIVATE

PARTNERSHIPS—PROGRAM K

Motor Vehicle Account—State Appropriation	\$675,000
Electric Vehicle Account—State Appropriation	\$9,900,000
Multimodal Transportation Account—State Appropriation	\$3,290,000
TOTAL APPROPRIATION	\$13,865,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The public-private partnerships program must continue to explore retail partnerships at state-owned park and ride facilities, as authorized in RCW 47.04.295.

(2) \$8,900,000 of the electric vehicle account—state appropriation is provided solely for the clean alternative fuel vehicle charging and refueling infrastructure program in chapter 287, Laws of 2019 (advancing green transportation adoption).

(3) \$2,400,000 of the multimodal transportation account—state appropriation is provided solely for the pilot program established under chapter 287, Laws of 2019 (advancing green transportation adoption) to provide clean alternative fuel vehicle use opportunities to underserved communities and low to moderate income members of the workforce not readily served by transit or located in transportation corridors with emissions that exceed federal or state emissions standards. Consistent with the geographical diversity element described in RCW 47.04.355(4), the legislature strongly encourages the department to consider implementing the pilot in both urban and rural communities if possible, to obtain valuable information on the needs of underserved communities located in different geographical locations in Washington.

(4) \$1,000,000 of the electric vehicle account—state appropriation and \$500,000 of the multimodal transportation account—state appropriation are provided solely for a colocated DC fast charging and hydrogen fueling station near the Wenatchee or East Wenatchee area near a state route or near or on a publicly owned facility to service passenger, light-duty and heavy-duty vehicles. The hydrogen fueling station must include a DC fast charging station colocated at the hydrogen fueling station site. Funds may be used for one or more fuel cell electric vehicles that would utilize the fueling stations. The department must contract with a public utility district that produces hydrogen in the area to own and/or manage and provide technical assistance for the design, planning, permitting, construction, maintenance and operation of the hydrogen fueling station. The department and public utility district are encouraged to collaborate with and seek contributions from additional public and private partners for the fueling station.

(5) \$140,000 of the multimodal transportation account—state appropriation is provided solely for the purpose of conducting an assessment of options for the development, including potential features and costs, for a publicly available mapping and forecasting tool that provides locations and essential information of charging and refueling infrastructure to support forecasted levels of electric vehicle adoption, travel, and usage across Washington state as described in chapter . . . (Engrossed Second Substitute House Bill No. 1287), Laws of 2021 (preparedness for a zero emissions transportation future).

(6) \$250,000 of the multimodal transportation account—state appropriation is provided solely to fund the design of an electric charging mega-site project at Mount Vernon library commons.

NEW SECTION. Sec. 215. FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE—PROGRAM M

Motor Vehicle Account—State Appropriation ..	\$496,925,000
Motor Vehicle Account—Federal Appropriation .	\$7,000,000
State Route Number 520 Corridor Account—State	

Appropriation	\$4,082,000
Tacoma Narrows Toll Bridge Account—State	
Appropriation	\$1,479,000
Alaskan Way Viaduct Replacement Project	
Account—State Appropriation	\$8,157,000
Interstate 405 and State Route Number 167 Express	
Toll Lanes Account—State Appropriation	\$2,545,000
TOTAL APPROPRIATION.....	\$520,188,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$7,529,000 of the motor vehicle account—state appropriation is provided solely for utility fees assessed by local governments as authorized under RCW 90.03.525 for the mitigation of stormwater runoff from state highways. Plan and reporting requirements as required in chapter 435, Laws of 2019 (Local Stormwater Charges) shall be consistent with the January 2012 findings of the Joint Transportation Committee Report for Effective Cost Recovery Structure for WSDOT, Jurisdictions, and Efficiencies in Stormwater Management.

(2) \$5,000,000 of the motor vehicle account—state appropriation is provided solely for a contingency pool for snow and ice removal. The department must notify the office of financial management and the transportation committees of the legislature when they have spent the base budget for snow and ice removal and will begin using the contingency pool funding.

(3) \$1,025,000 of the motor vehicle account—state appropriation is provided solely for the department to implement safety improvements and debris clean up on department-owned rights-of-way in the city of Seattle at levels above that being implemented as of January 1, 2019, to be administered in conjunction with subsection (9) of this section. The department must maintain a crew dedicated solely to collecting and disposing of garbage, clearing debris or hazardous material, and implementing safety improvements where hazards exist to the traveling public, department employees, or people encamped upon department-owned rights-of-way. The department may request assistance from the Washington state patrol as necessary in order for both agencies to provide enhanced safety-related activities regarding the emergency hazards along state highway rights-of-way in the Seattle area.

(4) \$1,015,000 of the motor vehicle account—state appropriation is provided solely for a partnership program between the department and the city of Tacoma, to be administered in conjunction with subsection (9) of this section. The program shall address the safety and public health problems created by homeless encampments on the department's property along state highways within the city limits. \$570,000 is for dedicated department maintenance staff and associated clean-up costs. The department and the city of Tacoma shall enter into a reimbursable agreement to cover up to \$445,000 of the city's expenses for clean-up crews and landfill costs.

(5) The department must continue a pilot program for the 2021-2023 fiscal biennium at the four highest demand safety rest areas to create and maintain an online calendar for volunteer groups to check availability of weekends for the free coffee program. The calendar must be updated at least weekly and show dates and times that are, or are not, available to participate in the free coffee program. The department must submit a report to the legislature on the ongoing pilot by December 1, 2022, outlining the costs and benefits of the online calendar pilot, and including surveys from the volunteer groups and agency staff to determine its effectiveness.

(6) \$686,000 of the motor vehicle account—state appropriation is provided solely for reimbursing the Oregon department of transportation (ODOT) for the department's share of increased maintenance costs of six highway bridges over the Columbia

River that are maintained by ODOT.

(7) \$8,290,000 of the motor vehicle account—state appropriation is provided solely for increased costs of highway maintenance materials.

(8) \$5,816,000 of the motor vehicle account—state appropriation is provided solely for a contingency pool for repairing damages to highways caused by known and unknown third parties. The department must notify the office of financial management and the transportation committees of the legislature when they have spent the base budget for third-party damage repair and will begin using the contingency pool funding.

(9)(a) \$3,000,000 of the motor vehicle account—state appropriation is provided solely for the department to address the risks to safety and public health associated with homeless encampments on department owned rights-of-way. The department must coordinate and work with local government officials and social service organizations who provide services and direct people to housing alternatives that are not in highway rights-of-way to help prevent future encampments from forming on highway rights-of-way, and may reimburse the organizations doing this outreach assistance who transition people into treatment or housing that is not on the rights-of-way or for debris clean up on highway rights-of-way. The department may hire crews specializing in collecting and disposing of garbage, clearing debris or hazardous material, and implementing safety improvements where hazards exist to the traveling public and department employees. The department may use these funds to either reimburse local law enforcement costs or the Washington state patrol if they are participating as part of a state or local government agreement to provide enhanced safety related activities along state highway rights-of-way.

(b) Beginning October 1, 2021, and semiannually thereafter, the Washington state patrol and the department of transportation must jointly submit a report to the governor and the house and senate transportation committees of the legislature on the status of these efforts, including:

(i) A detailed breakout of the size, location, risk level categorization, and number of encampments on or near department-owned rights-of-way, compared to the levels during the quarter being reported;

(ii) A summary of the activities in that quarter related to addressing these encampments, including information on arrangements with local governments or other entities related to these activities;

(iii) A description of the planned activities in the ensuing quarter to further address the emergency hazards and risks along state highway rights-of-way; and

(iv) Recommendations for executive branch or legislative action to achieve the desired outcome of reduced emergency hazards and risks along state highway rights-of-way.

NEW SECTION. Sec. 216. FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q—OPERATING

Motor Vehicle Account—State Appropriation	\$74,406,000
Motor Vehicle Account—Federal Appropriation	\$2,050,000
Motor Vehicle Account—Private/Local Appropriation	\$250,000
State Route Number 520 Corridor Account—State	
Appropriation	\$225,000
Tacoma Narrows Toll Bridge Account—State	
Appropriation	\$40,000
Alaskan Way Viaduct Replacement Project Account—	
State Appropriation	\$1,112,000
Interstate 405 and State Route Number 167 Express	
Toll Lanes Account—State Appropriation	\$20,000
TOTAL APPROPRIATION	\$78,103,000

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The appropriations in this section are subject to the following conditions and limitations:

(1) \$6,000,000 of the motor vehicle account—state appropriation is provided solely for low-cost enhancements. The department shall give priority to low-cost enhancement projects that improve safety or provide congestion relief. By December 15th of each odd-numbered year, the department shall provide a report to the legislature listing all low-cost enhancement projects completed in the prior fiscal biennium.

(2)(a) During the 2021-2023 fiscal biennium, the department shall continue a pilot program that expands private transportation providers' access to high occupancy vehicle lanes. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, the following vehicles must be authorized to use the reserved portion of the highway if the vehicle has the capacity to carry eight or more passengers, regardless of the number of passengers in the vehicle: (i) Auto transportation company vehicles regulated under chapter 81.68 RCW; (ii) passenger charter carrier vehicles regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; (iii) private nonprofit transportation provider vehicles regulated under chapter 81.66 RCW; and (iv) private employer transportation service vehicles. For purposes of this subsection, "private employer transportation service" means regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees. Nothing in this subsection is intended to authorize the conversion of public infrastructure to private, for-profit purposes or to otherwise create an entitlement or other claim by private users to public infrastructure.

(b) The department shall expand the high occupancy vehicle lane access pilot program to vehicles that deliver or collect blood, tissue, or blood components for a blood-collecting or distributing establishment regulated under chapter 70.335 RCW. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, blood-collecting or distributing establishment vehicles that are clearly and identifiably marked as such on all sides of the vehicle are considered emergency vehicles and must be authorized to use the reserved portion of the highway.

(c) The department shall expand the high occupancy vehicle lane access pilot program to organ transport vehicles transporting a time urgent organ for an organ procurement organization as defined in RCW 68.64.010. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, organ transport vehicles that are clearly and identifiably marked as such on all sides of the vehicle are considered emergency vehicles and must be authorized to use the reserved portion of the highway.

(d) The department shall expand the high occupancy vehicle lane access pilot program to private, for hire vehicles regulated under chapter 81.72 RCW that have been specially manufactured, designed, or modified for the transportation of a person who has a mobility disability and uses a wheelchair or other assistive device. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, wheelchair-accessible taxicabs that are clearly and identifiably marked as such on all sides of the vehicle are considered public transportation vehicles and must be authorized to use the reserved portion of the highway.

(e) The department shall expand the high occupancy vehicle lane access pilot program to for hire nonemergency medical transportation vehicles, when in use for medical purposes, as described in section 208 of this act. Under the pilot program,

when the department reserves a portion of a highway based on the number of passengers in a vehicle, nonemergency medical transportation vehicles that meet the requirements identified in section 208 of this act must be authorized to use the reserved portion of the highway.

(f) Nothing in this subsection (2) is intended to exempt these vehicles from paying tolls when they do not meet the occupancy requirements established by the department for express toll lanes.

NEW SECTION. Sec. 217. FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S

Motor Vehicle Account—State Appropriation	....	\$37,361,000
Motor Vehicle Account—Federal Appropriation	....	\$780,000
Motor Vehicle Account—Private/Local Appropriation	.....	\$500,000
Multimodal Transportation Account—State		
Appropriation	.....	\$5,129,000
State Route Number 520 Corridor Account—State		
Appropriation	.....	\$186,000
Tacoma Narrows Toll Bridge Account—State		
Appropriation	.....	\$150,000
Alaskan Way Viaduct Replacement Project Account—		
State Appropriation	.....	\$121,000
Interstate 405 and State Route Number 167 Express		
Toll Lanes Account—State Appropriation	.....	\$77,000
TOTAL APPROPRIATION	.....	\$44,304,000

The appropriations in this section are subject to the following conditions and limitations: \$4,000,000 of the multimodal transportation account—state appropriation is provided solely for efforts to increase diversity in the transportation construction workforce through: (1) The preapprenticeship support services (PASS) program, which aims to increase diversity in the highway construction workforce and prepare individuals interested in entering the highway construction workforce. In addition to the services allowed by RCW 47.01.435, the PASS program may provide housing assistance for youth aging out of the foster care and juvenile rehabilitation systems in order to support the participation of these youth in a transportation-related preapprenticeship program; (2) assisting minority and women-owned businesses to perform work in the highway construction industry. This assistance shall include technical assistance, business training, counseling, guidance, prime to subcontractor relationship building, and a capacity building mentorship program. At a minimum, \$1,000,000 of the total appropriation in this subsection shall be directed toward the efforts outlined in subsection (2) of this section. The provider(s) chosen to complete the work in this subsection shall be selected through a competitive bidding process. The program shall be administered by the Washington state department of transportation's office of equal opportunity.

NEW SECTION. Sec. 218. FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION PLANNING, DATA, AND RESEARCH—PROGRAM T

Motor Vehicle Account—State Appropriation	....	\$27,057,000
Motor Vehicle Account—Federal Appropriation	....	\$34,865,000
Motor Vehicle Account—Private/Local Appropriation	.....	\$400,000
Multimodal Transportation Account—State Appropriation	.....	\$919,000
Multimodal Transportation Account—Federal		
Appropriation	.....	\$2,809,000
Multimodal Transportation Account—Private/Local		
Appropriation	.....	\$100,000
State Route Number 520 Corridor Account—State		
Appropriation	.....	\$406,000

Interstate 405 and State Route Number 167 Express Toll Lanes Account—State Appropriation	\$2,879,000
TOTAL APPROPRIATION.....	\$69,435,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$4,080,000 of the motor vehicle account—federal appropriation is provided solely for the Forward Drive road usage charge research project overseen by the transportation commission using a portion of the amount of the federal grant award. The purpose of the Forward Drive road usage charge research project is to advance research in key policy areas related to road usage charge including assessing impacts of future mobility shifts on road usage charge revenues, conducting an equity analysis, updating and assessing emerging mileage reporting methods, determining opportunities to reduce cost of collection, conducting small-scale pilot tests, and identifying a long-term, detailed phase-in plan.

(2) \$2,879,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation is provided solely for completion of updating the state route number 167 master plan.

(3) \$250,000 of the multimodal transportation account—state appropriation is provided solely for the department to partner with the department of commerce in developing vehicle miles traveled targets for the counties in Washington state with (a) a population density of at least 100 people per square mile and a population of at least 200,000; or (b) a population density of at least 75 people per square mile and an annual growth rate of at least 1.75 percent as determined by the office of financial management. Given land use patterns are key factors in travel demand and should be taken into consideration when developing the targets, the department and the department of commerce shall partner with local jurisdictions, regional transportation planning organizations and other stakeholders to inventory existing laws and rules that promote transportation and land use, identify gaps and make recommendations for changes in laws, rules and agency guidance, and establish a framework for considering underserved and rural communities in the evaluation. The department and the department of commerce shall provide an initial technical report by December 31, 2021, an interim report by June 22, 2022, and a final report to the governor and appropriate committees of the legislature by June 30, 2023, that includes a process for establishing vehicle miles traveled reduction targets, a recommended suite of options for local jurisdictions to achieve the targets, and funding requirements for state and local jurisdictions.

(4) \$406,000 of the state route number 520 corridor account—state appropriation is provided solely for the department to contract with the University of Washington department of mechanical engineering, to study measures to reduce noise impacts from the state route number 520 bridge expansion joints. The field testing shall be scheduled during existing construction, maintenance, or other scheduled closures to minimize impacts. The testing must also ensure safety of the traveling public. The study shall examine testing methodologies and project timelines and costs. A final report must be submitted to the transportation committees of the legislature and the governor by March 1, 2022.

(5) \$5,900,000 of the motor vehicle account—federal appropriation and \$400,000 of the motor vehicle account—private/local appropriation are provided solely for delivery of the department's state planning and research work program and pooled fund research projects, provided that the department may not expend any amounts provided in this section on a long-range plan or corridor scenario analysis for I-5 from Tumwater to Marysville. This is not intended to reference or impact: The existing I-5 corridor from Mounts road to Tumwater design and

operations alternatives analysis; design studies related to HOV lanes or operations; or where it is necessary to continue design and operations analysis related to projects already under development.

(6) \$800,000 of the motor vehicle account—state appropriation is provided solely for WSDOT to do a corridor study of SR 302 (Victor Area) to recommend safety and infrastructure improvements to address current damage and prevent future roadway collapse and landslides that have caused road closures.

(7) \$1,000,000 of the motor vehicle account—state appropriation is provided solely for a study on the need for additional connectivity in the area between SR 161, SR 7, SR 507, and I-5 in South Pierce County.

NEW SECTION. Sec. 219. FOR THE DEPARTMENT OF TRANSPORTATION—CHARGES FROM OTHER AGENCIES—PROGRAM U

Aeronautics Account—State Appropriation.....	\$1,000
Transportation Partnership Account—State Appropriation	\$23,000
Motor Vehicle Account—State Appropriation	\$99,515,000
Puget Sound Ferry Operations Account—State Appropriation	\$220,000
State Route Number 520 Corridor Account—State Appropriation.....	\$26,000
Connecting Washington Account—State Appropriation	\$184,000
Multimodal Transportation Account—State Appropriation	\$4,795,000
Tacoma Narrows Toll Bridge Account—State Appropriation	\$19,000
Alaskan Way Viaduct Replacement Project Account—State Appropriation	\$14,000
Interstate 405 and State Route Number 167 Express Toll Lanes Account—State Appropriation.....	\$15,000
TOTAL APPROPRIATION	\$104,812,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Consistent with existing protocol and practices, for any negotiated settlement of a claim against the state for the department that exceeds five million dollars, the department, in conjunction with the attorney general and the department of enterprise services, shall notify the director of the office of financial management and the transportation committees of the legislature.

(2) Beginning October 1, 2021, and semiannually thereafter, the department, in conjunction with the attorney general and the department of enterprise services, shall provide a report with judgments and settlements dealing with the Washington state ferry system to the director of the office of financial management and the transportation committees of the legislature. The report must include information on: (a) The number of claims and settlements by type; (b) the average claim and settlement by type; (c) defense costs associated with those claims and settlements; and (d) information on the impacts of moving legal costs associated with the Washington state ferry system into the statewide self-insurance pool.

(3) Beginning October 1, 2021, and semiannually thereafter, the department, in conjunction with the attorney general and the department of enterprise services, shall provide a report with judgments and settlements dealing with the nonferry operations of the department to the director of the office of financial management and the transportation committees of the legislature. The report must include information on: (a) The number of claims and settlements by type; (b) the average claim and settlement by type; and (c) defense costs associated with those claims and settlements.

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(4) When the department identifies significant legal issues that have potential transportation budget implications, the department must initiate a briefing for appropriate legislative members or staff through the office of the attorney general and its legislative briefing protocol.

NEW SECTION. Sec. 220. FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC TRANSPORTATION—PROGRAM V

State Vehicle Parking Account—State	Appropriation	\$784,000
Regional Mobility Grant Program Account—State	Appropriation	\$104,478,000
Rural Mobility Grant Program Account—State	Appropriation	\$33,168,000
Multimodal Transportation Account—State	Appropriation	\$131,150,000
Multimodal Transportation Account—Federal	Appropriation	\$3,574,000
Multimodal Transportation Account—Local	Appropriation	\$100,000
TOTAL APPROPRIATION		\$273,254,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$67,821,000 of the multimodal transportation account—state appropriation is provided solely for a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation. Of this amount:

(a) \$15,568,000 of the multimodal transportation account—state appropriation is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers must be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost effectiveness of trips provided. Fuel type may not be a factor in the grant selection process.

(b) \$52,253,000 of the multimodal transportation account—state appropriation is provided solely for grants to transit agencies to transport persons with special transportation needs. To receive a grant, the transit agency must, to the greatest extent practicable, have a maintenance of effort for special needs transportation that is no less than the previous year's maintenance of effort for special needs transportation. Grants for transit agencies must be prorated based on the amount expended for demand response service and route deviated service in calendar year 2019 as reported in the "Summary of Public Transportation - 2019" published by the department of transportation. No transit agency may receive more than thirty percent of these distributions. Fuel type may not be a factor in the grant selection process.

(2) \$33,168,000 of the rural mobility grant program account—state appropriation is provided solely for grants to aid small cities in rural areas as prescribed in RCW 47.66.100. Fuel type may not be a factor in the grant selection process.

(3) \$2,000,000 of the multimodal transportation account—state appropriation is provided solely for a vanpool grant program for: (a) Public transit agencies to add vanpools or replace vans; and (b) incentives for employers to increase employee vanpool use. The grant program for public transit agencies may cover capital costs only; operating costs for public transit agencies are not eligible for funding under this grant program. Additional employees may not be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. The department shall encourage grant applicants and recipients to leverage funds other than state funds. Fuel type may not be a factor in the grant selection process.

(4) \$26,800,000 of the regional mobility grant program account—state appropriation is reappropriated and provided solely for the regional mobility grant projects identified in LEAP Transportation Document 2021-2 ALL PROJECTS as developed April 23, 2021, Program - Public Transportation Program (V).

(5)(a) \$77,679,000 of the regional mobility grant program account—state appropriation is provided solely for the regional mobility grant projects identified in LEAP Transportation Document 2021-2 ALL PROJECTS as developed April 23, 2021, Program - Public Transportation Program (V). The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, must be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and any remaining funds must be used only to fund projects identified in the LEAP transportation document referenced in this subsection. The department shall provide annual status reports on December 15, 2021, and December 15, 2022, to the office of financial management and the transportation committees of the legislature regarding the projects receiving the grants. It is the intent of the legislature to appropriate funds through the regional mobility grant program only for projects that will be completed on schedule. A grantee may not receive more than twenty-five percent of the amount appropriated in this subsection. Additionally, when allocating funding for the 2023-2025 biennium, no more than thirty percent of the total grant program may directly benefit or support one grantee. The department shall not approve any increases or changes to the scope of a project for the purpose of a grantee expending remaining funds on an awarded grant. Fuel type may not be a factor in the grant selection process.

(b) In order to be eligible to receive a grant under (a) of this subsection during the 2021-2023 fiscal biennium, a transit agency must establish a process for private transportation providers to apply for the use of park and ride facilities. For purposes of this subsection, (i) "private transportation provider" means: An auto transportation company regulated under chapter 81.68 RCW; a passenger charter carrier regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; a private nonprofit transportation provider regulated under chapter 81.66 RCW; or a private employer transportation service provider; and (ii) "private employer transportation service" means regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees.

(6) Funds provided for the commute trip reduction (CTR) program may also be used for the growth and transportation efficiency center program.

(7) \$6,500,000 of the multimodal transportation account—state appropriation and \$784,000 of the state vehicle parking account—state appropriation are provided solely for CTR grants and activities. Fuel type may not be a factor in the grant selection process. Of this amount:

(a) \$30,000 of the state vehicle parking account—state appropriation is provided solely for the STAR pass program for state employees residing in Mason and Grays Harbor Counties. Use of the pass is for public transportation between Mason County and Thurston County, and Grays Harbor and Thurston County. The pass may also be used within Grays Harbor County. The STAR pass commute trip reduction program is open to any state employee who expresses intent to commute to his or her assigned state worksite using a public transit system currently

participating in the STAR pass program.

(b) \$800,000 of the multimodal transportation account—state appropriation is provided solely for continuation of the first mile/last mile connections grant program. Eligible grant recipients include cities, businesses, nonprofits, and transportation network companies with first mile/last mile solution proposals. Transit agencies are not eligible. The commute trip reduction board shall develop grant parameters, evaluation criteria, and evaluate grant proposals. The commute trip reduction board shall provide the transportation committees of the legislature a report on the effectiveness of this grant program and best practices for continuing the program.

(8) Except as provided otherwise in this subsection, \$28,263,000 of the multimodal transportation account—state appropriation is provided solely for connecting Washington transit projects identified in LEAP Transportation Document 2021-2 ALL PROJECTS as developed April 23, 2021. It is the intent of the legislature that entities identified to receive funding in the LEAP document referenced in this subsection receive the amounts specified in the time frame specified in that LEAP document. If an entity has already completed a project in the LEAP document referenced in this subsection before the time frame identified, the entity may substitute another transit project or projects that cost a similar or lesser amount.

(9) The department shall not require more than a ten percent match from nonprofit transportation providers for state grants.

(10) \$21,858,000 of the multimodal transportation account—state appropriation is provided solely for the green transportation capital grant program established in chapter 287, Laws of 2019 (advancing green transportation adoption).

(11) \$555,000 of the multimodal transportation account—state appropriation is provided solely for an interagency transfer to the Washington State University extension energy program to establish and administer a technical assistance and education program for public agencies on the use of alternative fuel vehicles. The Washington State University extension energy program shall prepare a report regarding the utilization of the program and provide this report to the transportation committees of the legislature by November 15, 2021.

(12) The department must provide telework assistance to employers as part of its CTR activities. The objectives of telework assistance include improving transportation system performance, supporting economic vitality, and increasing equity and access to opportunity.

(13) \$150,000 of the multimodal transportation account—state appropriation is provided solely for Intercity Transit for the Dash shuttle program.

NEW SECTION. Sec. 221. FOR THE DEPARTMENT OF TRANSPORTATION—MARINE—PROGRAM X

Puget Sound Ferry Operations Account—State	
Appropriation	\$416,614,000
Puget Sound Ferry Operations Account—Federal	
Appropriation	\$124,000,000
Puget Sound Ferry Operations Account—Private/Local	
Appropriation	\$121,000
TOTAL APPROPRIATION.....	\$540,735,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The office of financial management budget instructions require agencies to recast enacted budgets into activities. The Washington state ferries shall include a greater level of detail in its 2021-2023 supplemental and 2023-2025 omnibus transportation appropriations act requests, as determined jointly by the office of financial management, the Washington state ferries, and the transportation committees of the legislature. This level of detail must include the administrative functions in the

operating as well as capital programs. The data in the tables in the report must be supplied in a digital file format.

(2) For the 2021-2023 fiscal biennium, the department may enter into a distributor controlled fuel hedging program and other methods of hedging approved by the fuel hedging committee, which must include a representative of the department of enterprise services.

(3) \$17,000,000 of the Puget Sound ferry operations account—federal appropriation and \$53,794,000 of the Puget Sound ferry operations account—state appropriation are provided solely for auto ferry vessel operating fuel in the 2021-2023 fiscal biennium, which reflect cost savings from a reduced biodiesel fuel requirement and, therefore, is contingent upon the enactment of section 703 of this act. The amount provided in this subsection represents the fuel budget for the purposes of calculating any ferry fare fuel surcharge. The department shall review future use of alternative fuels and dual fuel configurations, including hydrogen.

(4) \$500,000 of the Puget Sound ferry operations account—state appropriation is provided solely for operating costs related to moving vessels for emergency capital repairs. Funds may only be spent after approval by the office of financial management.

(5) \$2,400,000 of the Puget Sound ferry operations account—state appropriation is provided solely for staffing and overtime expenses incurred by engine and deck crewmembers. The department must provide updated staffing cost estimates for fiscal years 2022 and 2023 with its annual budget submittal and updated estimates by January 1, 2022.

(6) \$688,000 of the Puget Sound ferry operations account—state appropriation is provided solely for new employee training. The department must work to increase its outreach and recruitment of populations underrepresented in maritime careers and continue working to expand apprenticeship and internship programs, with an emphasis on programs that are shown to improve recruitment for positions with the state ferry system.

(7) The department must request reimbursement from the federal transit administration for the maximum amount of ferry operating expenses eligible for reimbursement under federal law.

(8) \$1,978,000 of the Puget Sound ferry operations account—state appropriation is provided solely for restoration of service to reflect increased ridership, availability of crewing and available revenues. Expenditures may be made to resume service to Sidney, British Columbia, including any service to the San Juans; to provide Saturday service on the Fauntleroy-Vashon-Southworth route; and to resume late night service on other routes in the system.

(9) Within amounts provided in this section, the department shall contract with uniformed officers for additional traffic control assistance at the Kingston ferry terminal during peak ferry travel times, with a particular focus on Sundays and holiday weekends. Traffic control methods should include, but not be limited to, holding traffic on the shoulder at Lindvog Road until space opens for cars at the tollbooths and dock, and management of traffic on Highway 104 in order to ensure Kingston residents and business owners have access to businesses, roads, and driveways.

(10) \$336,000 of the Puget Sound ferry operations account—state appropriation is provided solely for evacuation slide training.

(11) \$336,000 of the Puget Sound ferry operations account—state appropriation is provided solely for fall restraint labor and industries inspections.

(12) \$735,000 of the Puget Sound ferry operations account—state appropriation is provided solely for familiarization for new assignments of engine crew and terminal staff.

(13) \$160,000 of the Puget Sound ferry operations account—

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state appropriation is provided solely for electronic navigation training.

NEW SECTION. Sec. 222. FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y—OPERATING

Multimodal Transportation Account—State	
Appropriation	\$80,704,000
Multimodal Transportation Account—Private/Local	
Appropriation	\$46,000
Multimodal Transportation Account—Federal	
Appropriation	\$500,000
TOTAL APPROPRIATION.....	\$81,250,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department is directed to continue to pursue efforts to reduce costs, increase ridership, and review Amtrak Cascades fares and fare schedules. Within thirty days of each annual cost/revenue reconciliation under the Amtrak service contract, the department shall report annual credits to the office of financial management and the legislative transportation committees. Annual credits from Amtrak to the department including, but not limited to, credits due to higher ridership, reduced level of service, and fare or fare schedule adjustments, must be used to offset corresponding amounts of the multimodal transportation account—state appropriation, which must be placed in reserve.

(2) Consistent with the ongoing planning and service improvement for the intercity passenger rail program, \$500,000 of the multimodal transportation account—state is provided solely for the Cascades service development plan. This funding is to be used to analyze current and future market conditions and to develop a structured assessment of service options and goals based on anticipated demand and the results of the state and federally required 2019 state rail plan, including identifying implementation alternatives to meet the future service goals for the Amtrak Cascades route. The work must be consistent with federal railroad administration guidance and direction on developing service development plans. It must also leverage the \$500,000 in federal funding appropriated for development of a service development plan and comply with the planning and grant award obligations of the consolidated rail infrastructure and safety improvements (CRISI) program. A status report must be provided to the transportation committees of the legislature by June 30, 2022.

NEW SECTION. Sec. 223. FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z—OPERATING

Motor Vehicle Account—State Appropriation	\$11,954,000
Motor Vehicle Account—Federal Appropriation ..	\$2,567,000
Multiuse Roadway Safety Account—State Appropriation	
.....	\$900,000
TOTAL APPROPRIATION.....	\$15,421,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The entire multiuse roadway safety account—state appropriation is provided solely for grants under RCW 46.09.540, subject to the following limitations:

(a) Twenty-five percent of the amounts provided are reserved for counties that each have a population of fifteen thousand persons or less; and

(b)(i) Seventy-five percent of the amounts provided are reserved for counties that each have a population exceeding fifteen thousand persons; and

(ii) No county that receives a grant or grants under (a) of this subsection may receive more than sixty thousand dollars in total grants.

(2) \$1,023,000 of the motor vehicle account—state appropriation is provided solely for the department, from amounts set aside out of statewide fuel taxes distributed to counties according to RCW 46.68.120(3), to contract with the Washington state association of counties to:

(a) In coordination with stakeholders, identify county-owned fish passage barriers, and assess which barriers share the same stream system as state-owned fish passage barriers;

(b) Streamline and update the county road administration board's data dashboard, county reporting systems, and program management software to provide a more detailed, more transparent, and user-friendly platform for data management, reporting, and research by the public and other interested parties; and

(c) Conduct a study of the use of county road right-of-way as a potential source of revenue for county road operating and maintenance needs with recommendations on their feasibility statewide.

(3)(a) By October 1, 2021, the department must report to the office of financial management and the transportation committees with recommendations regarding:

(i) Modifications to the agreement with Wahkiakum county regarding future state reimbursement for the Wahkiakum ferry operating and maintenance deficit; and

(ii) Cost-sharing models for operating and maintenance costs, which recognize the benefit of the ferry route to both Washington and Oregon.

(b) The reimbursement recommendations must reflect a mutual agreement with Wahkiakum county, which considers future county ferry operating loss projections. The report may address the importance of the ferry route to the state highway system and whether there is a need for an increased role for the state department of transportation in the finance or operation of the ferry route.

TRANSPORTATION AGENCIES—CAPITAL

NEW SECTION. Sec. 301. FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

Freight Mobility Investment Account—State	
Appropriation	\$16,577,000
Freight Mobility Multimodal Account—State	
Appropriation	\$15,195,000
TOTAL APPROPRIATION	\$31,772,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as otherwise provided in this section, the entire appropriations in this section are provided solely for the projects by amount, as listed in the LEAP Transportation Document 2021-2 ALL PROJECTS as developed April 23, 2021, Freight Mobility Strategic Investment Board (FMSIB).

(2) Until directed by the legislature, the board may not initiate a new call for projects.

(3) It is the intent of the legislature to continue to make strategic investments in a statewide freight mobility transportation system with the help of the freight mobility strategic investment board, including projects that mitigate the impact of freight movement on local communities. To that end, and in coordination with WSDOT as it updates its federally-compliant freight plan, the board is directed to identify the highest priority freight investments for the state, across freight modes, state and local jurisdictions, and regions of the state. By December 1, 2021, the board must submit a preliminary report providing a status update on the process and methodology for identifying and prioritizing investments. By December 1, 2022, the board must submit a prioritized list of freight investments that are geographically balanced across the state and can proceed to construction in a

timely manner. The prioritized freight project list for the state portion of national highway freight program funds must first address shortfalls in funding for connecting Washington act projects.

(4)(a) For the 2021-2023 project appropriations, unless otherwise provided in this act, the director of the office of financial management may authorize a transfer of appropriation authority between projects managed by the freight mobility strategic investment board in order for the board to manage project spending and support the efficient and timely delivery of all projects in the program. The office of financial management may authorize a transfer of appropriation authority between projects under the following conditions and limitations:

(i) Transfers from a project may not be made as a result of the reduction of the scope of a project or be made to support increases in the scope of a project;

(ii) Each transfer between projects may only occur if the director of the office of financial management finds that any resulting change will not hinder the completion of the projects on the LEAP Transportation Document 2021-2 ALL PROJECT list;

(iii) Transfers between projects may be made by the board without the formal written approval provided under this subsection (3)(a), provided that the transfer amount does not exceed \$250,000 or 10 percent of the total project, whichever is less. These transfers must be reported to the director of the office of financial management and the chairs of the house of representatives and senate transportation committees; and

(iv) Except for transfers made under (a)(iii) of this subsection, transfers may only be made in fiscal year 2023.

(b) At the time the board submits a request to transfer funds under this section, a copy of the request must be submitted to the chairs and ranking members of the transportation committees of the legislature.

(c) Before approval, the office of financial management shall work with legislative staff of the house of representatives and senate transportation committees to review the requested transfers in a timely manner and consider any concerns raised by the chairs and ranking members of the transportation committees.

(d) No fewer than 10 days after the receipt of a project transfer request, the director of the office of financial management must provide written notification to the board of any decision regarding project transfers, with copies submitted to the transportation committees of the legislature.

NEW SECTION. Sec. 302. FOR THE WASHINGTON STATE PATROL

State Patrol Highway Account—State Appropriation \$4,196,000

The appropriation in this section is subject to the following conditions and limitations:

(1) \$695,000 of the state patrol highway account—state appropriation is provided solely for roof replacement.

(2) \$3,501,000 of the state patrol highway account—state appropriation is provided solely for the following projects:

- (a) \$250,000 for emergency repairs;
- (b) \$350,000 for fuel tank decommissioning;
- (c) \$750,000 for generator and electrical replacement;
- (d) \$195,000 for the exterior envelope of the Yakima office;
- (e) \$466,000 for equipment shelters;
- (f) \$650,000 for the weatherization projects;
- (g) \$200,000 for roof replacements reappropriation; and
- (h) \$640,000 for water and fire suppression systems reappropriation.

(3) The Washington state patrol may transfer funds between projects specified in this subsection to address cash flow requirements. If a project specified in this subsection is completed for less than the amount provided, the remainder may be

transferred to another project specified in this subsection not to exceed the total appropriation provided in this subsection.

NEW SECTION. Sec. 303. FOR THE COUNTY ROAD ADMINISTRATION BOARD

Rural Arterial Trust Account—State Appropriation\$55,028,000
Motor Vehicle Account—State Appropriation \$1,456,000
County Arterial Preservation Account—State
Appropriation\$37,379,000
TOTAL APPROPRIATION\$93,863,000

NEW SECTION. Sec. 304. FOR THE TRANSPORTATION IMPROVEMENT BOARD

Small City Pavement and Sidewalk Account—State
Appropriation \$4,100,000
Transportation Improvement Account—State
Appropriation\$201,000,000
Complete Streets Grant Program Account—State
Appropriation\$14,670,000
TOTAL APPROPRIATION\$219,770,000

The appropriations in this section are subject to the following conditions and limitations: \$2,500,000 of the transportation improvement account—state appropriation is provided solely for the Relight Washington Program. The transportation improvement board shall conduct a comparative analysis of expanding the Relight Washington Program to all cities that are not currently eligible compared to utilizing the same funding amount for other preservation programs administered by the transportation improvement board. If needed to perform this analysis, the transportation improvement board shall gather additional information on the demand and return on investment from a follow up survey to cities currently ineligible for the Relight Washington Program. The transportation improvement board shall report the results of the analysis to the governor and the transportation committees of the legislature by January 1, 2022.

NEW SECTION. Sec. 305. FOR THE DEPARTMENT OF TRANSPORTATION—FACILITIES—PROGRAM D—(DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)—CAPITAL

Motor Vehicle Account—State Appropriation\$10,852,000
Connecting Washington Account—State Appropriation \$3,289,000
TOTAL APPROPRIATION\$14,141,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$3,289,000 of the connecting Washington account—state appropriation is provided solely for a new Olympic region maintenance and administration facility to be located on the department-owned site at the intersection of Marvin Road and 32nd Avenue in Lacey, Washington.

(2)(a) \$4,325,000 of the motor vehicle account—state appropriation is provided solely for payments of a financing contract issued pursuant to chapter 39.94 RCW for the department facility located at 15700 Dayton Ave N in Shoreline.

(b) Payments from the department of ecology pursuant to the agreement with the department to pay a share of the financing contract in (a) of this subsection must be deposited into the motor vehicle account.

NEW SECTION. Sec. 306. FOR THE DEPARTMENT OF TRANSPORTATION—IMPROVEMENTS—PROGRAM I

Transportation 2003 Account (Nickel Account)—State
Appropriation \$149,000
Transportation Partnership Account—State
Appropriation\$119,053,000
Motor Vehicle Account—State Appropriation\$89,717,000

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Motor Vehicle Account—Federal Appropriation	\$388,903,000
Coronavirus State Fiscal Recovery Fund—Federal Appropriation	\$400,000,000
Motor Vehicle Account—Private/Local Appropriation	\$48,628,000
Connecting Washington Account—State Appropriation	\$2,881,033,000
Special Category C Account—State Appropriation	\$105,363,000
Multimodal Transportation Account—State Appropriation	\$10,784,000
State Route Number 520 Corridor Account—State Appropriation	\$15,940,000
Interstate 405 and State Route Number 167 Express Toll Lanes Account—State Appropriation	\$30,308,000
TOTAL APPROPRIATION	\$4,089,878,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account—state appropriation and the entire transportation partnership account—state appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2021-1 as developed April 23, 2021, Program - Highway Improvements Program (I). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 601 of this act.

(2) Except as provided otherwise in this section, the entire motor vehicle account—state appropriation and motor vehicle account—federal appropriation are provided solely for the projects and activities listed in LEAP Transportation Document 2021-2 ALL PROJECTS as developed April 23, 2021, Program - Highway Improvements Program (I). Any federal funds gained through efficiencies, adjustments to the federal funds forecast, or the federal funds redistribution process must then be applied to highway and bridge preservation activities or fish passage barrier corrections (OBI4001).

(3) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act. Ten days prior to any transfer, the department must submit its request to the office of financial management and the transportation committees of the legislature and consider any concerns raised. The department shall submit a report on fiscal year funds transferred in the prior fiscal year using this subsection as part of the department's annual budget submittal.

(4) The connecting Washington account—state appropriation includes up to \$2,230,636,000 in proceeds from the sale of bonds authorized in RCW 47.10.889.

(5) The special category C account—state appropriation includes up to \$82,475,000 in proceeds from the sale of bonds authorized in RCW 47.10.812.

(6) The transportation partnership account—state appropriation includes up to \$28,411,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

(7) \$60,450,000 of the transportation partnership account—state appropriation, \$2,258,000 of the motor vehicle account—private/local appropriation, and \$984,000 of the multimodal transportation account—state appropriation are provided solely for the SR 99/Alaskan Way Viaduct Replacement project (809936Z). It is the intent of the legislature that any legal damages paid to the state as a result of a lawsuit related to contractual

provisions for construction and delivery of the Alaskan Way viaduct replacement project be used to repay project cost increases paid from the transportation partnership account—state funds.

(8) \$193,699,000 of the connecting Washington account—state appropriation is provided solely for the US 395 North Spokane Corridor project (M00800R).

(9)(a) \$14,827,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation is provided solely for the I-405/SR 522 to I-5 Capacity Improvements project (L2000234) for activities related to adding capacity on Interstate 405 between state route number 522 and Interstate 5, with the goals of increasing vehicle throughput and aligning project completion with the implementation of bus rapid transit in the vicinity of the project.

(b) The department may advance the I-405/SR 522 to I-5 Capacity Improvements project (L2000234) and construct the project earlier than is scheduled in the LEAP transportation document referenced in subsection (2) of this section if additional funding is identified and submitted through the existing unanticipated receipts process by September 1, 2021. The department and the state treasurer shall pursue alternatives to toll revenue funding including but not limited to federal loan and grant programs. The department shall explore phasing and modifying the project to attempt to align project completion with the anticipated deployment of bus rapid transit on the corridor in the 2023-2025 biennium. The department shall report back to the transportation committees of the legislature on this work by September 15, 2021.

(10)(a) \$492,349,000 of the connecting Washington account—state appropriation and \$355,000 of the motor vehicle account—private/local appropriation are provided solely for the SR 520 Seattle Corridor Improvements - West End project (M00400R).

(b) Upon completion of the Montlake Phase of the West End project (current anticipated contract completion of 2023), the department shall sell that portion of the property not used for permanent transportation improvements and initiate a process to convey that surplus property to a subsequent owner.

(11) \$382,880,000 of the connecting Washington account—state appropriation, \$4,800,000 of the multimodal transportation account—state appropriation, \$17,869,000 of the motor vehicle account—private/local appropriation, and \$82,165,000 of the motor vehicle account—federal appropriation are provided solely for the SR 167/SR 509 Puget Sound Gateway project (M00600R).

(a) Any savings on the project must stay on the Puget Sound Gateway corridor until the project is complete.

(b) In making budget allocations to the Puget Sound Gateway project, the department shall implement the project's construction as a single corridor investment. The department shall continue to collaborate with the affected stakeholders as it implements the corridor construction and implementation plan for state route number 167 and state route number 509. Specific funding allocations must be based on where and when specific project segments are ready for construction to move forward and investments can be best optimized for timely project completion. Emphasis must be placed on avoiding gaps in fund expenditures for either project.

(c) It is the legislature's intent that the department shall construct a full single-point urban interchange at the junction of state route number 161 (Meridian avenue) and state route number 167 and a full directional interchange at the junction of state route number 509 and 188th Street. If the department receives additional funds from an outside source for this project after the base project is fully funded, the funds must first be applied toward the completion of these two interchanges.

(d) Of the amounts provided in this subsection, \$2,300,000 of the multimodal transportation account—state appropriation is provided solely for the design phase of the Puyallup to Tacoma multiuse trail along the SR 167 right-of-way acquired for the project to connect a network of new and existing trails from Mount Rainier to Point Defiance Park.

(e) Of the amounts provided in this subsection, \$2,500,000 of the multimodal transportation account—state appropriation is provided solely for segment 2 of the state route number 167 completion project shared-use path to provide connections to the interchange of state route number 167 at 54th to the intersection of state route number 509 and Taylor Way in Tacoma.

(12)(a) \$26,928,000 of the motor vehicle account—state appropriation and \$1,671,000 of the motor vehicle account—private/local appropriation are provided solely to support a project office and the continued work toward the I-5 Interstate Bridge Replacement project (L2000370).

(b) The project office must also study the possible different governance structures for a bridge authority that would provide for the joint administration of the bridges over the Columbia river between Oregon and Washington. As part of this study, the project office must examine the feasibility and necessity of an interstate compact in conjunction with the national center for interstate compacts.

(c) During the 2021-2023 biennium, the department shall have as a goal to:

(i) Conduct all work necessary to prepare and publish a draft SEIS;

(ii) Coordinate with regulatory agencies to begin the process of obtaining environmental approvals and permits;

(iii) Identify a locally preferred alternative; and

(iv) Begin preparing a final SEIS.

The department shall aim to provide progress reports on these activities to the governor and the transportation committees of the legislature by December 1, 2021, June 1, 2022, and December 1, 2022.

(13)(a) \$400,000,000 of the coronavirus state fiscal recovery fund—federal appropriation, \$529,577,000 of the connecting Washington account—state appropriation, \$194,959,000 of the motor vehicle account—federal appropriation, and \$1,849,000 of the motor vehicle account—state appropriation are provided solely for the Fish Passage Barrier Removal project (OBI4001) with the intent of fully complying with the federal *U.S. v. Washington* court injunction by 2030. Of the amounts provided in this subsection, \$400,000,000 of the connecting Washington account—state appropriation must be initially placed in unallotted status during the 2021-2023 fiscal biennium, and may only be released by the office of financial management for allotment by the department if it is determined that the Fish Passage Barrier Removal project (OBI4001) is not an eligible use of amounts received by the state pursuant to the federal American rescue plan act of 2021.

(b) The department shall coordinate with the Brian Abbott fish passage barrier removal board to use a watershed approach by replacing both state and local culverts guided by the principle of providing the greatest fish habitat gain at the earliest time. The department shall deliver high habitat value fish passage barrier corrections that it has identified, guided by the following factors: Opportunity to bundle projects, tribal priorities, ability to leverage investments by others, presence of other barriers, project readiness, culvert conditions, other transportation projects in the area, and transportation impacts. The department and Brian Abbott fish barrier removal board must provide updates on the implementation of the statewide culvert remediation plan to the legislature by November 1, 2021, and June 1, 2022.

(c) The department must keep track of, for each barrier

removed: (i) The location; (ii) the amount of fish habitat gain; and (iii) the amount spent to comply with the injunction.

(d) Of the amount provided in this subsection, \$142,923,000 of the motor vehicle account—federal appropriation reflects the department's portion of the unrestricted funds from the coronavirus response and relief supplemental appropriations act of 2021. If the final amount from this act changes while the legislature is not in session, the department shall follow the existing unanticipated receipt process and adjust the list referenced in subsection (1) of this section accordingly, supplanting state funds with federal funds if possible as directed in section 601 of this act.

(14) \$14,669,000 of the connecting Washington account—state appropriation and \$3,037,000 of the motor vehicle account—private/local appropriation are provided solely for the I-90/Barker to Harvard – Improve Interchanges & Local Roads project (L2000122). The connecting Washington account appropriation for the improvements that fall within the city of Liberty Lake may only be expended if the city of Liberty Lake agrees to cover any project costs within the city of Liberty Lake above the \$20,900,000 of state appropriation provided for the total project on the list referenced in subsection (1) of this section.

(15) \$15,189,000 of the motor vehicle account—federal appropriation, \$259,000 of the motor vehicle account—state appropriation, and \$15,481,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation are provided solely for the SR 167/SR 410 to SR 18 - Congestion Management project (316706C).

(16) \$18,914,000 of the Special Category C account—state appropriation is provided solely for the SR 18 Widening - Issaquah/Hobart Rd to Raging River project (L1000199) for improving and widening state route number 18 to four lanes from Issaquah-Hobart Road to Raging River.

(17) \$1,000,000 of the connecting Washington account—state appropriation is provided solely for the North Lewis County transportation study. The study shall examine new, alternate routes for vehicular and truck traffic at the Harrison interchange (Exit 82) in North Centralia and shall allow for a site and configuration to be selected and feasibility to be conducted for final design, permitting, and construction of the I-5/North Lewis county Interchange project (L2000204).

(18) \$1,090,000 of the motor vehicle account—state appropriation is provided solely for the US 101/East Sequim Corridor Improvements project (L2000343).

(19) \$12,139,000 of the motor vehicle account—state appropriation and \$9,104,000 of the connecting Washington account—state appropriation are provided solely for the SR 522/Paradise Lk Rd Interchange & Widening on SR 522 (Design/Engineering) project (NPARADI).

(20) \$1,378,000 of the motor vehicle account—federal appropriation is provided solely for the US 101/Morse Creek Safety Barrier project (L1000247).

(21) \$915,000 of the motor vehicle account—state appropriation is provided solely for the SR 162/410 Interchange Design and Right of Way project (L1000276).

(22) \$6,581,000 of the connecting Washington account—state appropriation is provided solely for the US Hwy 2 Safety project (N00200R).

(23) The department shall itemize all future requests for the construction of buildings on a project list and submit them through the transportation executive information system as part of the department's annual budget submittal. It is the intent of the legislature that new facility construction must be transparent and not appropriated within larger highway construction projects.

(24) Any advisory group that the department convenes during the 2021-2023 fiscal biennium must consider the interests of the

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entire state of Washington.

(25) The legislature continues to prioritize the replacement of the state's aging infrastructure and recognizes the importance of reusing and recycling construction aggregate and recycled concrete materials in our transportation system. To accomplish Washington state's sustainability goals in transportation and in accordance with RCW 70.95.805, the legislature reaffirms its determination that recycled concrete aggregate and other transportation building materials are natural resource construction materials that are too valuable to be wasted and landfilled, and are a commodity as defined in WAC 173-350-100.

Further, the legislature determines construction aggregate and recycled concrete materials substantially meet widely recognized international, national, and local standards and specifications referenced in American society for testing and materials, American concrete institute, Washington state department of transportation, Seattle department of transportation, American public works association, federal aviation administration, and federal highway administration specifications, and are described as necessary and desirable products for recycling and reuse by state and federal agencies.

As these recyclable materials have well established markets, are substantially a primary or secondary product of necessary construction processes and production, and are managed as an item of commercial value, construction aggregate and recycled concrete materials are exempt from chapter 173-350 WAC.

NEW SECTION. Sec. 307. FOR THE DEPARTMENT OF TRANSPORTATION—PRESERVATION—PROGRAM P

Recreational Vehicle Account—State Appropriation	\$1,520,000
Transportation 2003 Account (Nickel Account)—State Appropriation	\$49,105,000
Transportation Partnership Account—State Appropriation	\$15,183,000
Motor Vehicle Account—State Appropriation	\$85,444,000
Motor Vehicle Account—Federal Appropriation	\$489,602,000
Motor Vehicle Account—Private/Local Appropriation	\$10,792,000
Connecting Washington Account—State Appropriation	\$159,043,000
State Route Number 520 Corridor Account—State Appropriation	\$1,891,000
Tacoma Narrows Toll Bridge Account—State Appropriation	\$9,730,000
Alaskan Way Viaduct Replacement Project Account—State Appropriation	\$314,000
Interstate 405 and State Route Number 167 Express Toll Lanes Account—State Appropriation	\$26,039,000
TOTAL APPROPRIATION	\$848,663,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account—state appropriation and the entire transportation partnership account—state appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2021-1 as developed April 23, 2021, Program - Highway Preservation Program (P). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 601 of this act.

(2) Except as provided otherwise in this section, the entire motor vehicle account—state appropriation and motor vehicle

account—federal appropriation are provided solely for the projects and activities listed in LEAP Transportation Document 2021-2 ALL PROJECTS as developed April 23, 2021, Program - Highway Preservation Program (P). Any federal funds gained through efficiencies, adjustments to the federal funds forecast, or the federal funds redistribution process must then be applied to highway and bridge preservation activities or fish passage barrier corrections (OBI4001).

(3) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act. Ten days prior to any transfer, the department must submit its request to the office of financial management and the transportation committees of the legislature and consider any concerns raised. The department shall submit a report on fiscal year funds transferred in the prior fiscal year using this subsection as part of the department's annual budget submittal.

(4) \$5,166,000 of the connecting Washington account—state appropriation is provided solely for the land mobile radio upgrade (G2000055) and is subject to the conditions, limitations, and review provided in section 701 of this act. The land mobile radio project is subject to technical oversight by the office of the chief information officer. The department, in collaboration with the office of the chief information officer, shall identify where existing or proposed mobile radio technology investments should be consolidated, identify when existing or proposed mobile radio technology investments can be reused or leveraged to meet multiagency needs, increase mobile radio interoperability between agencies, and identify how redundant investments can be reduced over time. The department shall also provide quarterly reports to the technology services board on project progress.

(5) \$5,000,000 of the motor vehicle account—state appropriation is provided solely for extraordinary costs incurred from litigation awards, settlements, or dispute mitigation activities not eligible for funding from the self-insurance fund (L2000290). The amount provided in this subsection must be held in unallotted status until the department submits a request to the office of financial management that includes documentation detailing litigation-related expenses. The office of financial management may release the funds only when it determines that all other funds designated for litigation awards, settlements, and dispute mitigation activities have been exhausted. No funds provided in this subsection may be expended on any legal fees related to the SR 99/Alaskan Way viaduct replacement project (809936Z).

(6) \$11,679,000 of the motor vehicle account—federal appropriation is provided solely for preservation projects within project L1100071 that ensure the reliable movement of freight on the national highway freight system. The department shall give priority to those projects that can be advertised by September 30, 2021.

(7) The appropriation in this section includes funding for starting planning, engineering, and construction of the Elwha River bridge replacement. To the greatest extent practicable, the department shall maintain public access on the existing route.

(8) Within the connecting Washington account—state appropriation, the department may transfer funds from Highway System Preservation (L1100071) to other preservation projects listed in the LEAP transportation document identified in subsection (1) of this section, if it is determined necessary for completion of these high priority preservation projects. The department's next budget submittal after using this subsection must appropriately reflect the transfer.

NEW SECTION. Sec. 308. FOR THE DEPARTMENT

OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q—CAPITAL

Motor Vehicle Account—State Appropriation	\$8,273,000
Motor Vehicle Account—Federal Appropriation ..	\$5,289,000
Motor Vehicle Account—Private/Local Appropriation	\$500,000
Interstate 405 and State Route Number 167 Express Toll Lanes Account—State Appropriation	\$900,000
TOTAL APPROPRIATION.....	\$14,962,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$579,000 of the motor vehicle account—state appropriation is provided solely for the SR 99 Aurora Bridge ITS project (L2000338).

(2) \$1,000,000 of the motor vehicle account—state appropriation is provided solely for the Challenge Seattle project (000009Q). The department shall provide a progress report on this project to the transportation committees of the legislature by January 15, 2022.

NEW SECTION. Sec. 309. FOR THE DEPARTMENT OF TRANSPORTATION—WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W

Puget Sound Capital Construction Account—State Appropriation	\$128,759,000
Puget Sound Capital Construction Account—Federal Appropriation	\$139,188,000
Puget Sound Capital Construction Account—Private/Local Appropriation	\$312,000
Transportation Partnership Account—State Appropriation	\$8,410,000
Connecting Washington Account—State Appropriation	\$75,640,000
Capital Vessel Replacement Account—State Appropriation.....	\$152,453,000
TOTAL APPROPRIATION.....	\$504,762,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed in LEAP Transportation Document 2021-2 ALL PROJECTS as developed April 23, 2021, Program - Washington State Ferries Capital Program (W). No funds appropriated in this act or additional funds received through the unanticipated receipt process may be allocated or expended for terminal electrification purposes this biennium.

(2) For the 2021-2023 biennium, the marine division shall provide to the office of financial management and the legislative transportation committees the following reports on ferry capital projects:

(a) On a semiannual basis the report must include a status update on projects with funding provided in subsections (4), (5), (6), and (8) of this section including, but not limited to, the following:

- (i) Anticipated cost increases and cost savings;
- (ii) Anticipated cash flow and schedule changes; and
- (iii) Explanations for the changes.

(b) On an annual basis the report must include a status update on vessel and terminal preservation and improvement plans including, but not limited to, the following:

- (i) What work has been done;
- (ii) How have schedules shifted; and
- (iii) Associated changes in funding among projects, accompanied by explanations for the changes.

(c) On an annual basis the report must include an update on the implementation of the maintenance management system with recommendations for using the system to improve the efficiency

of project reporting under this subsection.

(3) \$5,000,000 of the Puget Sound capital construction account—state appropriation is provided solely for emergency capital repair costs (999910K). Funds may only be spent after approval by the office of financial management.

(4) \$1,277,000 of the Puget Sound capital construction account—state appropriation is provided solely for the ORCA card next generation project (L2000300). The ferry system shall work with Washington technology solutions and the tolling division on the development of a new, interoperable ticketing system.

(5) \$24,750,000 of the Puget Sound capital construction account—state appropriation is provided solely for the conversion of up to two Jumbo Mark II vessels to electric hybrid propulsion (G2000084). The department shall seek additional funds for the purposes of this subsection. The department may spend from the Puget Sound capital construction account—state appropriation in this section only as much as the department receives in Volkswagen settlement funds for the purposes of this subsection.

(6) \$152,453,000 of the capital vessel replacement account—state appropriation is provided solely for the acquisition of a 144-car hybrid-electric vessel (L2000329). In 2019 the legislature amended RCW 47.60.810 to direct the department to modify an existing vessel construction contract to provide for an additional five ferries. As such, it is the intent of the legislature that the department award the contract for the hybrid electric Olympic class vessel #5(L2000329) in a timely manner. In addition, the legislature intends to minimize costs and maximize construction efficiency by providing sufficient funding for construction of all five vessels, including funding for long lead time materials procured at the lowest possible prices. The commencement of construction of new vessels for the ferry system is important not only for safety reasons, but also to keep skilled marine construction jobs in the Puget Sound region and to sustain the capacity of the region to meet the ongoing construction and preservation needs of the ferry system fleet of vessels. The legislature has determined that the current vessel procurement process must move forward with all due speed, balancing the interests of both the taxpayers and shipyards. To accomplish construction of vessels in accordance with RCW 47.60.810, the prevailing shipbuilder, for vessels initially funded after July 1, 2020, is encouraged to follow the historical practice of subcontracting the construction of ferry superstructures to a separate nonaffiliated contractor located within the Puget Sound region, that is qualified in accordance with RCW 47.60.690.

(7) The capital vessel replacement account—state appropriation includes up to \$152,453,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

(8) \$4,200,000 of the connecting Washington account—state appropriation and \$2,200,000 of the Puget Sound operating account—federal appropriation are provided solely for ferry vessel and terminal preservation (L2000110). The funds provided in this subsection must be used for unplanned preservation needs before shifting funding from other preservation projects.

NEW SECTION. Sec. 310. FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y—CAPITAL

Essential Rail Assistance Account—State Appropriation	\$550,000
Transportation Infrastructure Account—State Appropriation	\$5,456,000
Multimodal Transportation Account—State Appropriation	\$82,493,000
Multimodal Transportation Account—Federal Appropriation	\$41,219,000

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TOTAL APPROPRIATION..... \$129,718,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document 2021-2 ALL PROJECTS as developed April 23, 2021, Program - Rail Program (Y).

(2) \$5,089,000 of the transportation infrastructure account—state appropriation is provided solely for new low-interest loans approved by the department through the freight rail investment bank (FRIB) program. The department shall issue FRIB program loans with a repayment period of no more than ten years, and charge only so much interest as is necessary to recoup the department's costs to administer the loans. The department shall report annually to the transportation committees of the legislature and the office of financial management on all FRIB loans issued. FRIB program loans may be recommended by the department for 2022 supplemental transportation appropriations up to the amount provided in this appropriation that has not been provided for the projects listed in 2021-2 ALL PROJECTS, as referenced in subsection (1) of this section. The department shall submit a prioritized list for any loans recommended to the office of financial management and the transportation committees of the legislature by November 15, 2021.

(3) \$6,817,000 of the multimodal transportation account—state appropriation is provided solely for new statewide emergent freight rail assistance projects identified in the LEAP transportation document referenced in subsection (1) of this section.

(4) \$367,000 of the transportation infrastructure account—state appropriation and \$1,100,000 of the multimodal transportation account—state appropriation are provided solely to reimburse Highline Grain, LLC for approved work completed on Palouse River and Coulee City (PCC) railroad track in Spokane county between the BNSF Railway Interchange at Cheney and Geiger Junction and must be administered in a manner consistent with freight rail assistance program projects. The value of the public benefit of this project is expected to meet or exceed the cost of this project in: Shipper savings on transportation costs; jobs saved in rail-dependent industries; and/or reduced future costs to repair wear and tear on state and local highways due to fewer annual truck trips (reduced vehicle miles traveled). The amounts provided in this subsection are not a commitment for future legislatures, but it is the legislature's intent that future legislatures will work to approve biennial appropriations until the full \$7,337,000 cost of this project is reimbursed.

(5)(a) \$550,000 of the essential rail assistance account—state appropriation is provided solely for the purpose of the rehabilitation and maintenance of the Palouse river and Coulee City railroad line (F01111B).

(b) Expenditures from the essential rail assistance account—state in this subsection may not exceed the combined total of:

(i) Revenues and transfers deposited into the essential rail assistance account from leases and sale of property relating to the Palouse river and Coulee City railroad;

(ii) Revenues from trackage rights agreement fees paid by shippers; and

(iii) Revenues and transfers transferred from the miscellaneous program account to the essential rail assistance account, pursuant to RCW 47.76.360, for the purpose of sustaining the grain train program by maintaining the Palouse river and Coulee City railroad.

(6) The department shall issue a call for projects for the freight rail assistance program, and shall evaluate the applications in a

manner consistent with past practices as specified in section 309, chapter 367, Laws of 2011. By November 15, 2022, the department shall submit a prioritized list of recommended projects to the office of financial management and the transportation committees of the legislature.

(7) \$33,964,000 of the multimodal transportation account—state appropriation and \$37,500,000 of the multimodal transportation account—federal appropriation are provided solely for Passenger Rail Equipment Replacement (project 700010C.) The appropriations in this subsection include insurance proceeds received by the state. The department must use these funds only to purchase replacement equipment that has been competitively procured and for service recovery needs and corrective actions related to the December 2017 derailment.

(8) \$223,000 of the multimodal transportation account—state appropriation is provided solely for contingency funding for emergent freight rail assistance projects funded in subsection (3) of this section. Project sponsors may apply to the department for contingency funds needed due to unforeseeable cost increases. The department shall submit a report of any contingency funds provided under this subsection as part of the department's annual budget submittal.

(9) It is the intent of the legislature to encourage the department to pursue federal grant opportunities leveraging up to \$6,696,000 in connecting Washington programmed funds to be used as a state match to improve the state-owned Palouse river and Coulee City system. The amount listed in this subsection is not a commitment for future legislatures, but is the legislature's intent that future legislatures will work to approve biennial appropriations up to a state match share not to exceed \$6,696,000 of a grant award.

NEW SECTION. Sec. 311. FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z—CAPITAL

Highway Infrastructure Account—State Appropriation	\$793,000
Highway Infrastructure Account—Federal Appropriation	\$1,600,000
Transportation Partnership Account—State Appropriation	\$750,000
Motor Vehicle Account—State Appropriation	\$11,064,000
Motor Vehicle Account—Federal Appropriation	\$55,751,000
Motor Vehicle Account—Private/Local Appropriation	\$6,600,000
Connecting Washington Account—State Appropriation	\$123,292,000
Multimodal Transportation Account—State Appropriation	\$71,615,000
TOTAL APPROPRIATION	\$271,465,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document 2021-2 ALL PROJECTS as developed April 23, 2021, Program - Local Programs Program (Z).

(2) The amounts identified in the LEAP transportation document referenced under subsection (1) of this section for pedestrian safety/safe routes to school are as follows:

(a) \$32,613,000 of the multimodal transportation account—state appropriation is provided solely for pedestrian and bicycle safety program projects (L2000188).

(b) \$19,344,000 of the motor vehicle account—federal appropriation and \$17,397,000 of the multimodal transportation account—state appropriation are provided solely for safe routes to school projects (L2000189). The department may consider the

special situations facing high-need areas, as defined by schools or project areas in which the percentage of the children eligible to receive free and reduced-price meals under the national school lunch program is equal to, or greater than, the state average as determined by the department, when evaluating project proposals against established funding criteria while ensuring continued compliance with federal eligibility requirements.

(3) The department shall submit a report to the transportation committees of the legislature by December 1, 2021, and December 1, 2022, on the status of projects funded as part of the pedestrian safety/safe routes to school grant program. The report must include, but is not limited to, a list of projects selected and a brief description of each project's status. In its December 1, 2021, report the department must also include recommended changes to the pedestrian safety/safe routes to school grant program application and selection processes to increase utilization by a greater diversity of jurisdictions.

(4) \$6,561,000 of the multimodal transportation account—state appropriation is provided solely for bicycle and pedestrian projects listed in the LEAP transportation document referenced in subsection (1) of this section.

(5) It is the expectation of the legislature that the department will be administering a local railroad crossing safety grant program for \$7,000,000 in federal funds during the 2021-2023 fiscal biennium.

(6) \$12,500,000 of the motor vehicle account—federal appropriation is provided solely for national highway freight network projects identified on the project list submitted in accordance with section 218(4)(b), chapter 14, Laws of 2016 on October 31, 2016 (L1000169).

(7) When the department updates its federally-compliant freight plan, it shall consult the freight mobility strategic investment board on the freight plan update and on the investment plan component that describes how the estimated funding allocation for the national highway freight program for federal fiscal years 2022-2025 will be invested and matched. The investment plan component for the state portion of national highway freight program funds must first address shortfalls in funding for connecting Washington act projects. The department shall complete the freight plan update in compliance with federal requirements and deadlines and shall provide an update on the development of the freight plan, including the investment plan component, when submitting its 2022 supplemental appropriations request.

(8) \$11,679,000 of the motor vehicle account—federal appropriation is provided solely for acceleration of local preservation projects that ensure the reliable movement of freight on the national highway freight system (G2000100). The department will identify projects through its current national highway system asset management call for projects with applications due in February 2021. The department shall give priority to those projects that can be obligated by September 30, 2021.

NEW SECTION. Sec. 312. ANNUAL REPORTING REQUIREMENTS FOR CAPITAL PROGRAM

(1) As part of its annual budget submittal, the department of transportation shall provide an update to the report provided to the legislature in the prior fiscal year that: (a) Compares the original project cost estimates approved in the 2003, 2005, and 2015 revenue package project lists to the completed cost of the project, or the most recent legislatively approved budget and total project costs for projects not yet completed; (b) identifies highway projects that may be reduced in scope and still achieve a functional benefit; (c) identifies highway projects that have experienced scope increases and that can be reduced in scope; (d) identifies highway projects that have lost significant local or

regional contributions that were essential to completing the project; (e) identifies risk reserves and contingency amounts allocated to projects; and (f) lists the nickel, TPA, and connecting Washington projects charging to the Nickel/TPA/CWA Environmental Mitigation Reserve (OBI4ENV) and the Nickel/TPA Projects Completed with Minor Ongoing Expenditures project (OBI100B), and the amount each project is charging.

(2) As part of its annual budget submittal, the department of transportation shall provide: (a) An annual report on the number of toll credits the department has accumulated and how the department has used the toll credits, and (b) a status report on the projects funded using federal national highway freight program funds.

NEW SECTION. Sec. 313. QUARTERLY REPORTING REQUIREMENTS FOR CAPITAL PROGRAM

On a quarterly basis, the department of transportation shall provide to the office of financial management and the legislative transportation committees a report for all capital projects, except for ferry projects subject to the reporting requirements established in section 309 of this act, that must include:

(1) A TEIS version containing actual capital expenditures for all projects consistent with the structure of the most recently enacted budget;

(2) Anticipated cost savings, cost increases, reappropriations, and schedule adjustments for all projects consistent with the structure of the most recently enacted budget;

(3) The award amount, the engineer's estimate, and the number of bidders for all active projects consistent with the structure of the most recently enacted budget; and

(4) Risk reserves and contingency amounts for all projects consistent with the structure of the most recently enacted budget.

NEW SECTION. Sec. 314. FEDERAL FUNDS RECEIVED FOR CAPITAL PROJECT EXPENDITURES

To the greatest extent practicable, the department of transportation shall expend federal funds received for capital project expenditures before state funds.

NEW SECTION. Sec. 315. NOTIFICATION REQUIREMENTS FOR PAUSES AND CANCELLATIONS

(1) The department shall notify the transportation committees of the legislature when it intends to pause for a significant length of time or not proceed with operating items or capital projects included as budget provisos or on project lists. When feasible, this notification shall be provided prior to the pause or cancellation and at least seven days in advance of any public announcement related to such a pause or cancellation.

(2) At the time of notification, the department shall provide an explanation for the reason or reasons for the pause or cancellation for each operating budget item and capital project. The explanation shall include specific reasons for each pause or cancellation, in addition to a statement of the broad rationale for the pause or cancellation.

(3) When feasible, the department shall make best efforts to keep the transportation committees of the legislature informed of an evaluation process underway for selecting operating budget items and capital projects to be paused or cancelled, providing updates as its selection efforts proceed.

(4) When exigent circumstances prevent prior notice of a pause or cancellation from being provided to the transportation committees of the legislature, the department shall provide the information required under this section to the transportation committees of the legislature as soon as is practicable.

**TRANSFERS AND DISTRIBUTIONS
NEW SECTION. Sec. 401. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST,**

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AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND TRANSPORTATION FUND REVENUE

Transportation Partnership Account—State Appropriation	\$904,000
Connecting Washington Account—State Appropriation	\$11,153,000
Special Category C Account—State Appropriation.....	\$412,000
Highway Bond Retirement Account—State Appropriation.....	\$1,483,793,000
Ferry Bond Retirement Account—State Appropriation	\$17,150,000
Transportation Improvement Board Bond Retirement Account—State Appropriation	\$11,770,000
Nondebt-Limit Reimbursable Bond Retirement Account—State Appropriation	\$29,323,000
Toll Facility Bond Retirement Account—State Appropriation.....	\$76,376,000
TOTAL APPROPRIATION.....	\$1,630,881,000

NEW SECTION. Sec. 402. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES AND FISCAL AGENT CHARGES

Transportation Partnership Account—State Appropriation.....	\$181,000
Connecting Washington Account—State Appropriation	\$2,231,000
Special Category C Account—State Appropriation.....	\$82,000
TOTAL APPROPRIATION.....	\$2,494,000

NEW SECTION. Sec. 403. FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

Motor Vehicle Account—State Appropriation: For motor vehicle fuel tax statutory distributions to cities and counties.....	\$467,390,000
Multimodal Transportation Account—State Appropriation: For distribution to cities and counties.....	\$26,786,000
Motor Vehicle Account—State Appropriation: For distribution to cities and counties	\$23,438,000

NEW SECTION. Sec. 404. FOR THE STATE TREASURER—TRANSFERS

Motor Vehicle Account—State Appropriation: For motor vehicle fuel tax refunds and statutory transfers \$1,974,599,000

NEW SECTION. Sec. 405. FOR THE DEPARTMENT OF LICENSING—TRANSFERS

Motor Vehicle Account—State Appropriation: For motor vehicle fuel tax refunds and transfers

NEW SECTION. Sec. 406. FOR THE STATE TREASURER—ADMINISTRATIVE TRANSFERS

- (1) Highway Safety Account—State Appropriation: For transfer to the State Patrol Highway Account—State..... \$47,000,000
- (2)(a) Transportation Partnership Account—State Appropriation: For transfer to the Capital Vessel Replacement Account—State
- (b) The amount transferred in this subsection represents proceeds from the sale of bonds authorized in RCW 47.10.873.
- (3)(a) Transportation Partnership Account—State Appropriation: For transfer to the Tacoma Narrows Toll Bridge Account—State..... \$30,293,000
- (b) It is the intent of the legislature that this transfer is temporary, for the purpose of minimizing the impact of toll increases. An equivalent reimbursing transfer is to occur after the

debt service and deferred sales tax on the Tacoma Narrows bridge construction costs are fully repaid in accordance with chapter 195, Laws of 2018.

- (4)(a) Motor Vehicle Account—State Appropriation: For transfer to Alaskan Way Viaduct Account—State..... \$6,000,000
- (b) The funds provided in (a) of this subsection are a loan to the Alaskan Way viaduct replacement project account—state, and the legislature assumes that these funds will be reimbursed to the motor vehicle account—state at a later date when traffic on the toll facility has recovered from the COVID-19 pandemic.
- (5) Motor Vehicle Account—State Appropriation: For transfer to the County Arterial Preservation Account—State
- (6) Motor Vehicle Account—State Appropriation: For transfer to the Freight Mobility Investment Account—State
- (7) Motor Vehicle Account—State Appropriation: For transfer to the Rural Arterial Trust Account—State
- (8) Motor Vehicle Account—State Appropriation: For transfer to the Transportation Improvement Account—State
- (9) Rural Mobility Grant Program Account—State Appropriation: For transfer to the Multimodal Transportation Account—State
- (10)(a) State Route Number 520 Civil Penalties Account—State Appropriation: For transfer to the Motor Vehicle Account—State
- (b) The transfer in this subsection is to repay moneys loaned to the state route number 520 civil penalties account in the 2019-2021 fiscal biennium.
- (11) State Route Number 520 Civil Penalties Account—State Appropriation: For transfer to the State Route Number 520 Corridor Account—State
- (12) Capital Vessel Replacement Account—State Appropriation: For transfer to the Connecting Washington Account—State
- (13)(a) Capital Vessel Replacement Account—State Appropriation: For transfer to the Transportation Partnership Account—State
- (b) The amount transferred in this subsection represents repayment of debt service incurred for the construction of the Hybrid Electric Olympic Class (144-auto) Vessel #5 project (L2000329).
- (14) Multimodal Transportation Account—State Appropriation: For transfer to the Complete Streets Grant Program Account—State.....
- (15) Multimodal Transportation Account—State Appropriation: For transfer to the Connecting Washington Account—State
- (16) Multimodal Transportation Account—State Appropriation: For transfer to the Freight Mobility Multimodal Account—State.....
- (17) Multimodal Transportation Account—State Appropriation: For transfer to the Ignition Interlock Device Revolving Account—State.....
- (18) Multimodal Transportation Account—State Appropriation: For transfer to the Pilotage Account—State
- (19) Multimodal Transportation Account—State Appropriation: For transfer to the Puget Sound Capital Construction Account—State.....
- (20) Multimodal Transportation Account—State

Appropriation: For transfer to the Regional Mobility Grant Program Account—State \$27,679,000
 (21) Multimodal Transportation Account—State
 Appropriation: For transfer to the Rural Mobility Grant Program Account—State \$15,223,000
 (22)(a) Alaskan Way Viaduct Replacement Project Account—State
 Appropriation: For transfer to the Transportation Partnership Account—State..... \$22,884,000
 (b) The amount transferred in this subsection represents repayment of debt service incurred for the construction of the SR 99/Alaskan Way Viaduct Replacement project (809936Z).
 (23) Tacoma Narrows Toll Bridge Account—State
 Appropriation: For transfer to the Motor Vehicle Account—State..... \$950,000
 (24) Puget Sound Ferry Operations Account—State
 Appropriation: For transfer to the Puget Sound Capital Construction Account—State \$60,000,000
 (25)(a) General Fund Account—State
 Appropriation: For transfer to the State Patrol Highway Account—State \$625,000
 (b) The state treasurer shall transfer the funds only after receiving notification from the Washington state patrol under section 207(2) of this act.

NEW SECTION. Sec. 407. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT TO BE PAID BY STATUTORILY PRESCRIBED REVENUE

Toll Facility Bond Retirement Account—Federal
 Appropriation \$199,129,000
 Toll Facility Bond Retirement Account—State
 Appropriation \$25,372,000
 TOTAL APPROPRIATION..... \$224,501,000

NEW SECTION. Sec. 408. FOR THE OFFICE OF FINANCIAL MANAGEMENT—AMERICAN RESCUE PLAN ACT REVENUE LOSS DEPOSITS

Coronavirus State Fiscal Recovery Fund—Federal
 Appropriation \$600,000,000

The appropriation in this section is subject to the following conditions and limitations:

(1) The appropriation is provided solely for expenditure into accounts in the amounts specified in subsection (2) of this section. These amounts are intended to compensate accounts for revenue losses in state fiscal years 2020 and 2021 relative to revenues collected in state fiscal year 2019 and shall be used to maintain government services pursuant to the federal American rescue plan act of 2021.

(2) The appropriation must be distributed to the following accounts in the amounts designated:

Multimodal Transportation Account—State..... \$115,611,000
 Motor Vehicle Account—State..... \$99,416,000
 Puget Sound Ferry Operations Account—State.... \$85,966,000
 Connecting Washington Account—State \$67,663,000
 Transportation Partnership Account—State..... \$39,547,000
 State Route Number 520 Corridor Account—State
 \$59,567,000
 Transportation 2003 Account (Nickel Account)—State
 \$28,681,000
 State Patrol Highway Account—State \$12,358,000
 Highway Safety Account—State \$8,219,000
 Tacoma Narrows Toll Bridge Account—State \$15,707,000
 Interstate 405 and State Route Number 167 Express Toll
 Lanes Account—State \$32,893,000
 Transportation Improvement Account—State \$15,844,000
 Rural Arterial Trust Account—State \$3,092,000
 County Arterial Preservation Account—State \$1,939,000

State Route Number 520 Civil Penalties Account—State
 \$5,442,000
 Special Category C Account—State..... \$3,975,000
 Puget Sound Capital Construction Account—State \$2,892,000
 Aeronautics Account—State \$777,000
 School Zone Safety Account—State \$393,000
 Motorcycle Safety Education Account—State \$18,000

COMPENSATION

NEW SECTION. Sec. 501. COLLECTIVE BARGAINING AGREEMENTS NOT IMPAIRED

Nothing in this act prohibits the expenditure of any funds by an agency or institution of the state for benefits guaranteed by any collective bargaining agreement in effect on the effective date of this section.

NEW SECTION. Sec. 502. COLLECTIVE BARGAINING AGREEMENTS

Sections 503 through 520 of this act represent the results of the 2021-2023 collective bargaining process required under chapters 41.80, 47.64, and 41.56 RCW. Provisions of the collective bargaining agreements contained in sections 503 through 520 of this act are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreements. The collective bargaining agreements contained in sections 503 through 520 of this act may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided.

NEW SECTION. Sec. 503. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—OPEIU

An agreement has been reached between the governor and the office and professional employees international union local eight (OPEIU) pursuant to chapter 47.64 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include wage increases but does include furloughs. The agreement provides that positions designated by the employer as not requiring backfill take 24 furlough days during the biennium. In addition, the following positions are not subject to the furlough requirement: Bid administrator, dispatch, dispatch coordinator, and relief positions.

NEW SECTION. Sec. 504. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—FASPAA

An agreement has been reached between the governor and the ferry agents, supervisors, and project administrators association pursuant to chapter 47.64 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include wage increases but does include furloughs. The agreement provides that positions designated by the employer as not requiring backfill take 24 furlough days during the biennium.

NEW SECTION. Sec. 505. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—SEIU LOCAL 6

An agreement has been reached between the governor and the service employees international union local 6 pursuant to chapter 47.64 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include wage increases but does include furloughs. The agreement provides that positions designated by the employer as not requiring backfill take 24 furlough days during the biennium.

NEW SECTION. Sec. 506. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—CARPENTERS

An agreement has been reached between the governor and the Pacific Northwest regional council of carpenters pursuant to

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chapter 47.64 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include wage increases but does include furloughs. The agreement provides that positions designated by the employer as not requiring backfill take 24 furlough days during the biennium.

NEW SECTION. Sec. 507. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—METAL TRADES

An agreement has been reached between the governor and the Puget Sound metal trades council through an interest arbitration award pursuant to chapter 47.64 RCW for the 2021-2023 fiscal biennium. The arbitration award imposed and funding is provided to implement a 1.9% general wage decrease from July 1, 2021, through June 30, 2022, and exempted these employees from the furlough requirement.

NEW SECTION. Sec. 508. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—MEBA-UL

An agreement has been reached between the governor and the marine engineers' beneficial association unlicensed engine room employees pursuant to chapter 47.64 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include either wage increases or the furlough requirement.

NEW SECTION. Sec. 509. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—MEBA-L

An agreement has been reached between the governor and the marine engineers' beneficial association licensed engineer officers pursuant to chapter 47.64 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include either wage increases or the furlough requirement.

NEW SECTION. Sec. 510. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—MEBA—PORT ENGINEERS

An agreement has been reached between the governor and the marine engineers' beneficial association port engineers pursuant to chapter 47.64 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include wage increases but does include furloughs. The agreement provides that positions designated by the employer as not requiring backfill take 24 furlough days during the biennium.

NEW SECTION. Sec. 511. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—MM&P MATES

An agreement has been reached between the governor and the masters, mates, and pilots - mates pursuant to chapter 47.64 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which includes a two percent wage increase for second mates, and does not include the furlough requirement.

NEW SECTION. Sec. 512. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—MM&P MASTERS

An agreement has been reached between the governor and the masters, mates, and pilots - masters pursuant to chapter 47.64 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include either wage increases or the furlough requirement.

NEW SECTION. Sec. 513. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—MM&P WATCH CENTER SUPERVISORS

An agreement has been reached between the governor and the masters, mates, and pilots - watch center supervisors pursuant to

chapter 47.64 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include wage increases but does include furloughs only for the following positions: Fleet facility security officers and workforce development leads.

NEW SECTION. Sec. 514. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—IBU

An agreement has been reached between the governor and the inlandboatmen's union of the Pacific pursuant to chapter 47.64 RCW through an interest arbitration award for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include wage increases, but does include furlough days for employees in positions that do not require the position to be backfilled.

NEW SECTION. Sec. 515. COLLECTIVE BARGAINING AGREEMENT—WFSE

An agreement has been reached between the governor and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include wage increases, but does include 24 furlough days for employees in position that do not require the position to be backfilled.

NEW SECTION. Sec. 516. COLLECTIVE BARGAINING AGREEMENT—PTE LOCAL 17

An agreement has been reached between the governor and the professional and technical employees local 17 under the provisions of chapter 41.80 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include wage increases, but does include 24 furlough days for employees in position that do not require the position to be backfilled.

NEW SECTION. Sec. 517. COLLECTIVE BARGAINING AGREEMENT—WPEA

An agreement has been reached between the governor and the Washington public employees association under the provisions of chapter 41.80 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include wage increases, but does include 24 furlough days for employees in positions that do not require the position to be backfilled.

NEW SECTION. Sec. 518. COLLECTIVE BARGAINING AGREEMENT—COALITION OF UNIONS

An agreement has been reached for the 2019-2021 biennium between the governor and the coalition of unions under the provisions of chapter 41.80 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which includes 24 furlough days for employees in position that do not require the position to be backfilled. The agreement includes and funding is provided for a 2.5 percent wage increase for fiscal year 2022 and a 2.5 percent wage increase for fiscal year 2023 for the department of corrections marine vessel operators.

NEW SECTION. Sec. 519. COLLECTIVE BARGAINING AGREEMENT—WSP TROOPERS ASSOCIATION

An agreement has been reached between the governor and the Washington state patrol troopers association under the provisions of chapter 41.56 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include general wages increases but does provide the ability to request to reopen the compensation article for the purpose of bargaining base rate of pay for fiscal year 2023.

NEW SECTION. Sec. 520. COLLECTIVE BARGAINING AGREEMENT—WSP LIEUTENANTS AND CAPTAINS ASSOCIATION

An agreement has been reached between the governor and the

Washington state patrol lieutenants and captains association under the provisions of chapter 41.56 RCW for the 2021-2023 fiscal biennium. Funding is provided to fund the agreement, which does not include general wages increases but does provide the ability to request to reopen the compensation article for the purpose of bargaining base rate of pay for fiscal year 2023.

NEW SECTION. Sec. 521. COMPENSATION—REPRESENTED EMPLOYEES—HEALTH CARE—COALITION—INSURANCE BENEFITS

An agreement was reached for the 2021-2023 biennium between the governor and the health care coalition under the provisions of chapter 41.80 RCW. Appropriations in this act for state agencies, including institutions of higher education, are sufficient to implement the provisions of the 2021-2023 collective bargaining agreement, which maintains the provisions of the 2019-2021 agreement, and are subject to the following conditions and limitations:

The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$936 per eligible employee for fiscal year 2022. For fiscal year 2023, the monthly employer funding rate shall not exceed \$1091 per eligible employee.

The board shall collect a \$25 per month surcharge payment from members who use tobacco products and a surcharge payment of not less than \$50 per month from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in another employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment. The surcharge payments shall be collected in addition to the member premium payment if directed by the legislature.

NEW SECTION. Sec. 522. COMPENSATION—REPRESENTED EMPLOYEES OUTSIDE HEALTH CARE COALITION—INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for represented employees outside the coalition for health benefits, and are subject to the following conditions and limitations: The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, may not exceed \$936 per eligible employee for fiscal year 2022. For fiscal year 2023, the monthly employer funding rate may not exceed \$1091 per eligible employee.

NEW SECTION. Sec. 523. COMPENSATION—NONREPRESENTED EMPLOYEES—INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education, and are subject to the following conditions and limitations: The employer monthly funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$936 per eligible employee for fiscal year 2022. For fiscal year 2023, the monthly employer funding rate shall not exceed \$1091 per eligible employee.

NEW SECTION. Sec. 524. COMPENSATION—REVISE PENSION CONTRIBUTION RATES

The appropriations in this act for school districts and state agencies, including institutions of higher education, are subject to the following conditions and limitations: Appropriations are adjusted to reflect changes to agency appropriations to reflect pension contribution rates adopted by the pension funding council and the law enforcement officers' and firefighters' retirement system plan 2 board.

NEW SECTION. Sec. 525. JUNETEENTH HOLIDAY

Specific funding is provided in agency budgets for the cost to agencies of additional staff necessary to provide coverage in positions that require continual presence, as a result of implementing chapter . . . (Substitute House Bill No. 1016), Laws of 2021 (making Juneteenth a legal holiday). If chapter . . . (Substitute House Bill No. 1016), Laws of 2021 is not enacted by June 30, 2021, this section has no force and effect.

NEW SECTION. Sec. 526. FOR THE OFFICE OF FINANCIAL MANAGEMENT—INLANDBOATMEN'S UNION OF THE PACIFIC

Puget Sound Ferry Operations Account—State
Appropriation \$2,798,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely for eliminating the furlough days in the agreement reached with the inlandboatmen's union of the Pacific and approved in part V of this act. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of understanding between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 2021 - Compensation, dated April 23, 2021, to fund the provisions of this section upon execution of the memorandum of understanding.

NEW SECTION. Sec. 527. FOR THE OFFICE OF FINANCIAL MANAGEMENT—PACIFIC NORTHWEST REGIONAL COUNCIL OF CARPENTERS

Puget Sound Ferry Operations Account—State
Appropriation \$156,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely for eliminating the furlough days in the agreement reached with the Pacific Northwest regional council of carpenters and approved in part V of this act. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of understanding between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 2021 - Compensation, dated April 23, 2021, to fund the provisions of this section upon execution of the memorandum of understanding.

NEW SECTION. Sec. 528. FOR THE OFFICE OF FINANCIAL MANAGEMENT—OFFICE AND PROFESSIONAL EMPLOYEES INTERNATIONAL UNION LOCAL 8

Puget Sound Ferry Operations Account—State Appropriation
..... \$344,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely for eliminating the furlough days in the agreement reached with the office and professional employees international union local 8 and approved in part V of this act. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of understanding between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 2021 - Compensation, dated April 23, 2021, to fund the provisions of this section upon execution of the memorandum of understanding.

NEW SECTION. Sec. 529. FOR THE OFFICE OF FINANCIAL MANAGEMENT—FERRY AGENTS, SUPERVISORS, AND PROJECT ADMINISTRATORS ASSOCIATION

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Puget Sound Ferry Operations Account—State Appropriation \$344,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely for eliminating the furlough days in the agreement reached with the ferry agents, supervisors, and project administrators association and approved in part V of this act. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of understanding between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 2021 - Compensation, dated April 23, 2021, to fund the provisions of this section upon execution of the memorandum of understanding.

NEW SECTION. Sec. 530. FOR THE OFFICE OF FINANCIAL MANAGEMENT—SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 6

Puget Sound Ferry Operations Account—State Appropriation \$24,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely for eliminating the furlough days in the agreement reached with the service employees international union local 6 and approved in part V of this act. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of understanding between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 2021 - Compensation, dated April 23, 2021, to fund the provisions of this section upon execution of the memorandum of understanding.

NEW SECTION. Sec. 531. FOR THE OFFICE OF FINANCIAL MANAGEMENT—MASTERS, MATES, AND PILOTS—WATCH CENTER SUPERVISORS

Puget Sound Ferry Operations Account—State Appropriation \$150,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely for eliminating the furlough days in the agreement reached with the masters, mates, and pilots - watch center supervisors and approved in part V of this act. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of understanding between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 2021 - Compensation, dated April 23, 2021, to fund the provisions of this section upon execution of the memorandum of understanding.

NEW SECTION. Sec. 532. FOR THE OFFICE OF FINANCIAL MANAGEMENT—MARINE ENGINEERS' BENEFICIAL ASSOCIATION PORT ENGINEERS

Puget Sound Ferry Operations Account—State Appropriation \$84,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely for eliminating the furlough days in the agreement reached with the marine engineers' beneficial association port engineers and approved in part V of this act. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of understanding between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section.

Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 2021 - Compensation, dated April 23, 2021, to fund the provisions of this section upon execution of the memorandum of understanding.

NEW SECTION. Sec. 533. FOR THE OFFICE OF FINANCIAL MANAGEMENT—WASHINGTON FEDERATION OF STATE EMPLOYEES

Motor Vehicle Account—State Appropriation\$15,891,000
Highway Safety Account—State Appropriation ... \$4,111,000
State Patrol Highway Account—State Appropriation \$1,661,000
Other Appropriated Funds \$1,038,000
TOTAL APPROPRIATION\$22,701,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely for eliminating the furlough days in the agreement reached with the Washington federation of state employees and approved in part V of this act. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of understanding between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 2021 - Compensation, dated April 23, 2021, to fund the provisions of this section upon execution of the memorandum of understanding.

NEW SECTION. Sec. 534. FOR THE OFFICE OF FINANCIAL MANAGEMENT—WASHINGTON PUBLIC EMPLOYEES ASSOCIATION GENERAL GOVERNMENT

Motor Vehicle Account—State Appropriation \$88,000
State Patrol Highway Account—State Appropriation \$907,000
State Patrol Highway Account—Federal Appropriation \$68,000
TOTAL APPROPRIATION \$1,063,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely for eliminating the furlough days in the agreement reached with the Washington public employees association general government and approved in part V of this act. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of understanding between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 2021 - Compensation, dated April 23, 2021, to fund the provisions of this section upon execution of the memorandum of understanding.

NEW SECTION. Sec. 535. FOR THE OFFICE OF FINANCIAL MANAGEMENT—PROFESSIONAL AND TECHNICAL EMPLOYEES LOCAL 17

Motor Vehicle Account—State Appropriation \$2,105,000
Highway Safety Account—State Appropriation ... \$2,108,000
State Patrol Highway Account—State Appropriation \$918,000
Other Appropriated Funds \$802,000
TOTAL APPROPRIATION \$5,933,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely for eliminating the furlough days in the agreement reached with the professional and technical employees local 17 and approved in part V of this act. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of understanding between the governor or the

governor's designee and the exclusive bargaining representative, consistent with the terms of this section. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 2021 - Compensation, dated April 23, 2021, to fund the provisions of this section upon execution of the memorandum of understanding.

NEW SECTION. Sec. 536. FOR THE OFFICE OF FINANCIAL MANAGEMENT—THE COALITION OF UNIONS

State Patrol Highway Account—State Appropriation	\$212,000
State Patrol Highway Account—Federal Appropriation	\$18,000
TOTAL APPROPRIATION.....	\$230,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely for eliminating the furlough days in the agreement reached with the coalition of unions and approved in part V of this act. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of understanding between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 2021 - Compensation, dated April 23, 2021, to fund the provisions of this section upon execution of the memorandum of understanding.

NEW SECTION. Sec. 537. FOR THE OFFICE OF FINANCIAL MANAGEMENT—PUGET SOUND METAL TRADES COUNCIL

Puget Sound Ferry Operations Account—State Appropriation	\$130,000
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The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely for eliminating the general wage deduction in the agreement reached through an interest arbitration award with the Puget Sound metal trades council and approved in part V of this act. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of understanding between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 2021 - Compensation, dated April 23, 2021, to fund the provisions of this section upon execution of the memorandum of understanding.

NEW SECTION. Sec. 538. COLLECTIVE BARGAINING AGREEMENTS—ELIMINATING FURLOUGH DAYS

Appropriations in this act provide sufficient funding to eliminate the furlough days required in the following collective bargaining agreements for the 2021-2023 biennium:

- (1) Office and professional employees international union local 8;
- (2) Ferry agents, supervisors, and project administrators association;
- (3) Service employees international union local 6;
- (4) Pacific Northwest regional council of carpenters;
- (5) Marine engineers' beneficial association port engineers;
- (6) Masters, mates, and pilots - watch center supervisors;
- (7) Inlandboatmen's union of the Pacific;
- (8) Washington public employees association general government;
- (9) Washington federation of state employees;
- (10) Professional and technical employees local 17; and
- (11) The coalition of unions.

Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate memorandum of

understanding between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section.

NEW SECTION. Sec. 539. COLLECTIVE BARGAINING AGREEMENTS—ELIMINATING GENERAL WAGE DECREASE

Appropriations in this act provide sufficient funding solely for the purpose of eliminating the 1.9 percent wage reduction from July 1, 2021, to June 30, 2022, provided in the arbitration award for the Puget Sound metal trades council. Expenditure of the amounts provided for this purpose is contingent upon execution of an appropriate modification of the agreement between the governor or the governor's designee and the exclusive bargaining representative, consistent with the terms of this section.

NEW SECTION. Sec. 540. FORGONE GENERAL WAGE INCREASES

Appropriations in this act for state agencies, including institutions of higher education, are sufficient to provide a three percent or two percent general wage increase, effective July 1, 2021, for employees that were scheduled to receive a general wage increase of either of those amounts on July 1, 2020, that was forgone due to COVID-19 emergency.

IMPLEMENTING PROVISIONS

NEW SECTION. Sec. 601. MANAGEMENT OF TRANSPORTATION FUNDS WHEN THE LEGISLATURE IS NOT IN SESSION

(1) The 2005 transportation partnership projects or improvements and 2015 connecting Washington projects or improvements are listed in the LEAP Transportation Document 2021-1 as developed April 23, 2021, which consists of a list of specific projects by fund source and amount over a sixteen-year period. Current fiscal biennium funding for each project is a line-item appropriation, while the outer year funding allocations represent a sixteen-year plan. The department of transportation is expected to use the flexibility provided in this section to assist in the delivery and completion of all transportation partnership account and connecting Washington account projects on the LEAP transportation document referenced in this subsection. For the 2021-2023 project appropriations, unless otherwise provided in this act, the director of the office of financial management may provide written authorization for a transfer of appropriation authority between projects funded with transportation partnership account appropriations or connecting Washington account appropriations to manage project spending and efficiently deliver all projects in the respective program under the following conditions and limitations:

- (a) Transfers may only be made within each specific fund source referenced on the respective project list;
- (b) Transfers from a project may not be made as a result of the reduction of the scope of a project or be made to support increases in the scope of a project;
- (c) Transfers from a project may be made if the funds appropriated to the project are in excess of the amount needed in the current fiscal biennium;
- (d) Transfers may not occur for projects not identified on the applicable project list;
- (e) Transfers to a project may not occur if that project is a programmatic funding item described in broad general terms on the applicable project list without referencing a specific state route number;
- (f) Transfers may not be made while the legislature is in session;
- (g) Transfers to a project may not be made with funds designated as attributable to practical design savings as described in RCW 47.01.480;
- (h) Except for transfers made under (l) of this subsection,

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transfers may only be made in fiscal year 2023;

(i) The total amount of transfers under this section may not exceed \$50,000,000;

(j) Except as otherwise provided in (l) of this subsection, transfers made to a single project may not cumulatively total more than \$20,000,000 per biennium;

(k) Each transfer between projects may only occur if the director of the office of financial management finds that any resulting change will not hinder the completion of the projects as approved by the legislature; and

(l) Transfers between projects may be made by the department of transportation without the formal written approval provided under this subsection (1), provided that the transfer amount to a single project does not exceed two hundred fifty thousand dollars or ten percent of the total project per biennium, whichever is less. These transfers must be reported quarterly to the director of the office of financial management and the chairs of the house of representatives and senate transportation committees.

(2) The department of transportation must submit quarterly all transfers authorized under this section in the transportation executive information system. The office of financial management must maintain a legislative baseline project list identified in the LEAP transportation documents referenced in this act, and update that project list with all authorized transfers under this section, including any effects to the total project budgets and schedules beyond the current biennium.

(3) At the time the department submits a request to transfer funds under this section, a copy of the request must be submitted to the chairs and ranking members of the transportation committees of the legislature.

(4) Before approval, the office of financial management shall work with legislative staff of the house of representatives and senate transportation committees to review the requested transfers in a timely manner and address any concerns raised by the chairs and ranking members of the transportation committees.

(5) No fewer than ten days after the receipt of a project transfer request, the director of the office of financial management must provide written notification to the department of any decision regarding project transfers, with copies submitted to the transportation committees of the legislature.

(6) The department must submit annually as part of its budget submittal a report detailing all transfers made pursuant to this section, including any effects to the total project budgets and schedules beyond the current biennium.

(7)(a) If the department of transportation receives federal funding not appropriated in this act, the department shall apply such funds to any of the following activities in lieu of state funds, if compliant with federal funding restrictions, and in the order that most reduces administrative burden and minimizes the use of bond proceeds:

(i) Projects on LEAP Transportation Document 2021-2 ALL PROJECTS as developed April 23, 2021; or

(ii) Other department of transportation operating or capital expenditures funded by appropriations from state accounts in this act.

(b) However, if the funds received may not be used for any of the purposes enumerated in this section and must be obligated before the next regular legislative session, then the department may program the funds for other transportation-related activities, provided that these actions do not initiate any new programs, policies, or expenditure levels requiring additional one-time or ongoing state funds that have not been expressly authorized by the legislature. The department shall follow the existing unanticipated receipt process to notify the legislative standing committees on transportation and the office of financial

management of the amount of federal funds received in addition to those appropriated in this act and the projects or activities receiving funding through this process.

NEW SECTION. Sec. 602. BOND REIMBURSEMENT

To the extent that any appropriation authorizes expenditures of state funds from the motor vehicle account, special category C account, Tacoma Narrows toll bridge account, transportation 2003 account (nickel account), transportation partnership account, transportation improvement account, Puget Sound capital construction account, multimodal transportation account, state route number 520 corridor account, connecting Washington account, or other transportation capital project account in the state treasury for a state transportation program that is specified to be funded with proceeds from the sale of bonds authorized in chapter 47.10 RCW, the legislature declares that any such expenditures made before the issue date of the applicable transportation bonds for that state transportation program are intended to be reimbursed from proceeds of those transportation bonds in a maximum amount equal to the amount of such appropriation.

NEW SECTION. Sec. 603. BELATED CLAIMS

The agencies and institutions of the state may expend moneys appropriated in this act, upon approval of the office of financial management, for the payment of supplies and services furnished to the agency or institution in prior fiscal biennia.

NEW SECTION. Sec. 604. REAPPROPRIATIONS REPORTING

(1) As part of its 2022 supplemental budget submittal, the department of transportation shall provide a report to the legislature and the office of financial management that:

(a) Identifies, by capital project, the amount of state funding that has been reappropriated from the 2019-2021 fiscal biennium into the 2021-2023 fiscal biennium; and

(b) Identifies, for each project, the amount of cost savings or increases in funding that have been identified as compared to the 2017 enacted omnibus transportation appropriations act.

(2) As part of the agency request for capital programs, the department shall load reappropriations separately from funds that were assumed to be required for the 2021-2023 fiscal biennium into budgeting systems.

NEW SECTION. Sec. 605. WEBSITE REPORTING REQUIREMENTS

(1) The department of transportation shall post on its website every report that is due from the department to the legislature during the 2021-2023 fiscal biennium on one web page. The department must post both completed reports and planned reports on a single web page.

(2) The department shall provide a web link for each change order that is more than five hundred thousand dollars on the affected project web page.

NEW SECTION. Sec. 606. TRANSIT, BICYCLE, AND PEDESTRIAN ELEMENTS REPORTING

(1) By November 15th of each year, the department of transportation must report on amounts expended to benefit transit, bicycle, or pedestrian elements within all connecting Washington projects in programs I, P, and Z identified in LEAP Transportation Document 2021-2 ALL PROJECTS as developed April 23, 2021. The report must address each modal category separately and identify if eighteenth amendment protected funds have been used and, if not, the source of funding.

(2) To facilitate the report in subsection (1) of this section, the department of transportation must require that all bids on connecting Washington projects include an estimate on the cost to implement any transit, bicycle, or pedestrian project elements.

NEW SECTION. Sec. 607. PROJECT SCOPE CHANGES

(1) During the 2021-2023 fiscal biennium, while the legislature is not in session, the director of the office of financial management may approve project scope change requests to connecting Washington projects in the highway improvements program, provided that the requests meet the criteria outlined in RCW 47.01.480 and are subject to the limitations in this section.

(2) At the time the department of transportation submits a request for a project scope change under this section, a copy of the request must be submitted to the transportation committees of the legislature.

(3) Before approval, the office of financial management shall work with legislative staff of the house of representatives and senate transportation committees to review the requested project scope changes.

(4) No fewer than ten days after the receipt of a scope change request, the director of the office of financial management must provide written notification to the department of any decision regarding project scope changes, with copies submitted to the transportation committees of the legislature.

(5) As part of its annual budget submittal, the department of transportation must report on all approved scope change requests from the prior year, including a comparison of the scope before and after the requested change.

NEW SECTION. Sec. 608. TOLL CREDITS

The department of transportation may provide up to three million dollars in toll credits to Kitsap transit for its role in passenger-only ferry service and ferry corridor-related projects. The number of toll credits provided must be equal to, but no more than, the number sufficient to meet federal match requirements for grant funding for passenger-only ferry service, but must not exceed the amount authorized in this section.

MISCELLANEOUS 2021-2023 FISCAL BIENNIUM

NEW SECTION. Sec. 701. INFORMATION TECHNOLOGY OVERSIGHT

(1) Agencies must apply to the office of financial management and the office of the state chief information officer for approval before beginning a project or proceeding with each discrete stage of a project subject to this section. At each stage, the office of the state chief information officer must certify that the project has an approved technology budget and investment plan, complies with state information technology and security requirements, and other policies defined by the office of the state chief information officer. The office of financial management must notify the fiscal committees of the legislature of the receipt of each application and may not approve a funding request for ten business days from the date of notification.

(2)(a) Each project must have a technology budget. The technology budget must have the detail by fiscal month for the 2021-2023 fiscal biennium. The technology budget must use a method similar to the state capital budget, identifying project costs, each fund source, and anticipated deliverables through each stage of the entire project investment and across fiscal periods and biennia from project onset through implementation and close out, as well as at least five years of maintenance and operations costs.

(b) As part of the development of a technology budget and at each request for funding, the agency shall submit an updated technology budget, if changes occurred, to include detailed financial information to the office of financial management and the office of the chief information officer. The technology budget must describe the total cost of the project, as well as maintenance and operations costs, to include and identify at least:

- (i) Fund sources;
- (ii) Full time equivalent staffing level to include job classification assumptions;
- (iii) Discrete financial budget codes to include at least the appropriation index and program index;

- (iv) Object and subobject codes of expenditures;
- (v) Anticipated deliverables;
- (vi) Historical budget and expenditure detail by fiscal year; and
- (vii) Maintenance and operations costs by fiscal year for at least five years as a separate worksheet.

(c) If a project technology budget changes and a revised technology budget is completed, a comparison of the revised technology budget to the last approved technology budget must be posted to the dashboard, to include a narrative rationale on what changed, why, and how that impacts the project in scope, budget, and schedule.

(3)(a) Each project must have an investment plan that includes:

- (i) An organizational chart of the project management team that identifies team members and their roles and responsibilities;
- (ii) The office of the chief information officer staff assigned to the project;
- (iii) An implementation schedule covering activities, critical milestones, and deliverables at each stage of the project for the life of the project at each agency affected by the project;
- (iv) Performance measures used to determine that the project is on time, within budget, and meeting expectations for quality of work product;
- (v) Ongoing maintenance and operations cost of the project post implementation and close out delineated by agency staffing, contracted staffing, and service level agreements; and
- (vi) Financial budget coding to include at least discrete financial coding for the project.

(4) Projects with estimated costs greater than \$100,000,000 from initiation to completion and implementation may be divided into discrete subprojects as determined by the office of the state chief information officer. Each subproject must have a technology budget and investment plan as provided in this section.

(5)(a) The office of the chief information officer shall maintain an information technology project dashboard that provides updated information each fiscal month on projects subject to this section. This includes, at least:

- (i) Project changes each fiscal month;
- (ii) Noting if the project has a completed market requirements document, and when it was completed;
- (iii) Financial status of information technology projects under oversight;
- (iv) Coordination with agencies;
- (v) Monthly quality assurance reports, if applicable;
- (vi) Monthly office of the chief information officer status reports;
- (vii) Historical project budget and expenditures through fiscal year 2021;
- (viii) Budget and expenditures each fiscal month;
- (ix) Estimated annual maintenance and operations costs by fiscal year; and
- (x) Posting monthly project status assessments on scope, schedule, budget, and overall by the:
 - (A) Office of the chief information officer;
 - (B) Agency project team; and
 - (C) Quality assurance vendor, if applicable to the project.

(b) The dashboard must retain a roll up of the entire project cost, including all subprojects, that can display subproject detail. This includes coalition projects that are active.

(6) If the project affects more than one agency:

- (a) A separate technology budget and investment plan must be prepared for each agency; and
- (b) The dashboard must contain a statewide project technology budget roll up that includes each affected agency at the subproject level.

(7) For any project that exceeds \$2,000,000 in total funds to

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complete, requires more than one biennium to complete, or is financed through financial contracts, bonds, or other indebtedness:

(a) Quality assurance for the project must report independently to the office of the chief information officer;

(b) The office of the chief information officer must review, and, if necessary, revise the proposed project to ensure it is flexible and adaptable to advances in technology;

(c) The technology budget must specifically identify the uses of any financing proceeds. No more than 30 percent of the financing proceeds may be used for payroll-related costs for state employees assigned to project management, installation, testing, or training;

(d) The agency must consult with the office of the state treasurer during the competitive procurement process to evaluate early in the process whether products and services to be solicited and the responsive bids from a solicitation may be financed; and

(e) The agency must consult with the contracting division of the department of enterprise services for a review of all contracts and agreements related to the project's information technology procurements.

(8) The office of the chief information officer must evaluate the project at each stage and certify whether the project is planned, managed, and meeting deliverable targets as defined in the project's approved technology budget and investment plan.

(9) The office of the chief information officer may suspend or terminate a project at any time if it determines that the project is not meeting or not expected to meet anticipated performance and technology outcomes. Once suspension or termination occurs, the agency shall unallot any unused funding and shall not make any expenditure for the project without the approval of the office of financial management. The office of the chief information officer must report on July 1st and December 1st each calendar year any suspension or termination of a project in the previous six-month period to the legislative fiscal committees.

(10) The office of the chief information officer, in consultation with the office of financial management, may identify additional projects to be subject to this section, including projects that are not separately identified within an agency budget. The office of the chief information officer must report on July 1st and December 1st each calendar year any additional projects to be subjected to this section that were identified in the previous six-month period to the legislative fiscal committees.

(11) The following transportation projects are subject to the conditions, limitations, and review provided in this section:

(a) For the Washington state patrol: Aerial criminal investigation tools;

(b) For the department of licensing: Website accessibility and usability; and

(c) For the department of transportation: Maintenance management system, land mobile radio system replacement, new csc system and operator, PROPEL – WSDOT support of one Washington, and capital systems replacement.

NEW SECTION. Sec. 702. ACQUISITION OF PROPERTIES AND FACILITIES THROUGH FINANCIAL CONTRACTS

(1) The department of transportation is authorized, subject to the conditions in section 305(2) of this act, to enter into a financing contract pursuant to chapter 39.94 RCW through the state treasurer's lease-purchase program for the purposes indicated. The department may use any funds, appropriated or nonappropriated, in not more than the principal amounts indicated, plus financing expenses and required reserves, if any. Expenditures made by the department of transportation for the indicated purposes before the issue date of the authorized

financing contract and any certificates of participation therein may be reimbursed from proceeds of the financing contract and any certificates of participation therein to the extent provided in the agency's financing plan approved by the state finance committee.

(2) Department of transportation: Enter into a financing contract for up to \$32,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to renovate the existing office building at 15700 Dayton Ave N, Shoreline. If the department of transportation has entered into a financing agreement for the purposes specified in this subsection prior to June 30, 2021, this subsection has no force and effect.

Sec. 703. RCW 43.19.642 and 2019 c 416 s 703 are each amended to read as follows:

(1) Effective June 1, 2006, for agencies complying with the ultra-low sulfur diesel mandate of the United States environmental protection agency for on-highway diesel fuel, agencies shall use biodiesel as an additive to ultra-low sulfur diesel for lubricity, provided that the use of a lubricity additive is warranted and that the use of biodiesel is comparable in performance and cost with other available lubricity additives. The amount of biodiesel added to the ultra-low sulfur diesel fuel shall be not less than two percent.

(2) Except as provided in subsection (5) of this section, effective June 1, 2009, state agencies are required to use a minimum of twenty percent biodiesel as compared to total volume of all diesel purchases made by the agencies for the operation of the agencies' diesel-powered vessels, vehicles, and construction equipment.

(3) All state agencies using biodiesel fuel shall, beginning on July 1, 2016, file annual reports with the department of enterprise services documenting the use of the fuel and a description of how any problems encountered were resolved.

(4) By December 1, 2009, the department of enterprise services shall:

(a) Report to the legislature on the average true price differential for biodiesel by blend and location; and

(b) Examine alternative fuel procurement methods that work to address potential market barriers for in-state biodiesel producers and report these findings to the legislature.

(5) During the (~~2017-2019 and~~) 2019-2021 and 2021-2023 fiscal biennia, the Washington state ferries is required to use a minimum of five percent biodiesel as compared to total volume of all diesel purchases made by the Washington state ferries for the operation of the Washington state ferries diesel-powered vessels, as long as the price of a B5 or B10 biodiesel blend does not exceed the price of conventional diesel fuel by five percent or more.

Sec. 704. RCW 46.20.745 and 2019 c 416 s 704 are each amended to read as follows:

(1) The ignition interlock device revolving account program is created within the department to assist in covering the monetary costs of installing, removing, and leasing an ignition interlock device, and applicable licensing, for indigent persons who are required under RCW 46.20.385, 46.20.720, and 46.61.5055 to install an ignition interlock device in all vehicles owned or operated by the person. For purposes of this subsection, "indigent" has the same meaning as in RCW 10.101.010, as determined by the department. During the 2019-2021 and 2021-2023 fiscal (~~biennium~~) biennia, the ignition interlock device revolving account program also includes ignition interlock enforcement work conducted by the Washington state patrol.

(2) A pilot program is created within the ignition interlock device revolving account program for the purpose of monitoring compliance by persons required to use ignition interlock devices

and by ignition interlock companies and vendors.

(3) The department, the state patrol, and the Washington traffic safety commission shall coordinate to establish a compliance pilot program that will target at least one county from eastern Washington and one county from western Washington, as determined by the department, state patrol, and Washington traffic safety commission.

(4) At a minimum, the compliance pilot program shall:

(a) Review the number of ignition interlock devices that are required to be installed in the targeted county and the number of ignition interlock devices actually installed;

(b) Work to identify those persons who are not complying with ignition interlock requirements or are repeatedly violating ignition interlock requirements; and

(c) Identify ways to track compliance and reduce noncompliance.

(5) As part of monitoring compliance, the Washington traffic safety commission shall also track recidivism for violations of RCW 46.61.502 and 46.61.504 by persons required to have an ignition interlock driver's license under RCW 46.20.385 and 46.20.720.

Sec. 705. RCW 82.21.030 and 2020 c 20 s 1483 are each amended to read as follows:

(1)(a) A tax is imposed on the privilege of possession of hazardous substances in this state. Except as provided in (b) of this subsection, the rate of the tax is seven-tenths of one percent multiplied by the wholesale value of the substance. Moneys collected under this subsection (1)(a) must be deposited in the model toxics control capital account.

(b) Beginning July 1, 2019, the rate of the tax on petroleum products is one dollar and nine cents per barrel. The tax collected under this subsection (1)(b) on petroleum products must be deposited as follows, after first depositing the tax as provided in (c) of this subsection (~~((4))~~), except that during the 2021-2023 biennium the deposit as provided in (c) of this subsection may be prorated equally across each month of the biennium:

(i) Sixty percent to the model toxics control operating account created under RCW 70A.305.180;

(ii) Twenty-five percent to the model toxics control capital account created under RCW 70A.305.190; and

(iii) Fifteen percent to the model toxics control stormwater account created under RCW 70A.305.200.

(c) Until the beginning of the ensuing biennium after the enactment of an additive transportation funding act, fifty million dollars per biennium to the motor vehicle fund to be used exclusively for transportation stormwater activities and projects. For purposes of this subsection, "additive transportation funding act" means an act in which the combined total of new revenues deposited into the motor vehicle fund and the multimodal transportation account exceed two billion dollars per biennium attributable solely to an increase in revenue from the enactment of the act.

(d) The department must compile a list of petroleum products that are not easily measured on a per barrel basis. Petroleum products identified on the list are subject to the rate under (a) of this subsection in lieu of the volumetric rate under (b) of this subsection. The list will be made in a form and manner prescribed by the department and must be made available on the department's internet website. In compiling the list, the department may accept technical assistance from persons that sell, market, or distribute petroleum products and consider any other resource the department finds useful in compiling the list.

(2) Chapter 82.32 RCW applies to the tax imposed in this chapter. The tax due dates, reporting periods, and return requirements applicable to chapter 82.04 RCW apply equally to the tax imposed in this chapter.

(3) Beginning July 1, 2020, and every July 1st thereafter, the rate specified in subsection (1)(b) of this section must be adjusted to reflect the percentage change in the implicit price deflator for nonresidential structures as published by the United States department of commerce, bureau of economic analysis for the most recent twelve-month period ending December 31st of the prior year.

Sec. 706. RCW 46.68.060 and 2019 c 416 s 705 are each amended to read as follows:

There is hereby created in the state treasury a fund to be known as the highway safety fund to the credit of which must be deposited all moneys directed by law to be deposited therein. This fund must be used for carrying out the provisions of law relating to driver licensing, driver improvement, financial responsibility, cost of furnishing abstracts of driving records and maintaining such case records, and to carry out the purposes set forth in RCW 43.59.010, and chapters 46.72 and 46.72A RCW. During the 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer from the highway safety fund to the Puget Sound ferry operations account, the motor vehicle fund, and the multimodal transportation account such amounts as reflect the excess fund balance of the highway safety fund. During the ~~((and the))~~ 2017-2019, 2019-2021, and 2021-2023 fiscal biennia, the legislature may direct the state treasurer to make transfers of moneys in the highway safety fund to the multimodal transportation account and the state patrol highway account.

Sec. 707. RCW 47.12.370 and 2003 c 187 s 1 are each amended to read as follows:

(1) The department may enter into exchange agreements with local, state, or federal agencies, tribal governments, or private nonprofit nature conservancy corporations as defined in RCW 64.04.130, to convey properties under the jurisdiction of the department that serve as environmental mitigation sites, as full or part consideration for the grantee assuming all future maintenance and operation obligations and costs required to maintain and operate the environmental mitigation site in perpetuity.

(2) ~~((Tribal))~~ (a) Except as provided in (b) of this subsection, tribal governments shall only be eligible to participate in an exchange agreement if they:

~~((a))~~ (i) Provide the department with a valid waiver of their tribal sovereign immunity from suit. The waiver must allow the department to enforce the terms of the exchange agreement or quitclaim deed in state court; and

~~((b))~~ (ii) Agree that the property shall not be placed into trust status.

(b) During the 2021-2023 fiscal biennium, the restrictions in (a) of this subsection do not apply to any exchange agreement with a tribal government for the acquisition of real property required by the department for the SR 167/SR 509 Puget Sound Gateway project.

(3) The conveyances must be by quitclaim deed, or other form of conveyance, executed by the secretary of transportation, and must expressly restrict the use of the property to a mitigation site consistent with preservation of the functions and values of the site, and must provide for the automatic reversion to the department if the property is not used as a mitigation site or is not maintained in a manner that complies with applicable permits, laws, and regulations pertaining to the maintenance and operation of the mitigation site.

Sec. 708. RCW 46.68.325 and 2019 c 416 s 708 are each amended to read as follows:

(1) The rural mobility grant program account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the grants provided under RCW 47.66.100.

(2) Beginning September 2011, by the last day of September,

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December, March, and June of each year, the state treasurer shall transfer from the multimodal transportation account to the rural mobility grant program account two million five hundred thousand dollars.

(3) During the 2015-2017 fiscal biennium, the legislature may transfer from the rural mobility grant program account to the multimodal transportation account such amounts as reflect the excess fund balance of the rural mobility grant program account.

(4) During the 2017-2019 ~~((and the))~~, 2019-2021, and 2021-2023 fiscal biennia, the legislature may direct the state treasurer to make transfers of moneys in the rural mobility grant program account to the multimodal transportation account.

Sec. 709. RCW 47.56.876 and 2019 c 416 s 710 are each amended to read as follows:

A special account to be known as the state route number 520 civil penalties account is created in the state treasury. All state route number 520 bridge replacement and HOV program civil penalties generated from the nonpayment of tolls on the state route number 520 corridor must be deposited into the account, as provided under RCW 47.56.870(4)(b)(vii). Moneys in the account may be spent only after appropriation. Expenditures from the account may be used to fund any project within the state route number 520 bridge replacement and HOV program, including mitigation. During the 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer from the state route number 520 civil penalties account to the state route number 520 corridor account such amounts as reflect the excess fund balance of the state route number 520 civil penalties account. Funds transferred must be used solely for capital expenditures for the state route number 520 bridge replacement and HOV project. During the 2017-2019 and the 2019-2021 fiscal biennia, the legislature may direct the state treasurer to make transfers of moneys in the state route number 520 civil penalties account to the state route number 520 corridor account. During the 2021-2023 fiscal biennium, the legislature may direct the state treasurer to transfer moneys in the state route number 520 civil penalties account to the motor vehicle account.

Sec. 710. RCW 46.68.370 and 2019 c 416 s 713 are each amended to read as follows:

The license plate technology account is created in the state treasury. All receipts collected under RCW 46.17.015 must be deposited into this account. Expenditures from this account must support current and future license plate technology and systems integration upgrades for both the department and correctional industries. Moneys in the account ~~((F:\Journal\2021\Journal\Journal2021\LegDay104\fund.doe))~~ may be spent only after appropriation. Additionally, the moneys in this account may be used to reimburse the motor vehicle account for any appropriation made to implement the digital license plate system. During the 2011-2013 and 2013-2015 fiscal biennia, the legislature may transfer from the license plate technology account to the highway safety ~~((account — F:\Journal\2021\Journal\Journal2021\LegDay104\fund.doe))~~ fund such amounts as reflect the excess fund balance of the license plate technology account. During the 2019-2021 ~~((biennium))~~ and 2021-2023 biennia, the account may also be used for the maintenance of recently modernized information technology systems for vehicle registrations.

Sec. 711. RCW 46.68.300 and 2019 c 416 s 714 are each amended to read as follows:

The freight mobility investment account is hereby created in the state treasury. Money in the account may be spent only after appropriation. Expenditures from the account may be used only for freight mobility projects that have been approved by the freight mobility strategic investment board in RCW 47.06A.020 and may include any principal and interest on bonds authorized

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for the projects or improvements. During the 2019-2021 and 2021-2023 fiscal ~~((biennium))~~ biennia, the expenditures from the account may also be used for the administrative expenses of the freight mobility strategic investment board.

Sec. 712. RCW 47.60.322 and 2019 c 416 s 716 are each amended to read as follows:

(1) The capital vessel replacement account is created in the motor vehicle fund. All revenues generated from the vessel replacement surcharge under RCW 47.60.315(7) and service fees collected by the department of licensing or county auditor or other agent appointed by the director under RCW 46.17.040, 46.17.050, and 46.17.060 must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels. However, expenditures from the account must first be used to support the construction or purchase, including any applicable financing costs, of a ferry vessel with a carrying capacity of at least one hundred forty-four cars.

(2) The state treasurer may transfer moneys from the capital vessel replacement account to the transportation 2003 account (nickel account) for debt service on bonds issued for the construction of 144-car class ferry vessels.

(3) The legislature may transfer from the capital vessel replacement account to the connecting Washington account created under RCW 46.68.395 such amounts as reflect the excess fund balance of the capital vessel replacement account to be used for ferry terminal construction and preservation.

(4) During the 2019-2021 and 2021-2023 fiscal ~~((biennium))~~ biennia, the legislature may direct the state treasurer to make transfers of moneys in the capital vessel replacement account to the transportation partnership account and the connecting Washington account.

Sec. 713. RCW 46.68.290 and 2020 c 219 s 705 are each amended to read as follows:

(1) The transportation partnership account is hereby created in the state treasury. All distributions to the account from RCW 46.68.090 must be deposited into the account. Money in the account may be spent only after appropriation. Expenditures from the account must be used only for projects or improvements identified as 2005 transportation partnership projects or improvements in the omnibus transportation appropriations act, including any principal and interest on bonds authorized for the projects or improvements.

(2) The legislature finds that:

(a) Citizens demand and deserve accountability of transportation-related programs and expenditures. Transportation-related programs must continuously improve in quality, efficiency, and effectiveness in order to increase public trust;

(b) Transportation-related agencies that receive tax dollars must continuously improve the way they operate and deliver services so citizens receive maximum value for their tax dollars; and

(c) Fair, independent, comprehensive performance audits of transportation-related agencies overseen by the elected state auditor are essential to improving the efficiency, economy, and effectiveness of the state's transportation system.

(3) For purposes of chapter 314, Laws of 2005:

(a) "Performance audit" means an objective and systematic assessment of a state agency or agencies or any of their programs, functions, or activities by the state auditor or designee in order to help improve agency efficiency, effectiveness, and accountability. Performance audits include economy and

efficiency audits and program audits.

(b) "Transportation-related agency" means any state agency, board, or commission that receives funding primarily for transportation-related purposes. At a minimum, the department of transportation, the transportation improvement board or its successor entity, the county road administration board or its successor entity, and the traffic safety commission are considered transportation-related agencies. The Washington state patrol and the department of licensing shall not be considered transportation-related agencies under chapter 314, Laws of 2005.

(4) Within the authorities and duties under chapter 43.09 RCW, the state auditor shall establish criteria and protocols for performance audits. Transportation-related agencies shall be audited using criteria that include generally accepted government auditing standards as well as legislative mandates and performance objectives established by state agencies. Mandates include, but are not limited to, agency strategies, timelines, program objectives, and mission and goals as required in RCW 43.88.090.

(5) Within the authorities and duties under chapter 43.09 RCW, the state auditor may conduct performance audits for transportation-related agencies. The state auditor shall contract with private firms to conduct the performance audits.

(6) The audits may include:

(a) Identification of programs and services that can be eliminated, reduced, consolidated, or enhanced;

(b) Identification of funding sources to the transportation-related agency, to programs, and to services that can be eliminated, reduced, consolidated, or enhanced;

(c) Analysis of gaps and overlaps in programs and services and recommendations for improving, dropping, blending, or separating functions to correct gaps or overlaps;

(d) Analysis and recommendations for pooling information technology systems used within the transportation-related agency, and evaluation of information processing and telecommunications policy, organization, and management;

(e) Analysis of the roles and functions of the transportation-related agency, its programs, and its services and their compliance with statutory authority and recommendations for eliminating or changing those roles and functions and ensuring compliance with statutory authority;

(f) Recommendations for eliminating or changing statutes, rules, and policy directives as may be necessary to ensure that the transportation-related agency carry out reasonably and properly those functions vested in the agency by statute;

(g) Verification of the reliability and validity of transportation-related agency performance data, self-assessments, and performance measurement systems as required under RCW 43.88.090;

(h) Identification of potential cost savings in the transportation-related agency, its programs, and its services;

(i) Identification and recognition of best practices;

(j) Evaluation of planning, budgeting, and program evaluation policies and practices;

(k) Evaluation of personnel systems operation and management;

(l) Evaluation of purchasing operations and management policies and practices;

(m) Evaluation of organizational structure and staffing levels, particularly in terms of the ratio of managers and supervisors to nonmanagement personnel; and

(n) Evaluation of transportation-related project costs, including but not limited to environmental mitigation, competitive bidding practices, permitting processes, and capital project management.

(7) Within the authorities and duties under chapter 43.09 RCW, the state auditor must provide the preliminary performance audit

reports to the audited state agency for comment. The auditor also may seek input on the preliminary report from other appropriate officials. Comments must be received within thirty days after receipt of the preliminary performance audit report unless a different time period is approved by the state auditor. The final performance audit report shall include the objectives, scope, and methodology; the audit results, including findings and recommendations; the agency's response and conclusions; and identification of best practices.

(8) The state auditor shall provide final performance audit reports to the citizens of Washington, the governor, the joint legislative audit and review committee, the appropriate legislative committees, and other appropriate officials. Final performance audit reports shall be posted on the internet.

(9) The audited transportation-related agency is responsible for follow-up and corrective action on all performance audit findings and recommendations. The audited agency's plan for addressing each audit finding and recommendation shall be included in the final audit report. The plan shall provide the name of the contact person responsible for each action, the action planned, and the anticipated completion date. If the audited agency does not agree with the audit findings and recommendations or believes action is not required, then the action plan shall include an explanation and specific reasons.

The office of financial management shall require periodic progress reports from the audited agency until all resolution has occurred. The office of financial management is responsible for achieving audit resolution. The office of financial management shall annually report by December 31st the status of performance audit resolution to the appropriate legislative committees and the state auditor. The legislature shall consider the performance audit results in connection with the state budget process.

The auditor may request status reports on specific audits or findings.

(10) For the period from July 1, 2005, until June 30, 2007, the amount of \$4,000,000 is appropriated from the transportation partnership account to the state auditors office for the purposes of subsections (2) through (9) of this section.

(11) During the 2015-2017 fiscal biennium, the legislature may transfer from the transportation partnership account to the connecting Washington account such amounts as reflect the excess fund balance of the transportation partnership account.

(12) During ~~((the 2017-2019 and))~~ the 2019-2021 and 2021-2023 fiscal biennia, the legislature may direct the state treasurer to make transfers of moneys in the transportation partnership account to the connecting Washington account, the motor vehicle fund, the Tacoma Narrows toll bridge account, and the capital vessel replacement account.

Sec. 714. RCW 46.68.063 and 2019 c 416 s 712 are each amended to read as follows:

The department of licensing technology improvement and data management account is created in the highway safety fund. All receipts from fees collected under RCW 46.12.630(5) must be deposited into the account. Expenditures from the account may be used only for investments in technology and data management at the department. During the 2019-2021 ~~((biennium))~~ and 2021-2023 biennia, the account may also be used for responding to public records requests. Moneys in the account may be spent only after appropriation.

Sec. 715. RCW 47.60.530 and 2017 c 313 s 714 are each amended to read as follows:

(1) The Puget Sound ferry operations account is created in the motor vehicle fund.

(2) The following funds must be deposited into the account:

(a) All moneys directed by law;

(b) All revenues generated from ferry fares; and

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(c) All revenues generated from commercial advertising, concessions, parking, and leases as allowed under RCW 47.60.140.

(3) Moneys in the account may be spent only after appropriation.

(4) Expenditures from the account may be used only for the maintenance, administration, and operation of the Washington state ferry system.

(5) During the 2015-2017 fiscal biennium, the legislature may transfer from the Puget Sound ferry operations account to the connecting Washington account such amounts as reflect the excess fund balance of the Puget Sound ferry operations account.

(6) During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the Puget Sound ferry operations account to the connecting Washington account.

(7) During the 2021-2023 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the Puget Sound ferry operations account to the Puget Sound capital construction account.

Sec. 716. RCW 47.60.315 and 2019 c 431 s 3 are each amended to read as follows:

(1) The commission shall adopt fares and pricing policies by rule, under chapter 34.05 RCW, according to the following schedule:

(a) Each year the department shall provide the commission a report of its review of fares and pricing policies, with recommendations for the revision of fares and pricing policies for the ensuing year;

(b) By September 1st of each year, beginning in 2008, the commission shall adopt by rule fares and pricing policies for the ensuing year.

(2) The commission may adopt by rule fares that are effective for more or less than one year for the purposes of transitioning to the fare schedule in subsection (1) of this section.

(3) The commission may increase ferry fares included in the schedule of charges adopted under this section by a percentage that exceeds the fiscal growth factor.

(4) The chief executive officer of the ferry system may authorize the use of promotional, discounted, and special event fares to the general public and commercial enterprises for the purpose of maximizing capacity use and the revenues collected by the ferry system. The department shall report to the commission a summary of the promotional, discounted, and special event fares offered during each fiscal year and the financial results from these activities.

(5) Fare revenues and other revenues deposited in the Puget Sound ferry operations account created in RCW 47.60.530 may not be used to support the Puget Sound capital construction account created in RCW 47.60.505, unless the support for capital is separately identified in the fare or except as provided in section 715 of this act during the 2021-2023 biennium.

(6) The commission may not raise fares until the fare rules contain pricing policies developed under RCW 47.60.290, or September 1, 2009, whichever is later.

(7) The commission shall impose a vessel replacement surcharge of twenty-five cents on every one-way and round-trip ferry fare sold, including multiride and monthly pass fares. This surcharge must be clearly indicated to ferry passengers and drivers and, if possible, on the fare media itself.

(8) Except as provided in subsection (10) of this section, beginning May 1, 2020, the commission shall impose an additional vessel replacement surcharge in an amount sufficient to fund twenty-five year debt service on one 144-auto hybrid vessel taking into account funds provided in chapter 417, Laws of

2019 or chapter . . . (SSB 5419), Laws of 2019. The department of transportation shall provide to the commission vessel and debt service cost estimates. Information on vessels constructed or purchased with revenue from the surcharges must be publicly posted including, but not limited to, the commission web site.

(9) The vessel replacement surcharges imposed in this section may only be used for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of new ferry vessels.

(10) The commission shall not impose the additional vessel replacement surcharge in subsection (8) of this section if doing so would increase fares by more than ten percent.

Sec. 717. RCW 34.05.350 and 2011 1st sp.s. c 2 s 1 are each amended to read as follows:

(1) If an agency for good cause finds:

(a) That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest;

(b) That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule; or

(c) In order to implement the requirements or reductions in appropriations enacted in any budget for fiscal year 2009, 2010, 2011, 2012, ~~((or))~~ 2013, or in an omnibus transportation appropriations act for the 2021-2023 biennium related to setting toll rates or ferry fares, which necessitates the need for the immediate adoption, amendment, or repeal of a rule, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the fiscal needs or requirements of the agency,

the agency may dispense with those requirements and adopt, amend, or repeal the rule on an emergency basis. The agency's finding and a concise statement of the reasons for its finding shall be incorporated in the order for adoption of the emergency rule or amendment filed with the office of the code reviser under RCW 34.05.380 and with the rules review committee.

(2) An emergency rule adopted under this section takes effect upon filing with the code reviser, unless a later date is specified in the order of adoption, and may not remain in effect for longer than one hundred twenty days after filing. Identical or substantially similar emergency rules may not be adopted in sequence unless conditions have changed or the agency has filed notice of its intent to adopt the rule as a permanent rule, and is actively undertaking the appropriate procedures to adopt the rule as a permanent rule. This section does not relieve any agency from compliance with any law requiring that its permanent rules be approved by designated persons or bodies before they become effective.

(3) Within seven days after the rule is adopted, any person may petition the governor requesting the immediate repeal of a rule adopted on an emergency basis by any department listed in RCW 43.17.010. Within seven days after submission of the petition, the governor shall either deny the petition in writing, stating his or her reasons for the denial, or order the immediate repeal of the rule. In ruling on the petition, the governor shall consider only whether the conditions in subsection (1) of this section were met such that adoption of the rule on an emergency basis was necessary. If the governor orders the repeal of the emergency rule, any sanction imposed based on that rule is void. This subsection shall not be construed to prohibit adoption of any rule as a permanent rule.

Sec. 718. 2019 c 396 s 2 (uncodified) is amended to read as follows:

(1) The state commercial aviation coordinating commission is created to carry out the functions of ~~((this))~~ chapter 396, Laws of 2019. The commission shall consist of fifteen voting members.

(2) The governor shall appoint thirteen voting members to represent the following interests:

(a) Four as representatives of commercial service airports and ports, one of whom shall represent a port located in a county with a population of two million or more, one of whom shall represent a port in eastern Washington with an airport runway of at least thirteen thousand five hundred feet in length, one of whom shall represent a commercial service airport in eastern Washington located in a county with a population of four hundred thousand or more, and one representing an association of ports;

(b) Three as representatives from the airline industry and the private sector;

(c) Two citizen representatives with one appointed from eastern Washington and one appointed from western Washington. The citizen appointees must:

(i) Represent the public interests in the communities that are included in the commission's site research; and

(ii) Understand the impacts of a large commercial aviation facility on a community;

(d) A representative from the freight forwarding industry;

(e) A representative from the trucking industry;

(f) A representative from a community organization that understands the impacts of a large commercial aviation facility on a community; and

(g) A representative from a statewide environmental organization.

(3) The remaining two members shall consist of:

(a) A representative from the department of commerce; and

(b) A representative from the division of aeronautics of the department of transportation.

(4) The commission shall invite the following nonvoting members:

(a) A representative from the Washington state aviation alliance;

(b) A representative from the department of defense;

(c) Two members from the senate, with one member from each of the two largest caucuses in the senate, appointed by the president of the senate;

(d) Two members from the house of representatives, with one member from each of the two largest caucuses in the house of representatives, appointed by the speaker of the house of representatives;

(e) A representative from the division of aeronautics of the department of transportation;

(f) A representative from an eastern Washington metropolitan planning organization;

(g) A representative from a western Washington metropolitan planning organization;

(h) A representative from an eastern Washington regional airport; and

(i) A representative from a western Washington regional airport.

(5) The governor may appoint additional nonvoting members as deemed appropriate.

(6) The commission shall select a chair from among its membership and shall adopt rules related to its powers and duties under ~~((this))~~ chapter 396, Laws of 2019.

(7) Legislative members of the commission are reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members are not entitled to be reimbursed for travel expenses if they are elected officials or are participating on behalf of an employer, governmental entity, or other organization. Any reimbursement for other nonlegislative members is subject

to chapter 43.03 RCW. The commission has all powers necessary to carry out its duties as prescribed by ~~((this))~~ chapter 396, Laws of 2019.

(8) The department of transportation shall provide staff support for coordinating and administering the commission and technical assistance as requested by commission members. The department shall consider cost-saving options such as using online conferencing tools. Meetings shall be held in Olympia, Washington unless resources allow for alternative locations.

(9) At the direction of the commission, and as resources allow, the department of transportation is authorized to hire a consultant to assist with the review and research efforts of the commission. The contract is exempt from the competitive procurement requirements in chapter 39.26 RCW.

(10) The department of transportation shall convene the initial meeting of the commission as soon as practicable.

(11) This section expires ~~((July 1, 2022))~~ June 30, 2023.

Sec. 719. 2019 c 396 s 3 (uncodified) is amended to read as follows:

(1) The state commercial aviation coordinating commission will review existing data and conduct research to determine Washington's long-range commercial aviation facility needs and the site of a new primary commercial aviation facility. Research for each potential site must include the feasibility of constructing a commercial aviation facility in that location and its potential environmental, community, and economic impacts. Options for a new primary commercial aviation facility in Washington may include expansion of an existing airport facility but may not include siting a facility on or in the vicinity of a military installation that would be incompatible with the installation's ability to carry out its mission requirements. The work of the commission shall include the following:

(a) Recommendations to the legislature on future Washington state long-range commercial aviation facility needs including possible additional aviation facilities or expansion of current aviation facilities, excluding those located in a county with a population of two million or more, to meet anticipated commercial aviation, general aviation, and air cargo demands; ~~((and))~~

(b) Identifying a preferred location for a new primary commercial aviation facility. The commission shall make recommendations and shall select a single preferred location by a sixty percent majority vote using the following process:

(i) Initiating a broad review of potential sites;

(ii) Recommending a final short list of no more than six locations by ~~((January 1, 2021))~~ February 15, 2022;

(iii) Identifying the top two locations from the final six locations by ~~((September 1, 2021))~~ October 15, 2022; and

(iv) Identifying a single preferred location for a new primary commercial aviation facility by ~~((January 1, 2022))~~ February 15, 2023; and

(c) A projected timeline for the development of an additional commercial aviation facility that is completed and functional by 2040.

(2) The commission shall submit a report of its findings and recommendations to the transportation committees of the legislature by ~~((January 1, 2022))~~ February 15, 2023. The commission must allow a minority report to be included with the commission report if requested by a voting member of the commission.

(3) Nothing in this section shall be construed to endorse, limit, or otherwise alter existing or future plans for capital development and capacity enhancement at existing commercial airports in Washington.

(4) This section expires ~~((July 1, 2022))~~ June 30, 2023.

Sec. 720. RCW 46.09.540 and 2013 2nd sp.s. c 23 s 10 are

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each amended to read as follows:

(1) The multiuse roadway safety account is created in the motor vehicle fund. All receipts from vehicle license fees under RCW 46.17.350(1)(r) must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for grants administered by the department of transportation to: (a) Counties to perform safety engineering analysis of mixed vehicle use on any road within a county; (b) local governments to provide funding to erect signs providing notice to the motoring public that (i) wheeled all-terrain vehicles are present or (ii) wheeled all-terrain vehicles may be crossing; (c) the state patrol or local law enforcement for purposes of defraying the costs of enforcement of chapter 23, Laws of 2013 2nd sp. sess.; ~~(and)~~ (d) law enforcement to investigate accidents involving wheeled all-terrain vehicles; and (e) during the 2021-2023 biennium grants may be made to counties to (i) enhance or maintain any segment of a road within the county in which the segment has been designated as part of a travel or tourism route for use by wheeled all-terrain vehicles; and (ii) purchase, print, develop, or use educational brochures or mapping technology that aids in the safety and direction of users of wheeled all-terrain vehicle routes.

(2) The department of transportation must prioritize grant awards in the following priority order:

(a) For the purpose of marking highway crossings with signs warning motorists that wheeled all-terrain vehicles may be crossing when an ORV recreation facility parking lot is on the other side of a public roadway from the actual ORV recreation facility; and

(b) For the purpose of marking intersections with signs where a wheeled all-terrain vehicle may cross a public road to advise motorists of the upcoming intersection. Such signs must conform to the manual on uniform traffic control devices.

Sec. 721. RCW 47.66.120 and 2019 c 287 s 18 are each amended to read as follows:

(1)(a) Subject to the availability of amounts appropriated for this specific purpose through the 2023-2025 biennium, the department's public transportation division shall establish a green transportation capital grant program. The purpose of the grant program is to aid any transit authority in funding cost-effective capital projects to reduce the carbon intensity of the Washington transportation system, examples of which include: Electrification of vehicle fleets, including battery and fuel cell electric vehicles; modification or replacement of capital facilities in order to facilitate fleet electrification and/or hydrogen refueling; necessary upgrades to electrical transmission and distribution systems; and construction of charging and fueling stations. The department's public transportation division shall identify projects and shall submit a prioritized list of all projects requesting funding to the legislature by December 1st of each even-numbered year.

(b) The department's public transportation division shall select projects based on a competitive process that considers the following criteria:

(i) The cost-effectiveness of the reductions in carbon emissions provided by the project; and

(ii) The benefit provided to transitioning the entire state to a transportation system with lower carbon intensity.

(2) The department's public transportation division must establish an advisory committee to assist in identifying projects under subsection (1) of this section. The advisory committee must include representatives from the department of ecology, the department of commerce, the utilities and transportation commission, and at least one transit authority.

(3) In order to receive green transportation capital grant

program funding for a project, a transit authority must provide matching funding for that project that is at least equal to twenty percent of the total cost of the project.

(4) The department's public transportation division must report annually to the transportation committees of the legislature on the status of any grant projects funded by the program created under this section.

(5) For purposes of this section, "transit authority" means a city transit system under RCW 35.58.2721 or chapter 35.95A RCW, a county public transportation authority under chapter 36.57 RCW, a metropolitan municipal corporation transit system under chapter 36.56 RCW, a public transportation benefit area under chapter 36.57A RCW, an unincorporated transportation benefit area under RCW 36.57.100, a regional transit authority under chapter 81.112 RCW, or any special purpose district formed to operate a public transportation system.

(6) During the 2021-2023 fiscal biennium, the department may provide up to 20 percent of the total green transportation capital grant program funding for zero emissions capital transition planning projects.

2019-2021 FISCAL BIENNIUM

GENERAL GOVERNMENT AGENCIES—OPERATING

Sec. 801. 2019 c 416 s 101 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

Motor Vehicle Account—State Appropriation ... ~~(\$545,000)~~
\$536,000

Sec. 802. 2020 c 219 s 101 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT
Motor Vehicle Account—State Appropriation ~~(\$1,419,000)~~
\$1,388,000

Multimodal Transportation Account—State Appropriation
..... \$300,000

Puget Sound Ferry Operations Account—State Appropriation
..... \$121,000

TOTAL APPROPRIATION ~~(\$1,840,000)~~
\$1,809,000

The appropriations in this section are subject to the following conditions and limitations: \$300,000 of the multimodal transportation account—state appropriation is provided solely for the office of financial management, in direct coordination with the office of state treasurer, to evaluate, coordinate, and assist in efforts by state agencies in developing cost recovery mechanisms for credit card and other financial transaction fees currently paid from state funds. This may include disbursing interagency reimbursements for the implementation costs incurred by the affected agencies. As part of the first phase of this effort, the office of financial management, with the assistance of relevant agencies, must develop implementation plans and take all necessary steps to ensure that the actual cost-recovery mechanisms will be in place by January 1, 2020, for the vehicles and drivers programs of the department of licensing. By November 1, 2019, the office of financial management must provide a report to the joint transportation committee on the phase 1 implementation plan and options to expand similar cost recovery mechanisms to other state agencies and programs, including the ferries division.

Sec. 803. 2020 c 219 s 102 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE
Motor Vehicle Account—State Appropriation ~~(\$1,359,000)~~
\$1,350,000

Sec. 804. 2019 c 416 s 106 (uncodified) is amended to read

as follows:

FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

Motor Vehicle Account—State Appropriation((~~\$652,000~~))
\$647,000

Sec. 805. 2020 c 219 s 104 (uncodified) is amended to read as follows:

FOR THE HOUSE OF REPRESENTATIVES

Motor Vehicle Account—State Appropriation ..((~~\$3,082,000~~))
\$3,052,000

Sec. 806. 2020 c 219 s 105 (uncodified) is amended to read as follows:

FOR THE SENATE

Motor Vehicle Account—State Appropriation \$2,999,000
TRANSPORTATION AGENCIES—OPERATING

Sec. 901. 2020 c 219 s 201 (uncodified) is amended to read as follows:

FOR THE WASHINGTON TRAFFIC SAFETY COMMISSION

Highway	Safety	Account—State	Appropriation
			.....((\$4,675,000))
			<u>\$4,647,000</u>
Highway	Safety	Account—Federal	Appropriation
			.....((\$27,051,000))
			<u>\$26,943,000</u>
Highway	Safety	Account—Private/Local	Appropriation
			..... \$118,000
School Zone Safety Account—State Appropriation		. \$850,000	
TOTAL APPROPRIATION.....			((\$32,694,000))
			<u>\$32,558,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$150,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter 54, Laws of 2019 (Cooper Jones Active Transportation Safety Council). If chapter 54, Laws of 2019 is not enacted by June 30, 2019, the amount provided in this subsection lapses.

(2) The Washington traffic safety commission may oversee a pilot program in up to three cities implementing the use of automated vehicle noise enforcement cameras in zones that have been designated by ordinance as "Stay Out of Areas of Racing."

(a) Any programs authorized by the commission must be authorized by December 31, 2020.

(b) If a city has established an authorized automated vehicle noise enforcement camera pilot program under this section, the compensation paid to the manufacturer or vendor of the equipment used must be based upon the value of the equipment and services provided or rendered in support of the system.

(c) Any city administering a pilot program overseen by the traffic safety commission shall use the following guidelines to administer the program:

(i) Automated vehicle noise enforcement camera may record photographs or audio of the vehicle and vehicle license plate only while a violation is occurring. The picture must not reveal the face of the driver or of passengers in the vehicle;

(ii) The law enforcement agency of the city or county government shall install two signs facing opposite directions within two hundred feet, or otherwise consistent with the uniform manual on traffic control devices, where the automated vehicle noise enforcement camera is used that state "Street Racing Noise Pilot Program in Progress";

(iii) Cities testing the use of automated vehicle noise enforcement cameras must post information on the city web site and notify local media outlets indicating the zones in which the automated vehicle noise enforcement cameras will be used;

(iv) A city may only issue a warning notice with no penalty for

a violation detected by automated vehicle noise enforcement cameras in a Stay Out of Areas of Racing zone. Warning notices must be mailed to the registered owner of a vehicle within fourteen days of the detected violation;

(v) A violation detected through the use of automated vehicle noise enforcement cameras is not part of the registered owner's driving record under RCW 46.52.101 and 46.52.120;

(vi) Notwithstanding any other provision of law, all photographs, videos, microphotographs, audio recordings, or electronic images prepared under this section are for the exclusive use of law enforcement in the discharge of duties under this section and are not open to the public and may not be used in a court in a pending action or proceeding. No photograph, microphotograph, audio recording, or electronic image may be used for any purpose other than the issuance of warnings for violations under this section or retained longer than necessary to issue a warning notice as required under this subsection (2); and

(vii) By June 30, 2021, the participating cities shall provide a report to the commission and appropriate committees of the legislature regarding the use, public acceptance, outcomes, warnings issued, data retention and use, and other relevant issues regarding automated vehicle noise enforcement cameras demonstrated by the pilot projects.

(3) The Washington traffic safety commission may oversee a demonstration project in one county, coordinating with a public transportation benefit area (PTBA) and the department of transportation, to test the feasibility and accuracy of the use of automated enforcement technology for high occupancy vehicle (HOV) lane passenger compliance. All costs associated with the demonstration project must be borne by the participating public transportation benefit area. Any photograph, microphotograph, or electronic images of a driver or passengers are for the exclusive use of the PTBA in the determination of whether an HOV passenger violation has occurred to test the feasibility and accuracy of automated enforcement under this subsection and are not open to the public and may not be used in a court in a pending action or proceeding. All photographs, microphotographs, and electronic images must be destroyed after determining a passenger count and no later than the completion of the demonstration project. No warnings or notices of infraction may be issued under the demonstration project.

For purposes of the demonstration project, an automated enforcement technology device may record an image of a driver and passenger of a motor vehicle. The county and PTBA must erect signs marking the locations where the automated enforcement for HOV passenger requirements is occurring.

The PTBA, in consultation with the Washington traffic safety commission, must provide a report to the transportation committees of the legislature with the number of violations detected during the demonstration project, whether the technology used was accurate and any recommendations for future use of automated enforcement technology for HOV lane enforcement by June 30, 2021.

(4)(a) The Washington traffic safety commission shall coordinate with each city that implements a pilot program as authorized in chapter 224, Laws of 2020 (automated traffic safety cameras) or chapter . . . (Substitute Senate Bill No. 5789), Laws of 2020 (automated traffic safety cameras) to provide the transportation committees of the legislature with the following information by June 30, 2021:

(i) The number of warnings and infractions issued to first-time violators under the pilot program;

(ii) The number of warnings and infractions issued to the registered owners of vehicles that are not registered with an address located in the city conducting the pilot program; and

(iii) The frequency with which warnings and infractions are

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issued on weekdays versus weekend days.

(b) If neither chapter 224, Laws of 2020 nor chapter . . . (Substitute Senate Bill No. 5789), Laws of 2020 is enacted by June 30, 2020, the conditions of this subsection (4) have no force and effect.

Sec. 902. 2020 c 219 s 202 (uncodified) is amended to read as follows:

FOR THE COUNTY ROAD ADMINISTRATION BOARD

Rural Arterial Trust Account—State Appropriation	\$1,137,000
Motor Vehicle Account—State Appropriation .((\$2,920,000))	<u>\$2,995,000</u>
County Arterial Preservation Account—State Appropriation	\$1,677,000
TOTAL APPROPRIATION.....((\$5,734,000))	<u>\$5,809,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$58,000 of the motor vehicle account—state appropriation is provided solely for succession planning and training.

Sec. 903. 2020 c 219 s 203 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION IMPROVEMENT BOARD

Transportation Improvement Account—State Appropriation	(\$3,854,000)
	<u>\$3,825,000</u>

Sec. 904. 2020 c 219 s 204 (uncodified) is amended to read as follows:

FOR THE JOINT TRANSPORTATION COMMITTEE

Motor Vehicle Account—State Appropriation .((\$2,187,000))	<u>\$2,173,000</u>
Multimodal Transportation Account—State Appropriation	(\$917,000)
	<u>\$895,000</u>
Highway Safety Account—State Appropriation.....	\$275,000
TOTAL APPROPRIATION.....((\$3,379,000))	<u>\$3,343,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$400,000 of the motor vehicle account—state appropriation and \$50,000 of the multimodal transportation account—state appropriation is for the joint transportation committee to conduct a comprehensive assessment of statewide transportation needs and priorities, and existing and potential transportation funding mechanisms to address those needs and priorities. The assessment must include: (a) Recommendations on the critical state and local transportation projects, programs, and services needed to achieve an efficient, effective, statewide transportation system over the next ten years; (b) a comprehensive menu of funding options for the legislature to consider to address the identified transportation system investments; (c) recommendations on whether a revision to the statewide transportation policy goals in RCW 47.04.280 is warranted in light of the recommendations and options identified in (a) and (b) of this subsection; and (d) an analysis of the economic impacts of a range of future transportation investments. The assessment must be submitted to the transportation committees of the legislature by June 30, 2020. Starting July 1, 2020, and concluding by December 31, 2020, a committee-appointed commission or panel shall review the assessment and make final recommendations to the legislature for consideration during the 2021 legislative session on a realistic, achievable plan for funding transportation programs, projects, and services over the next ten years including a timeline for legislative action on

funding the identified transportation system needs shortfall.

(2)(a) \$382,000 of the multimodal transportation account—state appropriation is for the joint transportation committee to conduct an analysis of the electrification of public fleets in Washington state. The study must include the following:

(i) An inventory of existing public fleets for the state of Washington, counties, a sampling of cities, and public transit agencies. The inventory must differentiate among battery and fuel cell electric vehicles, hybrid vehicles, gasoline powered vehicles, and any other functional categories. Three cities from each of the following population ranges must be selected for the analysis:

- (A) Population up to and including twenty-five thousand;
- (B) Population greater than twenty-five thousand and up to and including fifty thousand;
- (C) Population greater than fifty thousand and up to and including one hundred thousand;
- (D) Population greater than one hundred thousand;

(ii) A review of currently available battery and fuel cell electric vehicle alternatives to the vehicle types most commonly used by the state, counties, cities, and public transit agencies. The review must include:

- (A) The average vehicle cost differential among the commercially available fuel options;
- (B) A cost benefit analysis of the conversion of different vehicle classes; and
- (C) Recommendations for the types of vehicles that should be excluded from consideration due to insufficient alternatives, unreliable technology, or excessive cost;

(iii) The projected costs of achieving substantial conversion to battery and/or fuel cell electric fleets by 2025, 2030, and 2035 for the state, counties, cities, and public transit agencies. This cost estimate must include:

- (A) Vehicle acquisition costs, charging and refueling infrastructure costs, and other associated costs;
- (B) Financial constraints of each type of entity to transition to an electric vehicle fleet; and
- (C) Any other identified barriers to transitioning to a battery and/or fuel cell electric vehicle fleet;

(iv) Identification and analysis of financing mechanisms that could be used to finance the transition of publicly owned vehicles to battery and fuel cell electric vehicles. These mechanisms include, but are not limited to: Energy or carbon savings performance contracting, utility grants and rebates, revolving loan funds, state grant programs, private third-party financing, fleet management services, leasing, vehicle use optimization, and vehicle to grid technology; and

(v) The predicted number and location profile of electric vehicle fueling stations needed statewide to provide fueling for the fleets of the state, counties, cities, and public transit agencies.

(b) In developing and implementing the study, the joint transportation committee must solicit input from representatives of the department of enterprise services, the department of transportation, the department of licensing, the department of commerce, the Washington state association of counties, the association of Washington cities, the Washington state transit association, transit agencies, and others as deemed appropriate.

(c) The joint transportation committee must issue a report of its findings and recommendations to the transportation committees of the legislature by September 30, 2020.

(3)(a) (~~(\$250,000)~~) \$228,000 of the multimodal transportation account—state appropriation is for the joint transportation committee to conduct a study of the feasibility of an east-west intercity passenger rail system. The study must include the following elements:

- (i) Projections of potential ridership;

(ii) Review of relevant planning studies;

(iii) Establishment of an advisory group and associated meetings;

(iv) Development of a Stampede Pass corridor alignment to maximize ridership, revenue, and rationale, considering service to population centers: Auburn, Cle Elum, Yakima, Tri-Cities, Ellensburg, Toppenish, and Spokane;

(v) Assessment of current infrastructure conditions, including station stop locations;

(vi) Identification of equipment needs; and

(vii) Identification of operator options.

(b) A report of the study findings and recommendations is due to the transportation committees of the legislature by June 30, 2020.

(4)(a) \$275,000 of the highway safety fund—state appropriation is for a study of vehicle subagents in Washington state. The study must consider and include recommendations, as necessary, on the following:

(i) The relevant statutes, rules, and/or regulations authorizing vehicle subagents and any changes made to the relevant statutes, rules, and/or regulations;

(ii) The current process of selecting and authorizing a vehicle subagent, including the change of ownership process and the identification of any barriers to entry into the vehicle subagent market;

(iii) The annual business expenditures borne by each of the vehicle subagent businesses since fiscal year 2010 and identification of any materials, including office equipment and supplies, provided by the department of licensing to each vehicle subagent since fiscal year 2010. To accomplish this task, each vehicle subagent must provide expenditure data to the joint transportation committee for the purposes of this study;

(iv) The oversight provided by the county auditors and/or the department of licensing over the vehicle subagent businesses;

(v) The history of service fees, how increases to the service fee rate are made, and how the requested fee increase is determined;

(vi) The online vehicle registration renewal process and any potential improvements to the online process;

(vii) The department of licensing's ability to provide more vehicle licensing services directly, particularly taking into account the increase in online vehicle renewal transactions;

(viii) The potential expansion of services that can be performed by vehicle subagents; and

(ix) The process by which the geographic locations of vehicle subagents are determined.

(b) In conducting the study, the joint transportation committee must consult with the department of licensing, a representative of county auditors, and a representative of vehicle subagents.

(c) The joint transportation committee may collect any data from the department of licensing, county auditors, and vehicle subagents that is necessary to conduct the study.

(d) The joint transportation committee must issue a report of its findings and recommendations to the transportation committees of the legislature by September 30, 2020.

(5)(a) \$235,000 of the multimodal transportation account—state appropriation is for the joint transportation committee to oversee a consultant study on rail safety governance best practices, by class of rail where applicable, and recommendations for the implementation of these best practices in Washington state. The study must assess rail safety governance for passenger and freight rail, including rail transit services, and must consider recommendations made by the national transportation safety board in its 2017 Amtrak passenger train 501 derailment accident report that are relevant to rail safety governance.

(b) The study must include the following components:

(i)(A) An assessment of rail safety oversight in Washington

state that includes: (I) The rail safety oversight roles of federal, state, regional, and local agencies, including the extent to which federal and state laws govern these roles and the extent to which these roles would be modified should the suspended federal rules in 49 C.F.R. Part 270 take effect; (II) federal, state, regional, and local agency organizational structures and processes utilized to conduct rail safety oversight; and (III) coordination activities by federal, state, regional, and local agencies in conducting rail safety oversight;

(B) An examination of rail safety governance best practices by other states for the items identified in (a) of this subsection; and

(C) Recommendations for the implementation of best practices for rail safety governance in Washington state.

(ii) The study must address the extent to which additional safety oversight of rail project design and construction is used in other states and would be a recommended best practice for Washington state.

(c) The joint transportation committee shall consult with the Washington state department of transportation, the Washington state utilities and transportation commission, sound transit, the national transportation safety board, Amtrak, the federal railroad administration, BNSF railway company, one or more representatives of short line railroads, one or more representatives of labor, and other entities with rail safety expertise as necessary.

(d) The joint transportation committee must issue a report of its findings and recommendations on rail safety governance to the transportation committees of the legislature by January 6, 2021.

(6)(a) \$250,000 of the motor vehicle account—state appropriation is for the joint transportation committee to conduct a study of the feasibility of a private auto ferry between the state of Washington and British Columbia, Canada. The study must include the following elements:

(i) Expected impacts to ridership, revenue, and expenditures for Washington state ferries;

(ii) Expected impacts to ferry service provided to the San Juan Islands;

(iii) Possible terminal locations on Fidalgo Island;

(iv) Economic impacts to the Anacortes area if ferry service between the area and Vancouver Island ceases;

(v) Economic impacts to the San Juan Islands if ferry service or ferry tourism is reduced;

(vi) Expected impacts to family wage jobs in the marine industry for Washingtonians;

(vii) Expected impacts to ferry fares between the state of Washington and British Columbia, Canada;

(viii) Legal analysis of all state, federal, or Canadian laws or rules, including the Jones act and rules of the board of pilotage commissioners, that may apply to initiation of private service or cessation of state service; and

(ix) Options for encouraging private auto ferry service between the state of Washington and Vancouver Island, Canada.

(b) In conducting the study, the joint transportation committee must consult with the department of transportation, a representative of San Juan county, a representative of the city of Anacortes, a representative of the inland boatman's union, a representative of Puget Sound pilots, a representative of the port of Anacortes, a representative of the economic development alliance of Skagit county, and interested private ferry operators in Washington state.

(c) A report of the study findings and options is due to the transportation committees of the legislature by February 15, 2021.

Sec. 905. 2020 c 219 s 205 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION COMMISSION

Motor Vehicle Account—State Appropriation ((~~\$2,324,000~~))

\$1,861,000

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Interstate 405 and State Route Number 167 Express Toll Lanes Account—State Appropriation	(\$410,000)
	<u>\$406,000</u>
State Route Number 520 Corridor Account—State Appropriation.....	(\$271,000)
	<u>\$262,000</u>
Tacoma Narrows Toll Bridge Account—State Appropriation.....	(\$158,000)
	<u>\$152,000</u>
Alaskan Way Viaduct Replacement Project Account—State Appropriation	(\$136,000)
	<u>\$132,000</u>
TOTAL APPROPRIATION.....	(\$3,299,000)
	<u>\$2,813,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) The commission shall reconvene the road usage charge steering committee, with the same membership described in chapter 297, Laws of 2018, and shall report at least once every three months to the steering committee with updates on report development for the completed road usage charge pilot project until the final report is submitted. The commission shall also report to the steering committee on any other activities undertaken in accordance with this subsection (1) as necessary to keep it apprised of new developments and to obtain input on its efforts. The final report on the road usage charge pilot project is due to the transportation committees of the legislature by January 1, 2020, and should include recommendations for necessary next steps to consider impacts to communities of color, low-income households, vulnerable populations, and displaced communities. Any legislative vacancies on the steering committee must be appointed by the speaker of the house of representatives for a house of representatives member vacancy, and by the president of the senate for a senate member vacancy.

(b)(i) The commission shall coordinate with the department of transportation to jointly seek federal funds available through the federal surface transportation system funding alternatives grant program, applying toll credits for meeting match requirements. One or more grant applications shall be developed that propose to:

(A) Create a framework for modeling the effects of a road usage charge on passenger and light-duty vehicles including, but not limited to, plug-in electric vehicles, autonomous vehicles, state fleets, and transportation network companies on a road usage charge system;

(B) Identify and measure potential disparate impacts of a road usage charge on designated populations, including communities of color, low-income households, vulnerable populations, and displaced communities;

(C) Incorporate emerging approaches to mileage reporting, such as in-vehicle telematics, improved smartphone apps, and use of private businesses to provide odometer verification and mileage reporting services, into a road usage charge system;

(D) Conduct a series of facilitated work sessions with other states and private sector firms to identify opportunities to reduce the cost of collections for a road usage charge;

(E) Develop a road usage charge phase-in plan that incorporates findings from (b)(i)(A) through (D) of this subsection;

(F) Carry out a limited scale demonstration to test new mileage reporting methods; equity policies; cost reduction techniques; and collecting a road usage charge from passenger and light-duty vehicles including, but not limited to, plug-in electric vehicles, autonomous vehicles, state fleets, transportation network companies, and other new mobility services; and

(G) Produce a final report with recommendations and a recommended roadmap that details how a road usage charge could be appropriately scaled to fit state circumstances and that includes a framework for evaluating policy choices related to the use of road usage charge revenue.

(ii) A year-end report on the status of any federally-funded project for which federal funding is secured must be provided to the governor's office and the transportation committees of the legislature by January 1, 2020, and by January 1, 2021.

(c) \$150,000 of the motor vehicle account—state appropriation is provided solely for analysis of potential impacts of a road usage charge on communities of color, low-income households, vulnerable populations, and displaced communities. The analysis must include an assessment of potential mitigation measures to address these potential impacts. These funds must be held in unallotted status during the 2019-2021 fiscal biennium, and may only be used after the commission has provided notice to the office of financial management that it has exhausted all efforts to secure federal funds from the federal surface transportation system funding alternatives grant program under (b) of this subsection without successfully securing federal funding for the further study of a road usage charge. A year-end update on the status of this effort, if undertaken prior to the end of calendar year 2020, must be provided to the governor's office and the transportation committees of the legislature by January 1, 2021.

(2)(a) \$250,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation is provided solely for the transportation commission to conduct a study, applicable to the Interstate 405 express toll lanes, of discounted tolls and other similar programs for low-income drivers that are provided by other states, countries, or other entities and how such a program could be implemented in the state of Washington. The transportation commission may contract with a consultant to conduct all or a portion of this study.

(b) In conducting this study, the transportation commission shall consult with both the department of transportation and the department of social and health services.

(c) The transportation commission shall, at a minimum, consider the following issues when conducting the study of discounted tolls and other similar programs for low-income drivers:

(i) The benefits, requirements, and any potential detriments to the users of a program;

(ii) The most cost-effective way to implement a program given existing financial commitments, shared cost requirements across facilities, and technical requirements to execute and maintain a program;

(iii) The implications of a program for tolling policies, revenues, costs, operations, and enforcement; and

(iv) Any implications to tolled facilities based on the type of tolling implemented on a particular facility.

(d) The transportation commission shall provide a report detailing the findings of this study and recommendations for implementing a discounted toll or other appropriate program in the state of Washington to the transportation committees of the legislature by June 30, 2021.

(3) \$160,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation, \$271,000 of the state route number 520 corridor account—state appropriation, \$158,000 of the Tacoma Narrows toll bridge account—state appropriation, and \$136,000 of the Alaskan Way viaduct replacement project account—state appropriation are provided solely for the transportation commission's proportional share of time spent supporting tolling operations for the respective tolling facilities.

(4) The legislature requests that the commission commence proceedings to name state route number 165 as The Glacier Highway to commemorate the significance of glaciers to the state of Washington.

Sec. 906. 2020 c 219 s 206 (uncodified) is amended to read as follows:

FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

Freight Mobility Investment Account—State
 Appropriation((~~\$772,000~~))
\$766,000

Sec. 907. 2020 c 219 s 207 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL

State Patrol Highway Account—State Appropriation
((~~\$501,294,000~~))
\$495,785,000

State Patrol Highway Account—Federal Appropriation
((~~\$16,081,000~~))
\$15,978,000

State Patrol Highway Account—Private/Local
 Appropriation((~~\$4,258,000~~))
\$4,257,000

Highway Safety Account—State Appropriation ... \$1,188,000
 Ignition Interlock Device Revolving Account—State
 Appropriation \$7,010,000

Multimodal Transportation Account—State
 Appropriation((~~\$286,000~~))
\$274,000

Interstate 405 and State Route Number 167 Express
 Toll Lanes Account—State Appropriation \$1,182,000
 State Route Number 520 Corridor Account—State
 Appropriation..... \$1,988,000

Tacoma Narrows Toll Bridge Account—State Appropriation
 \$1,158,000

Alaskan Way Viaduct Replacement Project
 Account—State Appropriation \$996,000
 TOTAL APPROPRIATION.....((~~\$535,441,000~~))
\$529,816,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Washington state patrol officers engaged in off-duty uniformed employment providing traffic control services to the department of transportation or other state agencies may use state patrol vehicles for the purpose of that employment, subject to guidelines adopted by the chief of the Washington state patrol. The Washington state patrol must be reimbursed for the use of the vehicle at the prevailing state employee rate for mileage and hours of usage, subject to guidelines developed by the chief of the Washington state patrol.

(2) \$510,000 of the ignition interlock device revolving account—state appropriation is provided solely for the ignition interlock program at the Washington state patrol to provide funding for two staff to work and provide support for the program in working with manufacturers, service centers, technicians, and participants in the program.

(3) \$1,424,000 of the state patrol highway account—state appropriation is provided solely to enter into an agreement for upgraded land mobile software, hardware, and equipment.

(4) \$2,582,000 of the state patrol highway account—state appropriation is provided solely for the replacement of radios and other related equipment.

(5) \$343,000 of the state patrol highway account—state appropriation is provided solely for aerial criminal investigation tools, including software licensing and maintenance, and annual certification.

(6) (~~(\$2,342,000)~~) \$1,556,000 of the state patrol highway account—state appropriation is provided solely to address the increase in the number of toxicology cases from impaired driving and death investigations.

(7) \$580,000 of the state patrol highway account—state appropriation is provided solely for the operation of and administrative support to the license investigation unit to enforce vehicle registration laws in southwestern Washington. The Washington state patrol, in consultation with the department of revenue, shall maintain a running estimate of the additional vehicle registration fees, sales and use taxes, and local vehicle fees remitted to the state pursuant to activity conducted by the license investigation unit. Beginning October 1, 2019, and quarterly thereafter, the Washington state patrol shall submit a report detailing the additional revenue amounts generated since July 1, 2017, to the director of the office of financial management and the transportation committees of the legislature. At the end of the calendar quarter in which it is estimated that more than \$625,000 in state sales and use taxes have been remitted to the state since July 1, 2017, the Washington state patrol shall notify the state treasurer and the state treasurer shall transfer funds pursuant to section 406, chapter 416, Laws of 2019.

(8) \$18,000 of the state patrol highway account—state appropriation is provided solely for the license investigation unit to procure an additional license plate reader and related costs.

(9) The Washington state patrol and the office of financial management must be consulted by the department of transportation during the design phase of any improvement or preservation project that could impact Washington state patrol weigh station operations. During the design phase of any such project, the department of transportation must estimate the cost of designing around the affected weigh station's current operations, as well as the cost of moving the affected weigh station.

(10) \$4,210,000 of the state patrol highway account—state appropriation is provided solely for a third arming and a third trooper basic training class. The cadet class is expected to graduate in June 2021.

(11) \$65,000 of the state patrol highway account—state appropriation is provided solely for the implementation of chapter 440, Laws of 2019 (immigrants in the workplace). If chapter 440, Laws of 2019 is not enacted by June 30, 2019, the amount provided in this subsection lapses.

(12)(a) The Washington state patrol must report quarterly to the house and senate transportation committees on the status of recruitment and retention activities as follows:

- (i) A summary of recruitment and retention strategies;
- (ii) The number of transportation funded staff vacancies by major category;
- (iii) The number of applicants for each of the positions by these categories;
- (iv) The composition of workforce; and
- (v) Other relevant outcome measures with comparative information with recent comparable months in prior years.

(b) By January 1, 2020, the Washington state patrol must submit to the transportation committees of the legislature and the governor a workforce diversity plan. The plan must identify ongoing, and both short-term and long-term, specific comprehensive outreach and recruitment strategies to increase populations underrepresented within both commissioned and noncommissioned employee groups.

(13) \$1,182,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation, \$1,988,000 of the state route number 520 corridor account—state appropriation, \$1,158,000 of the Tacoma Narrows toll bridge account—state appropriation, and \$996,000 of the Alaskan Way viaduct replacement project account—state appropriation are

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provided solely for the Washington state patrol's proportional share of time spent supporting tolling operations and enforcement for the respective tolling facilities.

(14) \$100,000 of the state patrol highway account—state appropriation is provided solely for the implementation of (~~Senate Bill No. 6218~~) chapter 97, Laws of 2020 (Washington state patrol retirement definition of salary), which reflects an increase in the Washington state patrol retirement system pension contribution rate of 0.15 percent for changes to the definition of salary. If (~~Senate Bill No. 6218~~) chapter 97, Laws of 2020 is not enacted by June 30, 2020, the amount provided in this subsection lapses.

(~~(15)~~) (15) \$975,000 of the state patrol highway account—state appropriation is provided solely for communications officers at the King county public safety answering point.

(~~(16)~~) (16) \$830,000 of the state patrol highway account—state appropriation is provided solely for information technology security enhancements.

(~~(17)~~) (17) \$150,000 of the state patrol highway account is provided solely for the Washington state patrol to work with the department of enterprise services and office of minority and women's business enterprises to contract for a workforce diversity strategic action plan. The successful consultant must have demonstrated expertise in workforce diversity research and an established record of assisting organizations in implementing diversity initiatives. The plan must include:

(a) Current and past employment data on the composition of the state patrol workforce generally and of its protective service workers;

(b) Research into the reasons for underrepresentation of minorities and women in the state patrol workforce;

(c) Research on best practices for recruiting across the state and from communities historically underrepresented in the Washington state patrol workforce;

(d) Case studies of law enforcement and other agencies that have successfully diversified their workforce; and

(e) A strategic plan with recommendations that will address disparities in the Washington state patrol employment ranks in both commissioned and noncommissioned personnel, with a focus on executive, command, and supervisory employees.

Sec. 908. 2020 c 219 s 208 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

Marine Fuel Tax Refund Account—State Appropriation	\$34,000
Motorcycle Safety Education Account—State Appropriation	(\$5,052,000) \$5,023,000
State Wildlife Account—State Appropriation	(\$511,000) \$510,000
Highway Safety Account—State Appropriation	(\$242,965,000) \$226,935,000
Highway Safety Account—Federal Appropriation	\$1,294,000
Motor Vehicle Account—State Appropriation	(\$71,447,000) \$64,548,000
Motor Vehicle Account—Federal Appropriation	\$186,000
Motor Vehicle Account—Private/Local Appropriation	\$10,008,000
Ignition Interlock Device Revolving Account—State Appropriation	(\$5,779,000) \$5,265,000
Department of Licensing Services Account—State Appropriation	(\$7,696,000)

\$7,685,000

License Plate Technology Account—State Appropriation	\$4,250,000
Abandoned Recreational Vehicle Account—State Appropriation	\$2,925,000
Limousine Carriers Account—State Appropriation ..	\$113,000
Electric Vehicle Account—State Appropriation	\$264,000
DOL Technology Improvement & Data Management Account—State Appropriation	\$2,250,000
Agency Financial Transaction Account—State Appropriation	\$11,903,000
TOTAL APPROPRIATION	(\$366,677,000) \$343,193,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$139,000 of the motorcycle safety education account—state appropriation is provided solely for the implementation of chapter 65, Laws of 2019 (motorcycle safety). If chapter 65, Laws of 2019 is not enacted by June 30, 2019, the amount provided in this subsection lapses.

(2) \$25,000 of the motorcycle safety education account—state appropriation, \$4,000 of the state wildlife account—state appropriation, \$1,708,000 of the highway safety account—state appropriation, \$576,000 of the motor vehicle account—state appropriation, \$22,000 of the ignition interlock device revolving account—state appropriation, and \$28,000 of the department of licensing services account—state appropriation are provided solely for the department to fund the appropriate staff and necessary equipment and software for data management, data analytics, and data compliance activities. The department must, in consultation with the office of the chief information officer, construct a framework with goals for providing better data stewardship and a plan to achieve those goals. The department must provide the framework and plan to the transportation committees of the legislature by December 31, 2019, and an update by May 1, 2020.

(3) Appropriations provided for the cloud continuity of operations project in this section are subject to the conditions, limitations, and review provided in section 701 (~~of this act~~), chapter 219, Laws of 2020.

(4) \$24,028,000 of the highway safety account—state appropriation is provided solely for costs necessary to accommodate increased demand for enhanced drivers' licenses and enhanced identicards. The department shall report on a quarterly basis on the use of these funds, associated workload, and information with comparative information with recent comparable months in prior years. The report must include detailed statewide and by licensing service office information on staffing levels, average monthly wait times, the number of enhanced drivers' licenses and enhanced identicards issued/renewed, and the number of primary drivers' licenses and identicards issued/renewed. Within the amounts provided in this subsection, the department shall implement efficiency measures to reduce the time for licensing transactions and wait times including, but not limited to, the installation of additional cameras at licensing service offices that reduce bottlenecks and align with the "keep your customer" initiative.

(5) \$507,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Substitute Senate Bill No. 5419), Laws of 2019 (vehicle service fees) or chapter 417, Laws of 2019 (vehicle service fees). If neither chapter . . . (Substitute Senate Bill No. 5419), Laws of 2019 or chapter 417, Laws of 2019 are enacted by June 30, 2019, the amount provided in this subsection lapses.

(6) \$25,000 of the motor vehicle account—state appropriation

is provided solely for the implementation of chapter 177, Laws of 2019 (San Juan Islands license plate). If chapter 177, Laws of 2019 is not enacted by June 30, 2019, the amount provided in this subsection lapses.

(7) \$24,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter 384, Laws of 2019 (Seattle Storm license plate). If chapter 384, Laws of 2019 is not enacted by June 30, 2019, the amount provided in this subsection lapses.

(8) \$65,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter 440, Laws of 2019 (immigrants in the workplace). If chapter 440, Laws of 2019 is not enacted by June 30, 2019, the amount provided in this subsection lapses.

(9) The appropriations in this section assume implementation of additional cost recovery mechanisms to recoup at least \$11,903,000 in credit card and other financial transaction costs as part of charges imposed for driver and vehicle fee transactions beginning January 1, 2020. At the direction of the office of financial management, the department must develop a method of tracking the additional amount of credit card and other financial cost-recovery revenues. In consultation with the office of financial management, the department must notify the state treasurer of these amounts and the state treasurer must deposit these revenues in the agency financial transaction account created in section 717, chapter 416, Laws of 2019 on a quarterly basis.

(10) \$1,281,000 of the department of licensing service account—state appropriation is provided solely for savings from the implementation of chapter 417, Laws of 2019 (vehicle service fees). If chapter 417, Laws of 2019 is enacted by June 30, 2019, the amount provided in this subsection lapses.

(11) \$2,650,000 of the abandoned recreational vehicle disposal account—state appropriation is provided solely for providing reimbursements in accordance with the department's abandoned recreational vehicle disposal reimbursement program. It is the intent of the legislature that the department prioritize this funding for allowable and approved reimbursements and not to build a reserve of funds within the account.

(12) \$20,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter 210, Laws of 2019 (Gold Star license plate). If chapter 210, Laws of 2019 is not enacted by June 30, 2019, the amount provided in this subsection lapses.

(13) \$31,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter 262, Laws of 2019 (snow bikes). If chapter 262, Laws of 2019 is not enacted by June 30, 2019, the amount provided in this subsection lapses.

(14) \$24,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter 139, Laws of 2019 (Purple Heart license plate). If chapter 139, Laws of 2019 is not enacted by June 30, 2019, the amount provided in this subsection lapses.

(15) \$24,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter 278, Laws of 2019 (vehicle and vessel owner information). If chapter 278, Laws of 2019 is not enacted by June 30, 2019, the amount provided in this subsection lapses.

(16) \$600,000 of the highway safety account—state appropriation is provided solely for the department to provide an interagency transfer to the department of social and health services, children's administration division for the purpose of providing driver's license support to a larger population of foster youth than is already served within existing resources. Support services include reimbursement of driver's license issuance costs, fees for driver training education, and motor vehicle liability insurance costs.

(17) The department must place personal and company data elements in separate data fields to allow the department to select discrete data elements when providing information or data to persons or entities outside the department. Pursuant to the restrictions in federal and state law, a person's photo, social security number, or medical information must not be made available through public disclosure or data being provided under RCW 46.12.630 or 46.12.635.

(18) \$91,000 of the highway safety account—state appropriation is provided solely for the department's costs related to the one Washington project.

(19) ~~(\$1,674,000)~~ \$1,174,000 of the highway safety account—state appropriation is provided solely for communication and outreach activities necessary to inform the public of federally acceptable identification options including, but not limited to, enhanced drivers' licenses and enhanced identicards. The department shall continue the outreach plan that includes informational material that can be effectively communicated to all communities and populations in Washington. To accomplish this work, the department shall contract with an external vendor with demonstrated experience and expertise in outreach and marketing to underrepresented communities in a ~~((culturally responsive))~~ culturally responsive fashion.

(20) Due to the passage of chapter 1 (Initiative Measure No. 976), Laws of 2020, the department, working with the office of financial management, shall provide a monthly report on the number of registrations involved and differences between actual collections and collections if the initiative was not subject to a temporary injunction as of December 5, 2019.

(21) The appropriations in this section assume full cost recovery for the administration and collection of a motor vehicle excise tax on behalf of any regional transit authority pursuant to section 706 ~~((of this act))~~, chapter 219, Laws of 2020.

~~((26))~~ (22) \$107,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter 78, Laws of 2020 (military veterans commercial driver's license waivers) or chapter . . . (Second Substitute Senate Bill No. 5544), Laws of 2020 (military veterans commercial driver's license waivers). If neither chapter 78, Laws of 2020 nor chapter . . . (Second Substitute Senate Bill No. 5544), Laws of 2020 is enacted by June 30, 2020, the amount provided in this subsection lapses.

~~((28))~~ (23) \$114,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter 124, Laws of 2020 (homeless youth identicards) or chapter . . . (Senate Bill No. 6304), Laws of 2020 (homeless youth identicards). If neither chapter 124, Laws of 2020 nor chapter . . . (Senate Bill No. 6304), Laws of 2020 is enacted by June 30, 2020, the amount provided in this subsection lapses.

~~((29))~~ (24) \$24,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter 129, Laws of 2020 (Seattle national hockey league special license plate) or chapter . . . (Senate Bill No. 6562), Laws of 2020 (Seattle national hockey league special license plate). If neither chapter 129, Laws of 2020 nor chapter . . . (Senate Bill No. 6562), Laws of 2020 is enacted by June 30, 2020, the amount provided in this subsection lapses.

~~((30))~~ (25) \$14,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Engrossed Substitute House Bill No. 2723), Laws of 2020 (off-road vehicle enforcement) or chapter . . . (Senate Bill No. 6115), Laws of 2020 (off-road vehicle enforcement). If neither chapter . . . (Engrossed Substitute House Bill No. 2723), Laws of 2020 nor chapter . . . (Senate Bill No. 6115), Laws of 2020 is enacted by June 30, 2020, the amount provided in this subsection

lapses.

((31)) (26) \$105,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter 118, Laws of 2020 (tribal vehicles compact) or chapter . . . (Senate Bill No. 6251), Laws of 2020 (tribal vehicles compact). If neither chapter 118, Laws of 2020 nor chapter . . . (Senate Bill No. 6251), Laws of 2020 (tribal vehicles compact) is enacted by June 30, 2020, the amount provided in this subsection lapses.

((32)) (27) \$57,000 of the state wildlife account—state appropriation is provided solely for the implementation of chapter 148, Laws of 2020 (state wildlife account). If chapter 148, Laws of 2020 is not enacted by June 30, 2020, the amount provided in this subsection lapses.

((33)) (28) \$19,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter 93, Laws of 2020 (apples special license plate). If chapter 93, Laws of 2020 is not enacted by June 30, 2020, the amount provided in this subsection lapses.

((34)) (29) \$19,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter 239, Laws of 2020 (stolen vehicle check). If chapter 239, Laws of 2020 is not enacted by June 30, 2020, the amount provided in this subsection lapses.

((36)) (30) \$40,000 of the department of licensing services account—state appropriation is provided solely for the department to report to the governor and chairs of the transportation committees of the legislature by December 1, 2020, with a proposed plan to allow the registered owner of a vehicle, or the registered owner's authorized representative, to voluntarily enter into either a quarterly or monthly payment plan with the department to pay vehicle fees or taxes due at the time of application for renewal vehicle registration. The plan must include: (a) An analysis of the administrative costs associated with allowing the payment plans; (b) the estimated revenue impact by fund or account, including impacts to local governments; and (c) the recommended method to achieve the greatest level of customer payment compliance.

((37)) (31)(a) Within available resources, and in collaboration with the department of revenue, the department of licensing shall evaluate the effectiveness of chapter 218, Laws of 2017, in improving compliance with state laws relating to the registration of off-road vehicles, including the payment of retail sales and use tax. The department of licensing shall recommend any statutory, administrative, or other changes needed to optimize and further strengthen the compliance, including an implementation timeline and corresponding resource requirements. Among its recommendations, the department of licensing must address potential changes to the process under RCW 46.93.210 by which the department notifies persons whose vehicles may not be properly registered in the state. The department shall submit a report to the governor and the transportation committees of the legislature by December 15, 2020.

(b) If chapter . . . (Engrossed Substitute House Bill No. 2723), Laws of 2020 is enacted by June 30, 2020, this subsection has no force and effect.

Sec. 909. 2020 c 219 s 209 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
TOLL OPERATIONS AND MAINTENANCE—
PROGRAM B**

State Route Number 520 Corridor Account—State	
Appropriation	(\$9,059,000)
	<u>\$36,503,000</u>
State Route Number 520 Civil Penalties Account—State	
Appropriation	(\$4,145,000)

Tacoma Narrows Toll Bridge Account—State	
Appropriation	(\$33,806,000)
	<u>\$34,073,000</u>
Alaskan Way Viaduct Replacement Project Account—State	
Appropriation	(\$21,616,000)
	<u>\$19,857,000</u>
Interstate 405 and State Route Number 167 Express	
Toll Lanes Account—State Appropriation	(\$27,457,000)
	<u>\$23,637,000</u>
TOTAL APPROPRIATION	(\$146,083,000)
	<u>\$134,300,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,300,000 of the Tacoma Narrows toll bridge account—state appropriation and \$11,034,000 of the state route number 520 corridor account—state appropriation are provided solely for the purposes of addressing unforeseen operations and maintenance costs on the Tacoma Narrows bridge and the state route number 520 bridge, respectively. The office of financial management shall place the amounts provided in this subsection, which represent a portion of the required minimum fund balance under the policy of the state treasurer, in unallotted status. The office may release the funds only when it determines that all other funds designated for operations and maintenance purposes have been exhausted.

(2) As long as the facility is tolled, the department must provide quarterly reports to the transportation committees of the legislature on the Interstate 405 express toll lane project performance measures listed in RCW 47.56.880(4). These reports must include:

(a) Information on the travel times and travel time reliability (at a minimum, average and 90th percentile travel times) maintained during peak and nonpeak periods in the express toll lanes and general purpose lanes for both the entire corridor and commonly made trips in the corridor including, but not limited to, northbound from Bellevue to Rose Hill, state route number 520 at NE 148th to Interstate 405 at state route number 522, Bellevue to Bothell (both NE 8th to state route number 522 and NE 8th to state route number 527), and a trip internal to the corridor (such as NE 85th to NE 160th) and similar southbound trips;

(b) A month-to-month comparison of travel times and travel time reliability for the entire corridor and commonly made trips in the corridor as specified in (a) of this subsection since implementation of the express toll lanes and, to the extent available, a comparison to the travel times and travel time reliability prior to implementation of the express toll lanes;

(c) Total express toll lane and total general purpose lane traffic volumes, as well as per lane traffic volumes for each type of lane (i) compared to total express toll lane and total general purpose lane traffic volumes, as well as per lane traffic volumes for each type of lane, on this segment of Interstate 405 prior to implementation of the express toll lanes and (ii) compared to total express toll lane and total general purpose lane traffic volumes, as well as per lane traffic volumes for each type of lane, from month to month since implementation of the express toll lanes; and

(d) Underlying congestion measurements, that is, speeds, that are being used to generate the summary graphs provided, to be made available in a digital file format.

(3)(a) ~~(\$2,114,000)~~ \$1,406,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation, ~~(\$4,920,000)~~ \$3,269,000 of the state route number 520 corridor account—state appropriation, ~~(\$2,116,000)~~ \$1,407,000 of the Tacoma Narrows toll bridge account—state appropriation, and

~~(\$2,776,000)~~ \$1,844,000 of the Alaskan Way viaduct replacement project account—state appropriation is provided solely for the department to finish implementing a new tolling customer service toll collection system, and are subject to the conditions, limitations, and review provided in section 701 ~~((of this act))~~, chapter 219, Laws of 2020.

(b) The department shall continue to work with the office of financial management, office of the chief information officer, and the transportation committees of the legislature on the project management plan that includes a provision for independent verification and validation of contract deliverables from the successful bidder and a provision for quality assurance that includes reporting independently to the office of the chief information officer on an ongoing basis during system implementation.

(4) The department shall make detailed quarterly reports to the transportation committees of the legislature and the public on the department's web site on the following:

(a) The use of consultants in the tolling program, including the name of the contractor, the scope of work, the type of contract, timelines, deliverables, any new task orders, and any extensions to existing consultant contracts;

(b) The nonvendor costs of administering toll operations, including the costs of staffing the division, consultants, and other personal service contracts required for technical oversight and management assistance, insurance, payments related to credit card processing, transponder purchases and inventory management, facility operations and maintenance, and other miscellaneous nonvendor costs;

(c) The vendor-related costs of operating tolled facilities, including the costs of the customer service center, cash collections on the Tacoma Narrows bridge, electronic payment processing, and toll collection equipment maintenance, renewal, and replacement;

(d) The toll adjudication process, including a summary table for each toll facility that includes:

- (i) The number of notices of civil penalty issued;
 - (ii) The number of recipients who pay before the notice becomes a penalty;
 - (iii) The number of recipients who request a hearing and the number who do not respond;
 - (iv) Workload costs related to hearings;
 - (v) The cost and effectiveness of debt collection activities; and
 - (vi) Revenues generated from notices of civil penalty; and
- (e) A summary of toll revenue by facility on all operating toll facilities and express toll lane systems, and an itemized depiction of the use of that revenue.

(5) ~~(\$24,735,000)~~ \$21,623,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation is provided solely for operational costs related to the express toll lane facility.

~~(6) (In calendar year 2021, toll equipment on the Tacoma Narrows Bridge will have reached the end of its operational life. During the 2019-2021 fiscal biennium, the department plans to issue a request for proposals as the first stage of a competitive procurement process that will replace the toll equipment and select a new tolling operator for the Tacoma Narrows Bridge. The request for proposals and subsequent competitive procurement must incorporate elements that prioritize the overall goal of lowering costs per transaction for the facility, such as incentives for innovative approaches which result in lower transactional costs, requests for efficiencies on the part of the bidder that lower operational costs, and incorporation of technologies such as self-serve credit card machines or other point of payment technologies that lower costs or improve operational efficiencies.~~

~~(7) \$18,840,000)~~ \$18,013,000 of the Alaskan Way viaduct

replacement project account—state appropriation is provided solely for the new state route number 99 tunnel toll facility's expected share of collecting toll revenues, operating customer services, and maintaining toll collection systems. The legislature expects to see appropriate reductions to the other toll facility accounts once tolling on the new state route number 99 tunnel toll facility commences and any previously incurred costs for start-up of the new facility are charged back to the Alaskan Way viaduct replacement project account. The office of financial management shall closely monitor the application of the cost allocation model and ensure that the new state route number 99 tunnel toll facility is adequately sharing costs and the other toll facility accounts are not being overspent or subsidizing the new state route number 99 tunnel toll facility.

~~((8))~~ (7) \$608,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation are provided solely for increased levels of service from the Washington state patrol for enforcement of toll lane violations on the Interstate 405 and state route number 167 express toll lanes. The department shall compile monthly data on the number of Washington state patrol enforcement hours on each facility and the percentage of time during peak hours that speeds are at or above forty-five miles per hour on each facility. The department shall provide this data in a report to the transportation committees of the legislature on at least a calendar quarterly basis.

~~((9))~~ (8) The department shall develop an ongoing cost allocation method to assign appropriate costs to each of the toll funds for services provided by each Washington state department of transportation program and all relevant transportation agencies, including the Washington state patrol and the transportation commission. This method should update the toll cost allocation method used in the 2020 supplemental transportation appropriations act. By December 1, 2020, a report with the recommended method and any changes or potential impacts to toll rates shall be submitted to the transportation committees of the legislature and the office of financial management.

Sec. 910. 2020 c 219 s 210 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
INFORMATION TECHNOLOGY—PROGRAM C**

Transportation Partnership Account—State Appropriation	\$1,460,000
Motor Vehicle Account—State Appropriation	(\$96,331,000)
	<u>\$93,032,000</u>
Puget Sound Ferry Operations Account—State Appropriation	\$263,000
Multimodal Transportation Account—State Appropriation	(\$2,878,000)
	<u>\$2,665,000</u>
Transportation 2003 Account (Nickel Account)—State Appropriation	\$1,460,000
TOTAL APPROPRIATION	(\$102,392,000)
	<u>\$98,880,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$8,114,000 of the motor vehicle account—state appropriation is provided solely for the development of the labor system replacement project and is subject to the conditions, limitations, and review provided in section 701 ~~((of this act))~~, chapter 219, Laws of 2020. It is the intent of the legislature that if any portion of the labor system replacement project is leveraged in the future for the time, leave, and labor distribution of any other agencies, the motor vehicle account will be reimbursed proportionally for the development of the system since amounts expended from the motor vehicle account must be used

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exclusively for highway purposes in conformance with Article II, section 40 of the state Constitution. This must be accomplished through a loan arrangement with the current interest rate under the terms set by the office of the state treasurer at the time the system is deployed to additional agencies. If the motor vehicle account is not reimbursed for future use of the system, it is further the intent of the legislature that reductions will be made to central service agency charges accordingly. The department shall provide a report to the transportation committees of the legislature by December 31, 2019, detailing the project timeline as of July 1, 2019, an updated project timeline if necessary, expenditures made to date for the purposes of this project, and expenditures projected through the remainder of the project timeline.

(2) \$1,375,000 of the motor vehicle account—state appropriation is provided solely for the department’s cost related to the one Washington project.

(3) \$21,500,000 of the motor vehicle account—state appropriation is provided solely for the activities of the information technology program in developing and maintaining information systems that support the operations and program delivery of the department, ensuring compliance with section 701 ((of this act), chapter 219, Laws of 2020, and the requirements of the office of the chief information officer under RCW 43.88.092 to evaluate and prioritize any new financial and capital systems replacement or modernization project and any other information technology project. During the 2019-2021 fiscal biennium, the department may use the distributed direct program support or other cost allocation method to fund a new capital systems replacement or modernization project. The department shall submit a decision package for implementation of a new capital systems replacement project to the governor and the transportation committees of the legislature as part of the normal budget process for the 2021-2023 biennium.

Sec. 911. 2020 c 219 s 211 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION— FACILITY MAINTENANCE, OPERATIONS, AND CONSTRUCTION—PROGRAM D—OPERATING

Motor Vehicle Account—State	Appropriation
.....	.....((\$34,807,000))
	<u>\$33,819,000</u>
State Route Number 520 Corridor Account—State	
Appropriation	\$34,000
TOTAL APPROPRIATION.....	.....((\$34,841,000))
	<u>\$33,853,000</u>

Sec. 912. 2020 c 219 s 212 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION— AVIATION—PROGRAM F

Aeronautics Account—State Appropriation .....	.....((\$7,743,000))
	<u>\$6,773,000</u>
Aeronautics Account—Federal Appropriation	\$3,043,000
Aeronautics Account—Private/Local Appropriation .....	.\$60,000
TOTAL APPROPRIATION.....	.....((\$10,846,000))
	<u>\$9,876,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~\$2,862,000~~)) \$2,505,000 of the aeronautics account—state appropriation is provided solely for the airport aid grant program, which provides competitive grants to public use airports for pavement, safety, maintenance, planning, and security.

(2) ((~~\$268,000~~)) \$218,000 of the aeronautics account—state appropriation is provided solely for one FTE dedicated to planning aviation emergency services and addressing emerging aeronautics requirements.

(3) \$200,000 of the aeronautics account—state appropriation is provided solely for the department to convene an electric aircraft work group to study the state of the electrically powered aircraft industry and assess infrastructure needs related to the deployment of electric or hybrid-electric aircraft for commercial air travel in Washington state.

(a) The chair of the work group may be a consultant specializing in aeronautics. The work group must include, but is not limited to, representation from the electric aircraft industry, the aircraft manufacturing industry, electric utility districts, the battery industry, the department of commerce, the department of transportation aviation division, the airline pilots association, a primary airport representing an airport association, and the airline industry.

(b) The study must include, but is not limited to:

(i) Infrastructure requirements necessary to facilitate electric aircraft operations at airports;

(ii) Potential economic and public benefits including, but not limited to, the direct and indirect impact on the number of manufacturing and service jobs and the wages from those jobs in Washington state;

(iii) Potential incentives for industry in the manufacturing and operation of electric aircraft for regional air travel;

(iv) Educational and workforce requirements for manufacturing and maintaining electric aircraft;

(v) Demand and forecast for electric aircraft use to include expected timeline of the aircraft entering the market given federal aviation administration certification requirements;

(vi) Identification of up to six airports in Washington state that may benefit from a pilot program once an electrically propelled aircraft for commercial use becomes available; and

(vii) Recommendations to further the advancement of the electrification of aircraft for regional commercial use within Washington state, including specific, measurable goals for the years 2030, 2040, and 2050 that reflect progressive and substantial increases in the utilization of electric and hybrid-electric commercial aircraft.

(c) The work group must submit a report and accompanying recommendations to the transportation committees of the legislature by November 15, 2020.

(4) ((~~\$350,000~~)) \$193,000 of the aeronautics account—state appropriation is provided solely for the implementation of chapter 396, Laws of 2019 (aviation coordinating commission).

(5) Within amounts appropriated in this section, the aviation division of the department shall assist and consult with the department of revenue in their efforts to update the document titled "Washington Action Plan - FAA Policy Concerning Airport Revenue" to reflect changes to Washington tax code regarding hazardous substances. The department of revenue, in consultation with the aviation division of the Washington state department of transportation, is tasked with developing and recommending a methodology to segregate and track actual amounts collected from the hazardous substance tax under chapter 82.21 RCW and the petroleum products tax under chapter 82.23A RCW as imposed on aviation fuel. The department of revenue is directed to submit a report, including the recommended methodology, to the fiscal committees of the house of representatives and the senate by January 11, 2021.

Sec. 913. 2020 c 219 s 213 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION— PROGRAM DELIVERY MANAGEMENT AND SUPPORT—PROGRAM H

Motor Vehicle Account—State	Appropriation
.....	.....((\$59,788,000))

	<u>\$55,549,000</u>
Motor Vehicle Account—Federal Appropriation	\$500,000
Multimodal Transportation Account—State Appropriation	\$258,000
TOTAL APPROPRIATION.....	(\$60,546,000)
	<u>\$56,307,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The legislature recognizes that the trail known as the Rocky Reach Trail, and its extensions, serve to separate motor vehicle traffic from pedestrians and bicyclists, increasing motor vehicle safety on state route number 2 and the coincident section of state route number 97. Consistent with chapter 47.30 RCW and pursuant to RCW 47.12.080, the legislature declares that transferring portions of WSDOT Inventory Control (IC) No. 2-09-04686 containing the trail and associated buffer areas to the Washington state parks and recreation commission is consistent with the public interest. The legislature directs the department to transfer the property to the Washington state parks and recreation commission.

(a) The department must be paid fair market value for any portions of the transferred real property that is later abandoned, vacated, or ceases to be publicly maintained for trail purposes.

(b) Prior to completing the transfer in this subsection (1), the department must ensure that provisions are made to accommodate private and public utilities and any facilities that predate the department's acquisition of the property, at no cost to those entities. Prior to completing the transfer, the department shall also ensure that provisions, by fair market assessment, are made to accommodate other private and public utilities and any facilities that have been legally allowed by permit or other instrument.

(c) The department may sell any adjoining property that is not necessary to support the Rocky Reach Trail and adjacent buffer areas only after the transfer of trail-related property to the Washington state parks and recreation commission is complete. Adjoining property owners must be given the first opportunity to acquire such property that abuts their property, and applicable boundary line or other adjustments must be made to the legal descriptions for recording purposes.

(2) With respect to Parcel 12 of the real property conveyed by the state of Washington to the city of Mercer Island under that certain quitclaim deed, dated April 19, 2000, recorded in King county under recording no. 20000425001234, the requirement in the deed that the property be used for road/street purposes only will be deemed satisfied by the department of transportation so long as commuter parking, as part of the vertical development of the property, is one of the significant uses of the property.

(3) \$1,600,000 of the motor vehicle account—state appropriation is provided solely for real estate services activities. Consistent with RCW 47.12.120 and during the 2019-2021 fiscal biennium, when initiating, extending, or renewing any rent or lease agreements with a regional transit authority, consideration of value must be equivalent to one hundred percent of economic or market rent.

(4)(a) \$100,000 of the motor vehicle account—state appropriation is provided solely for the department to:

(i) Determine the real property owned by the state of Washington and under the jurisdiction of the department in King county that is surplus property located in an area encompassing south of Dearborn Street in Seattle, south of Newcastle, west of SR 515, and north of South 216th to SR 515; and

(ii) Use any remaining funds after (a)(i) of this subsection is completed to identify additional real property across the state owned by the state of Washington and under the jurisdiction of the department that is surplus property.

(b) The department shall provide a report to the transportation

committees of the legislature describing the properties it has identified as surplus property under (a) of this subsection by October 1, 2020.

Sec. 914. 2020 c 219 s 214 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC-PRIVATE PARTNERSHIPS—PROGRAM K

Motor Vehicle Account—State Appropriation ...	(\$670,000)
	<u>\$654,000</u>
Electric Vehicle Account—State Appropriation	(\$2,000,000)
	<u>\$100,000</u>
Multimodal Transportation Account—State Appropriation	(\$1,634,000)
	<u>\$350,000</u>
TOTAL APPROPRIATION	(\$4,304,000)
	<u>\$1,104,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The economic partnerships program must continue to explore retail partnerships at state-owned park and ride facilities, as authorized in RCW 47.04.295.

(2) \$350,000 of the multimodal transportation account—state appropriation is provided solely for the department to execute a transit oriented development pilot project at Kingsgate park and ride in Kirkland intended to be completed by December 31, 2023. The purpose of the pilot project is to demonstrate how appropriate department properties may be used to provide multiple public benefits such as affordable and market rate housing, commercial development, and institutional facilities in addition to transportation purposes. To accomplish the pilot project, the department is authorized to exercise all legal and administrative powers authorized in statute that may include, but is not limited to, the transfer, lease, or sale of some or all of the property to another governmental agency, public development authority, or nonprofit developer approved by the department and partner agencies. The department may also partner with sound transit, King county, the city of Kirkland, and any other federal, regional, or local jurisdiction on any policy changes necessary from those jurisdictions to facilitate the pilot project. By December 1, 2019, the department must report to the legislature on any legislative actions necessary to facilitate the pilot project and future transit oriented development projects.

(3) ~~(\$2,000,000)~~ \$100,000 of the electric vehicle account—state appropriation is provided solely for the clean alternative fuel vehicle charging and refueling infrastructure program in chapter 287, Laws of 2019 (advancing green transportation adoption).

~~(4) (\$1,200,000 of the multimodal transportation account—state appropriation is provided solely for the pilot program established under chapter 287, Laws of 2019 (advancing green transportation adoption) to provide clean alternative fuel vehicle use opportunities to underserved communities and low to moderate income members of the workforce not readily served by transit or located in transportation corridors with emissions that exceed federal or state emissions standards.~~

~~(5) \$84,000 of the multimodal transportation account—state appropriation is provided solely for an interagency transfer to the department of commerce for the purpose of conducting a study as described in chapter 287, Laws of 2019 (advancing green transportation adoption) to identify opportunities to reduce barriers to electric vehicle adoption by lower income residents of the state through the use of vehicle and infrastructure financing assistance.~~

~~(6))~~ Building on the information and experience gained from the transit oriented development project at the Kingsgate park and ride, the department must identify a pilot park and ride with future public-private partnership development potential in Pierce county

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and report back to the transportation committees of the legislature by June 30, 2021, with a proposal for moving forward with a pilot project.

Sec. 915. 2020 c 219 s 215 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE—PROGRAM M

Motor Vehicle Account—State	Appropriation
.....	.....(\$486,514,000)
	<u>\$461,472,000</u>
Motor Vehicle Account—Federal Appropriation ..	\$7,000,000
State Route Number 520 Corridor Account—State	
Appropriation	(\$4,447,000)
	<u>\$4,422,000</u>
Tacoma Narrows Toll Bridge Account—State	
Appropriation	(\$1,549,000)
	<u>\$1,539,000</u>
Alaskan Way Viaduct Replacement Project	
Account—State Appropriation	(\$9,537,000)
	<u>\$8,844,000</u>
Interstate 405 and State Route Number 167 Express	
Toll Lanes Account—State Appropriation	\$4,528,000
TOTAL APPROPRIATION.....	(\$513,575,000)
	<u>\$487,805,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) \$6,170,000 of the motor vehicle account—state appropriation is provided solely for utility fees assessed by local governments as authorized under RCW 90.03.525 for the mitigation of stormwater runoff from state highways. Plan and reporting requirements as required in chapter 435, Laws of 2019 (Local Stormwater Charges) shall be consistent with the January 2012 findings of the Joint Transportation Committee Report for Effective Cost Recovery Structure for WSDOT, Jurisdictions, and Efficiencies in Stormwater Management.

(b) Pursuant to RCW 90.03.525(3), the department and the utilities imposing charges to the department shall negotiate with the goal of agreeing to rates such that the total charges to the department for the 2019-2021 fiscal biennium do not exceed the amount provided in this subsection. The department shall report to the transportation committees of the legislature on the amount of funds requested, the funds granted, and the strategies used to keep costs down, by January 17, 2021. If chapter 435, Laws of 2019 (local stormwater charges) is enacted by June 30, 2019, this subsection (1)(b) does not take effect.

(2) (~~\$4,447,000~~) \$4,422,000 of the state route number 520 corridor account—state appropriation is provided solely to maintain the state route number 520 floating bridge. These funds must be used in accordance with RCW 47.56.830(3).

(3) (~~\$1,549,000~~) \$1,539,000 of the Tacoma Narrows toll bridge account—state appropriation is provided solely to maintain the new Tacoma Narrows bridge. These funds must be used in accordance with RCW 47.56.830(3).

(4) \$2,050,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation is provided solely to maintain the Interstate 405 and state route number 167 express toll lanes between Lynnwood and Bellevue, and Renton and the southernmost point of the express toll lanes. These funds must be used in accordance with RCW 47.56.830(3).

(5) \$2,478,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation is provided solely for maintenance for the 2019-2021 fiscal biennium only on the Interstate 405 roadway between Renton and Bellevue.

(6) \$5,000,000 of the motor vehicle account—state appropriation is provided solely for a contingency pool for snow

and ice removal. The department must notify the office of financial management and the transportation committees of the legislature when they have spent the base budget for snow and ice removal and will begin using the contingency pool funding.

(7) \$1,025,000 of the motor vehicle account—state appropriation is provided solely for the department to implement safety improvements and debris clean up on department-owned rights-of-way in the city of Seattle at levels above that being implemented as of January 1, 2019. The department must contract out or hire a crew dedicated solely to collecting and disposing of garbage, clearing debris or hazardous material, and implementing safety improvements where hazards exist to the traveling public, department employees, or people encamped upon department-owned rights-of-way. The department may request assistance from the Washington state patrol as necessary in order for both agencies to provide enhanced safety-related activities regarding the emergency hazards along state highway rights-of-way in the Seattle area.

(8) \$1,015,000 of the motor vehicle account—state appropriation is provided solely for a partnership program between the department and the city of Tacoma. The program shall address the safety and public health problems created by homeless encampments on the department's property along state highways within the city limits. \$570,000 is for dedicated department maintenance staff and associated clean-up costs. The department and the city of Tacoma shall enter into a reimbursable agreement to cover up to \$445,000 of the city's expenses for clean-up crews and landfill costs.

(9) The department must commence a pilot program for the 2019-2021 fiscal biennium at the four highest demand safety rest areas to create and maintain an online calendar for volunteer groups to check availability of weekends for the free coffee program. The calendar must be updated at least weekly and show dates and times that are, or are not, available to participate in the free coffee program. The department must submit a report to the legislature on the ongoing pilot by December 1, 2020, outlining the costs and benefits of the online calendar pilot, and including surveys from the volunteer groups and agency staff to determine its effectiveness.

Sec. 916. 2020 c 219 s 216 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q—OPERATING

Motor Vehicle Account—State	Appropriation
.....	.....(\$76,211,000)
	<u>\$73,219,000</u>
Motor Vehicle Account—Federal Appropriation ..	\$2,050,000
Motor Vehicle Account—Private/Local	Appropriation
.....	\$250,000
State Route Number 520 Corridor Account—State	
Appropriation	(\$53,000)
	<u>\$49,000</u>
Tacoma Narrows Toll Bridge Account—State	Appropriation
.....	(\$31,000)
	<u>\$40,000</u>
Alaskan Way Viaduct Replacement Project Account—	
State Appropriation	(\$26,000)
	<u>\$32,000</u>
Interstate 405 and State Route Number 167 Express	
Toll Lanes Account—State Appropriation.....	(\$32,000)
	<u>\$21,000</u>
TOTAL APPROPRIATION	(\$78,653,000)
	<u>\$75,661,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$6,000,000 of the motor vehicle account—state appropriation is provided solely for low-cost enhancements. The department shall give priority to low-cost enhancement projects that improve safety or provide congestion relief. By December 15th of each odd-numbered year, the department shall provide a report to the legislature listing all low-cost enhancement projects completed in the prior fiscal biennium.

(2)(a) During the 2019-2021 fiscal biennium, the department shall continue a pilot program that expands private transportation providers' access to high occupancy vehicle lanes. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, the following vehicles must be authorized to use the reserved portion of the highway if the vehicle has the capacity to carry eight or more passengers, regardless of the number of passengers in the vehicle: (i) Auto transportation company vehicles regulated under chapter 81.68 RCW; (ii) passenger charter carrier vehicles regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; (iii) private nonprofit transportation provider vehicles regulated under chapter 81.66 RCW; and (iv) private employer transportation service vehicles. For purposes of this subsection, "private employer transportation service" means regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees. Nothing in this subsection is intended to authorize the conversion of public infrastructure to private, for-profit purposes or to otherwise create an entitlement or other claim by private users to public infrastructure.

(b) The department shall expand the high occupancy vehicle lane access pilot program to vehicles that deliver or collect blood, tissue, or blood components for a blood-collecting or distributing establishment regulated under chapter 70.335 RCW. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, blood-collecting or distributing establishment vehicles that are clearly and identifiably marked as such on all sides of the vehicle are considered emergency vehicles and must be authorized to use the reserved portion of the highway.

(c) The department shall expand the high occupancy vehicle lane access pilot program to organ transport vehicles transporting a time urgent organ for an organ procurement organization as defined in RCW 68.64.010. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, organ transport vehicles that are clearly and identifiably marked as such on all sides of the vehicle are considered emergency vehicles and must be authorized to use the reserved portion of the highway.

(d) The department shall expand the high occupancy vehicle lane access pilot program to private, for hire vehicles regulated under chapter 81.72 RCW that have been specially manufactured, designed, or modified for the transportation of a person who has a mobility disability and uses a wheelchair or other assistive device. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, wheelchair-accessible taxicabs that are clearly and identifiably marked as such on all sides of the vehicle are considered public transportation vehicles and must be authorized to use the reserved portion of the highway.

(e) Nothing in this subsection (2) is intended to exempt these vehicles from paying tolls when they do not meet the occupancy requirements established by the department for express toll lanes.

(3) When regional transit authority construction activities are visible from a state highway, the department shall allow the regional transit authority to place safe and appropriate signage informing the public of the purpose of the construction activity.

(4) The department must make signage for low-height bridges a high priority.

(5) (~~(\$32,000)~~) \$21,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation, (~~(\$53,000)~~) \$49,000 of the state route number 520 corridor account—state appropriation, (~~(\$31,000)~~) \$40,000 of the Tacoma Narrows toll bridge account—state appropriation, and (~~(\$26,000)~~) \$32,000 of the Alaskan Way viaduct replacement project account—state appropriation are provided solely for the traffic operations program's proportional share of time spent supporting tolling operations for the respective tolling facilities.

Sec. 917. 2020 c 219 s 217 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
TRANSPORTATION MANAGEMENT AND SUPPORT—
PROGRAM S**

Motor Vehicle Account—State	Appropriation	
.....		(\$38,251,000)
		<u>\$35,914,000</u>
Motor Vehicle Account—Federal Appropriation		\$1,380,000
Motor Vehicle Account—Private/Local	Appropriation	
.....		\$500,000
Multimodal Transportation Account—State	Appropriation	
.....		\$1,129,000
State Route Number 520 Corridor Account—State	Appropriation	
.....		(\$199,000)
		<u>\$185,000</u>
Tacoma Narrows Toll Bridge Account—State	Appropriation	
.....		(\$116,000)
		<u>\$150,000</u>
Alaskan Way Viaduct Replacement Project Account—	State Appropriation	
.....		(\$100,000)
		<u>\$121,000</u>
Interstate 405 and State Route Number 167 Express	Toll Lanes Account—State Appropriation	
.....		(\$119,000)
		<u>\$78,000</u>
TOTAL APPROPRIATION	.....	(\$41,794,000)
		<u>\$39,457,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$2,000,000 of the motor vehicle account—state appropriation is provided solely for a grant program that makes awards for the following: (a) Support for nonprofit agencies, churches, and other entities to help provide outreach to populations underrepresented in the current apprenticeship programs; (b) preapprenticeship training; and (c) child care, transportation, and other supports that are needed to help women, veterans, and minorities enter and succeed in apprenticeship. The department must report on grants that have been awarded and the amount of funds disbursed by December 1st each year. If moneys are provided in the omnibus operating appropriations act for a career connected learning grant program, defined in chapter . . . (Substitute House Bill No. 1336), Laws of 2019, or otherwise, the amount provided in this subsection lapses.

(2) \$150,000 of the motor vehicle account—state appropriation is provided solely for a user-centered and mobile-compatible web site redesign using estimated web site ad revenues.

(3) From the revenues generated by the five dollar per studded tire fee under RCW 46.37.427, \$250,000 of the motor vehicle account—state appropriation is provided solely for the department, in consultation with the appropriate local jurisdictions and relevant stakeholder groups, to establish a pilot media-based public information campaign regarding the damage of studded tire use on state and local roadways in Whatcom county, and to continue the existing pilot information campaign in Spokane county. The reason for the geographic selection of

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Spokane and Whatcom counties is based on the high utilization of studded tires in these jurisdictions. The public information campaigns must primarily focus on making the consumer aware of the safety implications for other drivers, road deterioration, financial impact for taxpayers, and, secondarily, the alternatives to studded tires. The Whatcom county pilot media-based public information campaign must begin by September 1, 2020. By January 14, 2021, the department must provide the transportation committees of the legislature an update on the Spokane and Whatcom county pilot media-based public information campaigns.

(4) ~~(\$119,000)~~ \$78,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation, ~~(\$199,000)~~ \$185,000 of the state route number 520 corridor account—state appropriation, ~~(\$116,000)~~ \$150,000 of the Tacoma Narrows toll bridge account—state appropriation, and ~~(\$100,000)~~ \$121,000 of the Alaskan Way viaduct replacement project account—state appropriation are provided solely for the transportation management and support program's proportional share of time spent supporting tolling operations for the respective tolling facilities.

Sec. 918. 2020 c 219 s 218 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
TRANSPORTATION PLANNING, DATA, AND
RESEARCH—PROGRAM T**

Interstate 405 and State Route Number 167 Express Toll Lanes Account—State Appropriation				(\$3,123,000)
				\$121,000
Motor	Vehicle	Account—State	Appropriation	(\$26,587,000)
				\$24,053,000
Motor	Vehicle	Account—Federal	Appropriation	(\$35,385,000)
				\$32,508,000
Motor	Vehicle	Account—Private/Local	Appropriation	\$1,200,000
Multimodal Transportation Account—State Appropriation				\$710,000
Multimodal Transportation Account—Federal Appropriation				\$2,809,000
Multimodal Transportation Account—Private/Local Appropriation				\$100,000
State Route Number 520 Corridor Account—State Appropriation.....				(\$763,000)
				\$150,000
(Tacoma Narrows Toll Bridge Account—State Appropriation				\$121,000
Alaskan Way Viaduct Replacement Project Account—State Appropriation.....				\$104,000)
TOTAL APPROPRIATION.....				(\$70,902,000)
				\$61,651,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$130,000 of the motor vehicle account—state appropriation is provided solely for completion of a corridor study to identify potential improvements between exit 116 and exit 99 of Interstate 5. The study should further develop mid- and long-term strategies from the corridor sketch, and identify potential US 101/I-5 interchange improvements, a strategic plan for the Nisqually River bridges, regional congestion relief options, and ecosystem benefits to the Nisqually River estuary for salmon productivity and flood control.

(2) The study on state route number 518 referenced in section 218(5), chapter 297, Laws of 2018 must be submitted to the

transportation committees of the legislature by November 30, 2019.

(3) \$100,000 of the motor vehicle account—state appropriation is provided solely to complete the Tacoma mall direct access feasibility study.

(4) ~~(\$4,600,000)~~ \$673,000 of the motor vehicle account—federal appropriation is provided solely to complete the road usage charge pilot project overseen by the transportation commission using the remaining unspent amount of the federal grant award. The purpose of the road usage charge pilot project is to explore the viability of a road usage charge as a possible replacement for the gas tax.

(5) \$1,050,000 of the motor vehicle account—federal appropriation is provided solely for the Forward Drive road usage charge research project overseen by the transportation commission using a portion of the amount of the federal grant award. The purpose of the Forward Drive road usage charge research project is to advance research in key policy areas related to road usage charge including assessing impacts of future mobility shifts on road usage charge revenues, conducting an equity analysis, updating and assessing emerging mileage reporting methods, determining opportunities to reduce cost of collection, conducting small-scale pilot tests, and identifying a long-term, detailed phase-in plan.

~~(\$3,000,000)~~ (6) \$121,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation is provided solely for updating the state route number 167 master plan. If chapter 421, Laws of 2019 (addressing tolling) is not enacted by June 30, 2019, the amount provided in this subsection lapses.

~~((6) \$123,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation, \$207,000 of the state route number 520 corridor account—state appropriation, \$121,000 of the Tacoma Narrows toll bridge account—state appropriation, and \$104,000 of the Alaskan Way viaduct replacement project account—state appropriation are provided solely for the transportation planning, data, and research program's proportional share of time spent supporting tolling operations for the respective tolling facilities.))~~

(7) By December 31, 2020, the department shall provide to the governor and the transportation committees of the legislature a report examining the feasibility of doing performance-based evaluations for projects. The department must incorporate feedback from stakeholder groups, including traditionally underserved and historically disadvantaged populations, and the report shall include the project evaluation procedures that would be used for the performance-based evaluation.

(8) ~~(\$556,000)~~ \$150,000 of the state route number 520 corridor account—state appropriation is provided solely for the department to contract with the University of Washington department of mechanical engineering, to study measures to reduce noise impacts from the state route number 520 bridge expansion joints. The field testing shall be scheduled during existing construction, maintenance, or other scheduled closures to minimize impacts. The testing must also ensure safety of the traveling public. The study shall examine testing methodologies and project timelines and costs. A final report must be submitted to the transportation committees of the legislature and the governor by ~~(December)~~ March 1, ((2021)) 2022.

(9) \$5,900,000 of the motor vehicle account—federal appropriation and \$400,000 of the motor vehicle account—private/local appropriation are provided solely for delivery of the department's state planning and research work program and pooled fund research projects, provided that the department may not expend any amounts provided in this section on a long-range

plan or corridor scenario analysis for I-5 from Tumwater to Marysville. This is not intended to reference or impact: The existing I-5 corridor from Mounts road to Tumwater design and operations alternatives analysis; design studies related to HOV lanes or operations; or where it is necessary to continue design and operations analysis related to projects already under development.

Sec. 919. 2020 c 219 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—CHARGES FROM OTHER AGENCIES—PROGRAM U

Motor Vehicle Account—State	Appropriation
.....	((\$79,474,000)) <u>\$82,467,000</u>
Multimodal Transportation Account—State	
Appropriation	\$2,833,000
Interstate 405 and State Route Number 167 Express	
Toll Lanes Account—State Appropriation	((\$122,000)) <u>\$9,000</u>
State Route Number 520 Corridor Account—State	
Appropriation.....	((\$205,000)) <u>\$22,000</u>
Tacoma Narrows Toll Bridge Account—State	
Appropriation.....	((\$120,000)) <u>\$17,000</u>
Alaskan Way Viaduct Replacement Project Account—State	
Appropriation.....	((\$102,000)) <u>\$14,000</u>
TOTAL APPROPRIATION.....	((\$82,856,000)) <u>\$85,362,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Consistent with existing protocol and practices, for any negotiated settlement of a claim against the state for the department that exceeds five million dollars, the department, in conjunction with the attorney general and the department of enterprise services, shall notify the director of the office of financial management and the transportation committees of the legislature.

(2) Beginning October 1, 2019, and quarterly thereafter, the department, in conjunction with the attorney general and the department of enterprise services, shall provide a report with judgments and settlements dealing with the Washington state ferry system to the director of the office of financial management and the transportation committees of the legislature. The report must include information on: (a) The number of claims and settlements by type; (b) the average claim and settlement by type; (c) defense costs associated with those claims and settlements; and (d) information on the impacts of moving legal costs associated with the Washington state ferry system into the statewide self-insurance pool.

(3) Beginning October 1, 2019, and quarterly thereafter, the department, in conjunction with the attorney general and the department of enterprise services, shall provide a report with judgments and settlements dealing with the nonferry operations of the department to the director of the office of financial management and the transportation committees of the legislature. The report must include information on: (a) The number of claims and settlements by type; (b) the average claim and settlement by type; and (c) defense costs associated with those claims and settlements.

(4) ((~~\$122,000~~)) \$9,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation, ((~~\$205,000~~)) \$22,000 of the state route number 520 corridor account—state appropriation, ((~~\$120,000~~)) \$17,000 of the Tacoma Narrows toll bridge account—state appropriation, and

((~~\$102,000~~)) \$14,000 of the Alaskan Way viaduct replacement project account—state appropriation are provided solely for the charges from other agencies' program's proportional share of supporting tolling operations for the respective tolling facilities.

(5) When the department identifies significant legal issues that have potential transportation budget implications, the department must initiate a briefing for appropriate legislative members or staff through the office of the attorney general and its legislative briefing protocol.

Sec. 920. 2020 c 219 s 220 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC TRANSPORTATION—PROGRAM V

State Vehicle Parking Account—State	Appropriation
.....	\$784,000
Regional Mobility Grant Program Account—State	
Appropriation	((\$88,698,000)) <u>\$78,159,000</u>
Rural Mobility Grant Program Account—State	
Appropriation	\$32,223,000
Multimodal Transportation Account—State	
Appropriation	((\$122,355,000)) <u>\$115,948,000</u>
Multimodal Transportation Account—Federal	
Appropriation	\$3,574,000
Multimodal Transportation Account—Local	
Appropriation	\$100,000
TOTAL APPROPRIATION	((\$247,734,000)) <u>\$230,788,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$62,698,000 of the multimodal transportation account—state appropriation is provided solely for a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation. Of this amount:

(a) \$14,297,000 of the multimodal transportation account—state appropriation is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers must be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost effectiveness of trips provided. Fuel type may not be a factor in the grant selection process.

(b) \$48,401,000 of the multimodal transportation account—state appropriation is provided solely for grants to transit agencies to transport persons with special transportation needs. To receive a grant, the transit agency must, to the greatest extent practicable, have a maintenance of effort for special needs transportation that is no less than the previous year's maintenance of effort for special needs transportation. Grants for transit agencies must be prorated based on the amount expended for demand response service and route deviated service in calendar year 2017 as reported in the "Summary of Public Transportation - 2017" published by the department of transportation. No transit agency may receive more than thirty percent of these distributions. Fuel type may not be a factor in the grant selection process.

(2) \$32,223,000 of the rural mobility grant program account—state appropriation is provided solely for grants to aid small cities in rural areas as prescribed in RCW 47.66.100. Fuel type may not be a factor in the grant selection process.

(3)(a) \$10,539,000 of the multimodal transportation account—state appropriation is provided solely for a vanpool grant program for: (i) Public transit agencies to add vanpools or replace vans; and (ii) incentives for employers to increase employee vanpool use. The grant program for public transit agencies will cover capital costs only; operating costs for public transit agencies are

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not eligible for funding under this grant program. Additional employees may not be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. The department shall encourage grant applicants and recipients to leverage funds other than state funds. Fuel type may not be a factor in the grant selection process.

(b) At least \$1,600,000 of the amount provided in this subsection must be used for vanpool grants in congested corridors.

(4) \$27,483,000 of the regional mobility grant program account—state appropriation is reappropriated and provided solely for the regional mobility grant projects identified in LEAP Transportation Document ((2020)) 2021-2 ALL PROJECTS as developed ((~~March 11, 2020~~) April 23, 2021, Program - Public Transportation Program (V).

(5)(a) ((~~\$61,215,000~~) \$50,676,000) of the regional mobility grant program account—state appropriation is provided solely for the regional mobility grant projects identified in LEAP Transportation Document ((2020)) 2021-2 ALL PROJECTS as developed ((~~March 11, 2020~~) April 23, 2021, Program - Public Transportation Program (V). The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, must be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and any remaining funds must be used only to fund projects identified in the LEAP transportation document referenced in this subsection. The department shall provide annual status reports on December 15, 2019, and December 15, 2020, to the office of financial management and the transportation committees of the legislature regarding the projects receiving the grants. It is the intent of the legislature to appropriate funds through the regional mobility grant program only for projects that will be completed on schedule. A grantee may not receive more than twenty-five percent of the amount appropriated in this subsection. ((~~Additionally, when allocating funding for the 2021-2023 biennium, no more than thirty percent of the total grant program may directly benefit or support one grantee.~~)) The department shall not approve any increases or changes to the scope of a project for the purpose of a grantee expending remaining funds on an awarded grant. Fuel type may not be a factor in the grant selection process.

(b) In order to be eligible to receive a grant under (a) of this subsection during the 2019-2021 fiscal biennium, a transit agency must establish a process for private transportation providers to apply for the use of park and ride facilities. For purposes of this subsection, (i) "private transportation provider" means: An auto transportation company regulated under chapter 81.68 RCW; a passenger charter carrier regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; a private nonprofit transportation provider regulated under chapter 81.66 RCW; or a private employer transportation service provider; and (ii) "private employer transportation service" means regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees.

(6) Funds provided for the commute trip reduction (CTR) program may also be used for the growth and transportation efficiency center program.

(7) \$7,670,000 of the multimodal transportation account—state appropriation and \$784,000 of the state vehicle parking

account—state appropriation are provided solely for CTR grants and activities. Fuel type may not be a factor in the grant selection process. Of this amount:

(a) \$1,000,000 of the multimodal transportation account—state appropriation is provided solely for the department to continue a pilot transit pass incentive program. Businesses and nonprofit organizations located in a county adjacent to Puget Sound with a population of more than seven hundred thousand that have never offered transit subsidies to employees are eligible to apply to the program for a fifty percent rebate on the cost of employee transit subsidies provided through the regional ORCA fare collection system. No single business or nonprofit organization may receive more than ten thousand dollars from the program.

(i) Businesses and nonprofit organizations may apply and be awarded funds prior to purchasing a transit subsidy, but the department may not provide reimbursement until proof of purchase or a contract has been provided to the department.

(ii) The department shall update the transportation committees of the legislature on the impact of the program by January 31, 2020, and may adopt rules to administer the program.

(b) \$30,000 of the state vehicle parking account—state appropriation is provided solely for the STAR pass program for state employees residing in Mason and Grays Harbor Counties. Use of the pass is for public transportation between Mason County and Thurston County, and Grays Harbor and Thurston County. The pass may also be used within Grays Harbor County. The STAR pass commute trip reduction program is open to any state employee who expresses intent to commute to his or her assigned state worksite using a public transit system currently participating in the STAR pass program.

(c) ((~~\$1,000,000~~) \$200,000) of the multimodal transportation account—state appropriation is provided solely for a first mile/last mile connections grant program. Eligible grant recipients include cities, businesses, nonprofits, and transportation network companies with first mile/last mile solution proposals. Transit agencies are not eligible. The commute trip reduction board shall develop grant parameters, evaluation criteria, and evaluate grant proposals. The commute trip reduction board shall provide the transportation committees of the legislature a report on the effectiveness of this grant program and best practices for continuing the program.

(8) Except as provided otherwise in this subsection, ((~~\$33,370,000~~) \$32,008,000) of the multimodal transportation account—state appropriation is provided solely for connecting Washington transit projects identified in LEAP Transportation Document ((2020)) 2021-2 ALL PROJECTS as developed ((~~March 11, 2020~~) April 23, 2021. It is the intent of the legislature that entities identified to receive funding in the LEAP document referenced in this subsection receive the amounts specified in the time frame specified in that LEAP document. If an entity has already completed a project in the LEAP document referenced in this subsection before the time frame identified, the entity may substitute another transit project or projects that cost a similar or lesser amount.

(9) \$1,000,000 of the multimodal transportation account—state appropriation is provided solely for transit coordination grants. Fuel type may not be a factor in the grant selection process.

(10) The department shall not require more than a ten percent match from nonprofit transportation providers for state grants.

(11)(a) For projects funded as part of the 2015 connecting Washington transportation package listed on the LEAP transportation document identified in subsection (4) of this section, if the department expects to have substantial reappropriations for the 2021-2023 fiscal biennium, the department may, on a pilot basis, apply funding from a project

with an appropriation that cannot be used for the current fiscal biennium to advance one or more of the following projects:

- (i) King County Metro - RapidRide Expansion, Burien-Delridge (G2000031);
- (ii) King County Metro - Route 40 Northgate to Downtown (G2000032);
- (iii) Mason Transit Park & Ride Development (G2000042); or
- (iv) Pierce Transit - SR 7 Express Service (G2000045).

(b) At least ten business days before advancing a project pursuant to this subsection, the department must notify the office of financial management and the transportation committees of the legislature. The advancement of a project may not hinder the delivery of the projects for which the reappropriations are necessary for the 2021-2023 fiscal biennium.

(c) To the extent practicable, the department shall use the flexibility and authority granted in this section to minimize the amount of reappropriations needed each biennium.

(12) \$750,000 of the multimodal transportation account—state appropriation is provided solely for Intercity Transit for the Dash shuttle program.

(13)(a) \$485,000 of the multimodal transportation account—state appropriation is provided solely for King county for:

(i) An expanded pilot program to provide certain students in the Highline, Tukwila, and Lake Washington school districts with an ORCA card during these school districts' summer vacations. In order to be eligible for an ORCA card under this program, a student must also be in high school, be eligible for free and reduced-price lunches, and have a job or other responsibility during the summer; and

(ii) Providing administrative support to other interested school districts in King county to prepare for implementing similar programs for their students.

(b) King county must provide a report to the department and the transportation committees of the legislature by December 15, 2021, regarding:

- (i) The annual student usage of the pilot program;
- (ii) Available ridership data;
- (iii) A cost estimate, including a detailed description of the various expenses leading to the cost estimate, and any other factors relevant to expanding the program to other King county school districts;
- (iv) A cost estimate, including a detailed description of the various expenses leading to the cost estimate, and any other factors relevant to expanding the program to student populations other than high school or eligible for free and reduced-price lunches;
- (v) Opportunities for subsidized ORCA cards or local grant or matching funds; and
- (vi) Any additional information that would help determine if the pilot program should be extended or expanded.

(14) ~~(\$12,000,000)~~ \$7,007,000 of the multimodal transportation account—state appropriation is provided solely for the green transportation capital grant program established in chapter 287, Laws of 2019 (advancing green transportation adoption).

(15) \$555,000 of the multimodal transportation account—state appropriation is provided solely for an interagency transfer to the Washington State University extension energy program to establish and administer a technical assistance and education program for public agencies on the use of alternative fuel vehicles.

~~((47))~~ (16) The appropriations in this section include savings due to anticipated project underruns; however, it is unknown which projects will provide savings. The legislature intends to provide sufficient flexibility for the department to manage to this savings target. To provide this flexibility, the office of financial

management may authorize, through an allotment modification, reductions in the appropriated amounts that are provided solely for a particular purpose within this section subject to the following conditions and limitations:

(a) No allotment modifications may be made to amounts provided solely for the special needs transportation grant program;

(b) The department must confirm that any modification requested under this subsection of amounts provided solely for a specific purpose are not expected to be used for that purpose in this biennium;

(c) Allotment modifications authorized under this subsection may not result in increased funding for any project beyond the amount provided for that project in the 2019-2021 fiscal biennium in LEAP Transportation Document ~~((2020))~~ 2021-2 ALL PROJECTS as developed ((March 11, 2020)) April 23, 2021;

(d) Allotment modifications authorized under this subsection apply only to amounts appropriated in this section from the multimodal transportation account—state; and

(e) By December 1, 2020, the department must submit a report to the transportation committees of the legislature regarding the actions taken under this subsection.

~~((48))~~ (17)(a) The Washington state department of transportation public transportation division, working with the Thurston regional planning council, shall provide state agency management, the office of financial management, and the transportation committees of the legislature with results of their regional mobility grant program demonstration project I-5/US 101 Practical Solutions: State Capitol Campus Transportation Demand Management – Mobile Work. This includes reporting after the 2020 legislative session on the measurable results of an early pilot initiative, "Telework Tuesday," beginning in January 2020.

(b) Capitol campus state agency management is directed to fully participate in this work, which aims to reduce greenhouse gases, require less office space and parking investments; provide low cost congestion relief on I-5 during peak periods, US 101, and the local transportation network; and improve retention and recruitment of public employees. The agencies should actively: Encourage employees qualified to telework to participate in this program and increase the number of employees who qualify for mobile work and schedule shifts.

(c) If measurable success is achieved, the capitol campus state agencies shall provide options to expand the project to other jurisdictions concentrated with large employers. Expansion and encouragement of telework will help reduce demand on the transportation system, reduce traffic during peak hours, and reduce greenhouse gas emissions.

Sec. 921. 2020 c 219 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—MARINE—PROGRAM X

Motor Vehicle Account—State Appropriation.....	\$250,000
Puget Sound Ferry Operations Account—State Appropriation	(\$545,997,000)
	<u>\$486,710,000</u>
Puget Sound Ferry Operations Account—Federal Appropriation	(\$7,932,000)
	<u>\$47,169,000</u>
Puget Sound Ferry Operations Account—Private/Local Appropriation	\$121,000
TOTAL APPROPRIATION	(\$554,300,000)
	<u>\$534,250,000</u>

The appropriations in this section are subject to the following conditions and limitations:

- (1) The office of financial management budget instructions

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require agencies to recast enacted budgets into activities. The Washington state ferries shall include a greater level of detail in its 2019-2021 supplemental and 2021-2023 omnibus transportation appropriations act requests, as determined jointly by the office of financial management, the Washington state ferries, and the transportation committees of the legislature. This level of detail must include the administrative functions in the operating as well as capital programs.

(2) For the 2019-2021 fiscal biennium, the department may enter into a distributor controlled fuel hedging program and other methods of hedging approved by the fuel hedging committee, which must include a representative of the department of enterprise services.

(3) ~~(\$73,161,000)~~ \$67,052,000 of the Puget Sound ferry operations account—state appropriation is provided solely for auto ferry vessel operating fuel in the 2019-2021 fiscal biennium, which reflect cost savings from a reduced biodiesel fuel requirement and, therefore, is contingent upon the enactment of section 703, chapter 416, Laws of 2019. The amount provided in this subsection represents the fuel budget for the purposes of calculating any ferry fare fuel surcharge. The department shall review future use of alternative fuels and dual fuel configurations, including hydrogen.

(4) \$650,000 of the Puget sound ferry operations account—state appropriation is provided solely for increased staffing at Washington ferry terminals to meet increased workload and customer expectations. Within the amount provided in this subsection, the department shall contract with uniformed officers for additional traffic control assistance at the Kingston ferry terminal during peak ferry travel times, with a particular focus on Sundays and holiday weekends. Traffic control methods should include, but not be limited to, holding traffic on the shoulder at Lindvog Road until space opens for cars at the tollbooths and dock, and management of traffic on Highway 104 in order to ensure Kingston residents and business owners have access to businesses, roads, and driveways.

(5) \$254,000 of the Puget Sound ferry operations account—state appropriation is provided solely for a dedicated inventory logistics manager on a one-time basis.

(6) \$500,000 of the Puget Sound ferry operations account—state appropriation is provided solely for operating costs related to moving vessels for emergency capital repairs. Funds may only be spent after approval by the office of financial management.

(7) By January 1, 2020, the ferries division must submit a workforce plan for reducing overtime due to shortages of staff available to fill vacant crew positions. The plan must include numbers of crew positions being filled by staff working overtime, strategies for filling these positions with straight time employees, progress toward implementing those strategies, and a forecast for when overtime expenditures will return to historical averages.

(8) \$160,000 of the Puget Sound ferry operations account—state appropriation is provided solely for a ferry fleet baseline noise study, conducted by a consultant, for the purpose of establishing plans and data-driven goals to reduce ferry noise when Southern resident orca whales are present. In addition, the study must establish prioritized strategies to address vessels serving routes with the greatest exposure to orca whale movements.

(9)(a) \$250,000 of the motor vehicle account—state appropriation is provided solely for the department, in consultation with the Washington state transportation center, to develop a plan for service on the triangle route with a goal of providing maximum sailings moving the most passengers to all stops in the least travel time, including waits between sailings, within budget and resource constraints.

(b) The Washington state transportation center must use new traffic management models and scheduling tools to examine proposed improvements for the triangle route. The department shall report to the standing transportation committees of the legislature by January 15, 2021. The report must include:

(i) Implementation and status of data collection, modeling, scheduling, capital investments, and procedural improvements to allow Washington state ferries to schedule more sailings to and from all stops on the triangle route with minimum time between sailings;

(ii) Recommendations for emergency boat allocations, regular schedule policies, and emergency schedule policies based on all customers alternative travel options to ensure that any dock with no road access is prioritized in scheduling and scheduled service is provided based on population size, demographics, and local medical services;

(iii) Triangle route pilot economic analysis of Washington state ferries fare revenue and fuel cost impact of offering additional, better spaced sailings;

(iv) Results of an economic analysis of the return on investment of potentially acquiring and using traffic control infrastructure, technology, walk on loading bridges, and Good-to-Go and ORCA replacement of current fare sales, validation, collections, accounting, and all associated labor and benefits costs that can be saved via those capital investments; and

(v) Recommendation on policies, procedures, or agency interpretations of statute that may be adopted to mitigate any delays or disruptions to scheduled sailings.

(10) \$15,139,000 of the Puget Sound ferry operations account—state appropriation is provided solely for training. Of the amount provided in this subsection:

(a) \$2,500,000 is for training for new employees.

(b) \$160,000 is for electronic chart display and information system training.

(c) \$379,000 is for marine evacuation slide training.

(11) \$1,600,000 of the Puget Sound ferry operations account—state appropriation is provided solely for naval architecture staff support for the marine maintenance program.

(12) \$336,000 of the Puget Sound ferry operations account—state appropriation is provided solely for inspections of fall restraint systems.

(13) \$4,361,000 of the Puget Sound ferry operations account—state appropriation is provided solely for overtime expenses incurred by engine and deck crew members.

(14) \$1,200,000 of the Puget Sound ferry operations account—state appropriation is provided solely for familiarization for new assignments of engine crew and terminal staff.

(15) \$100,000 of the Puget Sound ferry operations account—state appropriation is provided solely to develop a plan for upgrading a second vessel to meet the international convention for the safety of life at sea standards. The plan must identify the option with the lowest impacts to sailing schedules.

(16) The department must request reimbursement from the federal transit administration for the maximum amount of ferry operating expenses eligible for reimbursement under federal law.

Sec. 922. 2020 c 219 s 222 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—	
RAIL—PROGRAM Y—OPERATING	
Multimodal Transportation Account—State	
Appropriation	(\$70,244,000)
	<u>\$45,883,000</u>
Multimodal Transportation Account—Private/Local	
Appropriation	\$717,000
(Multimodal Transportation Account—Federal	

Appropriation.....	\$500,000))
TOTAL APPROPRIATION.....	(((\$71,461,000))
	<u>\$46,600,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1)(a)(i) \$224,000 of the multimodal transportation account—state appropriation and \$671,000 of the multimodal transportation account—private/local appropriation are provided solely for continued analysis of the ultra high-speed ground transportation corridor in a new study, with participation from Washington, Oregon, and British Columbia. No funds may be expended until the department is in receipt of \$671,000 in private/local funding provided solely for this purpose.

(ii) The ultra high-speed ground transportation corridor advisory group must include legislative membership.

(iii) "Ultra high-speed" means a maximum testing speed of at least two hundred fifty miles per hour.

(b) The study must consist of the following:

(i) Development of proposed corridor governance, general powers, operating structure, legal instruments, and contracting requirements, in the context of the roles of relevant jurisdictions, including federal, state, provincial, and local governments;

(ii) Development of a long-term funding and financing strategy for project initiation, development, construction, and program administration of the high-speed corridor, building on the funding and financing chapter of the 2019 business case analysis and aligned with the recommendations of (b)(i) of this subsection; and

(iii) Development of recommendations for a department-led ultra-high speed corridor engagement plan for policy leadership from elected officials.

(c) This study must build on the results of the 2018 Washington state ultra high-speed ground transportation business case analysis and the 2019 Washington state ultra high-speed ground transportation study findings report. The department shall consult with the transportation committees of the legislature regarding all issues related to proposed corridor governance.

(d) The development work referenced in (b) of this subsection is intended to identify and make recommendations related to specific entities, including interjurisdictional entities, policies, and processes required for the purposes of furthering preliminary analysis efforts for the ultra high-speed ground transportation corridor. This development work is not intended to authorize one or more entities to assume decision making authority for the design, construction, or operation of an ultra high-speed rail corridor.

(e) By December 1, 2020, the department shall provide to the governor and the transportation committees of the legislature a report of the study's findings regarding the three elements noted in this subsection. As applicable, the report should also be sent to the executive and legislative branches of government in the state of Oregon and appropriate government bodies in the province of British Columbia.

(2) The department is directed to continue to pursue efforts to reduce costs, increase ridership, and review Amtrak Cascades fares and fare schedules. Within thirty days of each annual cost/revenue reconciliation under the Amtrak service contract, the department shall report annual credits to the office of financial management and the legislative transportation committees. Annual credits from Amtrak to the department including, but not limited to, credits due to higher ridership, reduced level of service, and fare or fare schedule adjustments, must be used to offset corresponding amounts of the multimodal transportation account—state appropriation, which must be placed in reserve.

Sec. 923. 2020 c 219 s 223 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—

LOCAL PROGRAMS—PROGRAM Z—OPERATING

Motor Vehicle Account—State	Appropriation
.....	(((\$12,187,000))
	<u>\$11,854,000</u>
Motor Vehicle Account—Federal Appropriation	. \$2,567,000
Multiuse Roadway Safety Account—State	Appropriation
.....	\$450,000
Multimodal Transportation Account—State	
Appropriation	\$350,000
TOTAL APPROPRIATION	(((\$15,554,000))
	<u>\$15,221,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$350,000 of the multimodal transportation account—state appropriation is provided solely for a study by the Puget Sound regional council of new passenger ferry service to better connect communities throughout the twelve county Puget Sound region. The study must assess potential new routes, identify future terminal locations, and provide recommendations to accelerate the electrification of the ferry fleet. The study must identify future passenger only demand throughout Western Washington, analyze potential routes and terminal locations on Puget Sound, Lake Washington, and Lake Union with an emphasis on preserving waterfront opportunities in public ownership and opportunities for partnership. The study must determine whether and when the passenger ferry service achieves a net reduction in carbon emissions including an analysis of the emissions of modes that passengers would otherwise have used. The study must estimate capital and operating costs for routes and terminals. The study must include early and continuous outreach with all interested stakeholders and a report to the legislature and all interested parties by January 31, 2021.

(2) \$1,142,000 of the motor vehicle account—state appropriation is provided solely for the department, from amounts set aside out of statewide fuel taxes distributed to counties according to RCW 46.68.120(3), to contract with the Washington state association of counties to:

(a) In coordination with stakeholders, identify county-owned fish passage barriers, with priority given to barriers that share the same stream system as state-owned fish passage barriers. The study must identify, map, and provide a preliminary assessment of county-owned barriers that need correction, and provide, where possible, preliminary costs estimates for each barrier correction. The study must provide recommendations on:

(i) How to prioritize county-owned barriers within the same stream system of state-owned barriers in the current six-year construction plan to maximize state investment; and

(ii) How future state six-year construction plans should incorporate county-owned barriers;

(b) Update the local agency guidelines manual, including exploring alternatives within the local agency guidelines manual on county priorities;

(c) Study the current state of county transportation funding, identify emerging issues, and identify potential future alternative transportation fuel funding sources to meet current and future needs.

(3) The entire multiuse roadway safety account—state appropriation is provided solely for grants under RCW 46.09.540, subject to the following limitations:

(a) Twenty-five percent of the amounts provided are reserved for counties that each have a population of fifteen thousand persons or less;

(b)(i) Seventy-five percent of the amounts provided are reserved for counties that each have a population exceeding fifteen thousand persons; and

(ii) No county that receives a grant or grants under (b) of this

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subsection may receive more than sixty thousand dollars in total grants.

(4) \$280,000 of the motor vehicle account—state appropriation is provided solely for Wahkiakum county for operation of the ferry between Puget Island and Westport, Oregon. These funds are provided outside the existing continuing agreement described in RCW 47.56.720, are not appropriated for that purpose, and therefore do not constitute payments under the agreement.

TRANSPORTATION AGENCIES—CAPITAL

Sec. 1001. 2020 c 219 s 301 (uncodified) is amended to read as follows:

FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

Table with 2 columns: Description and Amount. Includes Freight Mobility Investment Account—State Appropriation, Highway Safety Account—State Appropriation, Motor Vehicle Account—State Appropriation, Freight Mobility Multimodal Account—State Appropriation, Motor Vehicle Account—Federal Appropriation, Freight Mobility Multimodal Account—Private/Local Appropriation, and TOTAL APPROPRIATION.

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as otherwise provided in this section, the entire appropriations in this section are provided solely for the projects by amount, as listed in the LEAP Transportation Document ((2020-3 as developed March 11, 2020, Conference FMSIB Project List)) 2021-2 ALL PROJECTS as developed April 23, 2021, Freight Mobility Strategic Investment Board (FMSIB).

(2) Until directed by the legislature, the board may not initiate a new call for projects. By January 1, 2020, the board must report to the legislature on alternative proposals to revise its project award and obligation process, which result in lower reappropriations.

((4)) (3) It is the intent of the legislature to continue to make strategic investments in a statewide freight mobility transportation system with the help of the freight mobility strategic investment board, including projects that mitigate the impact of freight movement on local communities.

Sec. 1002. 2020 c 219 s 302 (uncodified) is amended to read as follows:

FOR THE COUNTY ROAD ADMINISTRATION BOARD

Table with 2 columns: Description and Amount. Includes Rural Arterial Trust Account—State Appropriation, Motor Vehicle Account—State Appropriation, County Arterial Preservation Account—State Appropriation, and TOTAL APPROPRIATION.

Sec. 1003. 2020 c 219 s 304 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—FACILITIES—PROGRAM D—(DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)—CAPITAL

Table with 2 columns: Description and Amount. Includes Motor Vehicle Account—State Appropriation.

Table with 2 columns: Description and Amount. Includes Connecting Washington Account—State Appropriation and TOTAL APPROPRIATION.

The appropriations in this section are subject to the following conditions and limitations:

(1) ((\$51,523,000)) \$50,746,000 of the connecting Washington account—state appropriation is provided solely for a new Olympic region maintenance and administration facility to be located on the department-owned site at the intersection of Marvin Road and 32nd Avenue in Lacey, Washington.

(2)(a) ((\$43,297,000)) \$41,827,000 of the motor vehicle account—state appropriation is provided solely for the department facility located at 15700 Dayton Ave N in Shoreline. This appropriation is contingent upon the department of ecology signing a not less than twenty-year agreement to pay a share of any financing contract issued pursuant to chapter 39.94 RCW.

(b) Payments from the department of ecology as described in this subsection shall be deposited into the motor vehicle account.

(c) Total project costs are not to exceed ((\$46,500,000)) \$45,032,000.

(3) \$1,565,000 from the motor vehicle account—state appropriation is provided solely for furniture for the renovated Northwest Region Headquarters at Dayton Avenue. The department must efficiently furnish the renovated building.

Sec. 1004. 2020 c 219 s 305 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—IMPROVEMENTS—PROGRAM I

Table with 2 columns: Description and Amount. Includes Transportation Partnership Account—State Appropriation, Motor Vehicle Account—State Appropriation, Motor Vehicle Account—Federal Appropriation, Motor Vehicle Account—Private/Local Appropriation, Connecting Washington Account—State Appropriation, Special Category C Account—State Appropriation, Multimodal Transportation Account—State Appropriation, Alaskan Way Viaduct Replacement Project Account—State Appropriation, Transportation 2003 Account (Nickel Account)—State Appropriation, Interstate 405 and State Route Number 167 Express Toll Lanes Account—State Appropriation, and TOTAL APPROPRIATION.

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account—state appropriation and the

entire transportation partnership account—state appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document ((2020)) 2021-1 as developed ((~~March 11, 2020~~) April 23, 2021, Program - Highway Improvements Program (I). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section ((~~601 of this act~~) 601 of this act, chapter . . ., Laws of 2021 (this act).

(2) Except as provided otherwise in this section, the entire motor vehicle account—state appropriation and motor vehicle account—federal appropriation are provided solely for the projects and activities listed in LEAP Transportation Document ((2020)) 2021-2 ALL PROJECTS as developed ((~~March 11, 2020~~) April 23, 2021, Program - Highway Improvements Program (I). Any federal funds gained through efficiencies, adjustments to the federal funds forecast, ((~~additional congressional action not related to a specific project or purpose,~~) or the federal funds redistribution process must then be applied to highway and bridge preservation activities or fish passage barrier corrections (OBI4001).

(3) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act. Ten days prior to any transfer, the department must submit its request to the office of financial management and the transportation committees of the legislature and consider any concerns raised. The department shall submit a report on fiscal year funds transferred in the prior fiscal year using this subsection as part of the department's annual budget submittal.

(4) The connecting Washington account—state appropriation includes up to ((~~\$1,835,325,000~~) \$1,085,325,000 in proceeds from the sale of bonds authorized in RCW 47.10.889.

(5) The special category C account—state appropriation includes up to ((~~\$24,910,000~~) \$19,123,000 in proceeds from the sale of bonds authorized in RCW 47.10.812.

(6) The transportation partnership account—state appropriation includes up to ((~~\$162,658,000~~) \$176,140,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

(7) The Alaskan Way viaduct replacement project account—state appropriation includes up to \$77,956,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

(8) ((~~\$168,757,000~~) \$162,005,000 of the transportation partnership account—state appropriation, ((~~\$19,790,000~~) \$17,898,000 of the motor vehicle account—private/local appropriation, \$3,384,000 of the transportation 2003 account (nickel account)—state appropriation, \$77,956,000 of the Alaskan Way viaduct replacement project account—state appropriation, and ((~~\$1,838,000~~) \$854,000 of the multimodal transportation account—state appropriation are provided solely for the SR 99/Alaskan Way Viaduct Replacement project (809936Z). It is the intent of the legislature that the \$25,000,000 increase in funding provided in the 2021-2023 fiscal biennium be covered by any legal damages paid to the state as a result of a lawsuit related to contractual provisions for construction and delivery of the Alaskan Way viaduct replacement project. The legislature intends that the \$25,000,000 of the transportation partnership account—state funds be repaid when those damages are recovered.

(9) ((~~\$3,000,000~~) \$2,667,000 of the multimodal transportation account—state appropriation is provided solely for transit mitigation for the SR 99/Viaduct Project - Construction Mitigation project (809940B).

(10) ((~~\$168,655,000~~) \$148,097,000 of the connecting Washington account—state appropriation, \$1,052,000 of the

special category C account—state appropriation, and ((~~\$738,000~~) \$1,338,000 of the motor vehicle account—private/local appropriation are provided solely for the US 395 North Spokane Corridor project (M00800R).

(11) ((~~\$82,991,000~~) \$29,187,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation is provided solely for the I-405/SR 522 to I-5 Capacity Improvements project (L2000234) for activities related to adding capacity on Interstate 405 between state route number 522 and Interstate 5, with the goals of increasing vehicle throughput and aligning project completion with the implementation of bus rapid transit in the vicinity of the project.

(12)(a) ((~~\$422,099,000~~) \$356,007,000 of the connecting Washington account—state appropriation and ((~~\$456,000~~) \$400,000 of the motor vehicle account—private/local appropriation are provided solely for the SR 520 Seattle Corridor Improvements - West End project (M00400R).

(b) Recognizing that the department of transportation requires full possession of parcel number 1-23190 to complete the Montlake Phase of the West End project, the department is directed to:

(i) Work with the operator of the Montlake boulevard market located on parcel number 1-23190 to negotiate a lease allowing continued operations up to January 1, 2020. After that time, the department shall identify an area in the vicinity of the Montlake property for a temporary market or other food service to be provided during the period of project construction. Should the current operator elect not to participate in providing that temporary service, the department shall then develop an outreach plan with the city to solicit community input on the food services provided, and then advertise the opportunity to other potential vendors. Further, the department shall work with the city of Seattle and existing permit processes to facilitate vendor access to and use of the area in the vicinity of the Montlake property.

(ii) Upon completion of the Montlake Phase of the West End project (current anticipated contract completion of 2023), WSDOT shall sell that portion of the property not used for permanent transportation improvements and initiate a process to convey that surplus property to a subsequent owner.

(c) \$60,000 of the motor vehicle account—state appropriation is provided solely for grants to nonprofit organizations located in a city with a population exceeding six hundred thousand persons and that empower artists through equitable access to vital expertise, opportunities, and business services. Funds may be used only for the purpose of preserving, commemorating, and sharing the history of the city of Seattle's freeway protests and making the history of activism around the promotion of more integrated transportation and land use planning accessible to current and future generations through the preservation of Bent 2 of the R. H. Thompson freeway ramp.

(13) It is the intent of the legislature that for the I-5 JBLM Corridor Improvements project (M00100R), the department shall actively pursue \$50,000,000 in federal funds to pay for this project to supplant state funds in the future. \$50,000,000 in connecting Washington account funding must be held in unallotted status during the 2021-2023 fiscal biennium. These funds may only be used after the department has provided notice to the office of financial management that it has exhausted all efforts to secure federal funds from the federal highway administration and the department of defense.

(14) ((~~\$310,469,000~~) \$172,911,000 of the connecting Washington account—state appropriation ((~~is~~), \$15,099,000 of the motor vehicle account—private/local appropriation, and \$1,500,000 of the motor vehicle account—federal appropriation are provided solely for the SR 167/SR 509 Puget Sound Gateway project (M00600R).

(a) Any savings on the project must stay on the Puget Sound Gateway corridor until the project is complete.

(b) Proceeds from the sale of any surplus real property acquired for the purpose of building the SR 167/SR 509 Puget Sound Gateway (M00600R) project must be deposited into the motor vehicle account for the purpose of constructing the project.

(c) In making budget allocations to the Puget Sound Gateway project, the department shall implement the project's construction as a single corridor investment. The department shall develop a coordinated corridor construction and implementation plan for state route number 167 and state route number 509 in collaboration with affected stakeholders. Specific funding allocations must be based on where and when specific project segments are ready for construction to move forward and investments can be best optimized for timely project completion. Emphasis must be placed on avoiding gaps in fund expenditures for either project.

(d) It is the legislature's intent that the department shall construct a full single-point urban interchange at the junction of state route number 161 (Meridian avenue) and state route number 167 and a full single-point urban interchange at the junction of state route number 509 and 188th Street. If the department receives additional funds from an outside source for this project after the base project is fully funded, the funds must first be applied toward the completion of these two full single-point urban interchanges.

(e) In designing the state route number 509/state route number 516 interchange component of the SR 167/SR 509 Puget Sound Gateway project (M00600R), the department shall make every effort to utilize the preferred "4B" design.

(f) The department shall explore the development of a multiuse trail for bicyclists, pedestrians, skateboarders, and similar users along the SR 167 right-of-way acquired for the project to connect a network of new and existing trails from Mount Rainier to Point Defiance Park.

(g) If sufficient bonding authority to complete this project is not provided within chapter 421, Laws of 2019 (addressing tolling), or within a bond authorization act referencing chapter 421, Laws of 2019 by June 30, 2019, it is the intent of the legislature to return the Puget Sound Gateway project (M00600R) to its previously identified construction schedule by moving \$128,900,000 in connecting Washington account—state appropriation back to the 2027-2029 biennium from the 2023-2025 biennium on the list referenced in subsection (2) of this section. If sufficient bonding authority is provided, it is the intent of the legislature to advance the project to allow for earlier completion and inflationary savings.

(15) It is the intent of the legislature that, for the I-5/North Lewis County Interchange project (L2000204), the department develop and design the project with the objective of significantly improving access to the industrially zoned properties in north Lewis county. The design must consider the county's process of investigating alternatives to improve such access from Interstate 5 that began in March 2015.

(16) (~~(\$1,029,000)~~) \$1,030,000 of the transportation partnership account—state appropriation is provided solely for the U.S. 2 Trestle IJR project (L1000158).

(17) The department shall itemize all future requests for the construction of buildings on a project list and submit them through the transportation executive information system as part of the department's annual budget submittal. It is the intent of the legislature that new facility construction must be transparent and not appropriated within larger highway construction projects.

(18) Any advisory group that the department convenes during the 2019-2021 fiscal biennium must consider the interests of the

entire state of Washington.

(19) The legislature finds that there are sixteen companies involved in wood preserving in the state that employ four hundred workers and have an annual payroll of fifteen million dollars. Before the department's switch to steel guardrails, ninety percent of the twenty-five hundred mile guardrail system was constructed of preserved wood and one hundred ten thousand wood guardrail posts were produced annually for state use. Moreover, the policy of using steel posts requires the state to use imported steel. Given these findings, where practicable, and until June 30, 2021, the department shall include the design option to use wood guardrail posts, in addition to steel posts, in new guardrail installations. The selection of posts must be consistent with the agency design manual policy that existed before December 2009.

(20)(a) For connecting Washington projects that have already begun and are eligible for the authority granted in section 601 (~~(of this act)~~), chapter 219, Laws of 2020, the department shall prioritize advancing the following projects if expected reappropriations become available:

- (i) SR 14/I-205 to SE 164th Ave - Auxiliary Lanes (L2000102);
- (ii) SR 305 Construction - Safety Improvements (N30500R);
- (iii) SR 14/Bingen Underpass (L2220062);
- (iv) I-405/NE 132nd Interchange - Totem Lake (L1000110);
- (v) US Hwy 2 Safety (N00200R);
- (vi) US-12/Walla Walla Corridor Improvements (T20900R);
- (vii) I-5 JBLM Corridor Improvements (M00100R);
- (viii) I-5/Slater Road Interchange - Improvements (L1000099);
- (ix) SR 510/Yelm Loop Phase 2 (T32700R); or
- (x) SR 520/124th St Interchange (Design and Right of Way) (L1000098).

(b) To the extent practicable, the department shall use the flexibility and authority granted in this section and in section 601 of this act to minimize the amount of reappropriations needed each biennium.

(c) The advancement of a project may not hinder the delivery of the projects for which the reappropriations are necessary for the 2021-2023 fiscal biennium.

(21) The legislature continues to prioritize the replacement of the state's aging infrastructure and recognizes the importance of reusing and recycling construction aggregate and recycled concrete materials in our transportation system. To accomplish Washington state's sustainability goals in transportation and in accordance with RCW 70.95.805, the legislature reaffirms its determination that recycled concrete aggregate and other transportation building materials are natural resource construction materials that are too valuable to be wasted and landfilled, and are a commodity as defined in WAC 173-350-100.

Further, the legislature determines construction aggregate and recycled concrete materials substantially meet widely recognized international, national, and local standards and specifications referenced in American society for testing and materials, American concrete institute, Washington state department of transportation, Seattle department of transportation, American public works association, federal aviation administration, and federal highway administration specifications, and are described as necessary and desirable products for recycling and reuse by state and federal agencies.

As these recyclable materials have well established markets, are substantially a primary or secondary product of necessary construction processes and production, and are managed as an item of commercial value, construction aggregate and recycled concrete materials are exempt from chapter 173-350 WAC.

(22)(a) (~~(\$17,500,000)~~) \$8,072,000 of the motor vehicle account—state appropriation (~~(is)~~) and \$7,329,000 of the motor vehicle account—private/local appropriation are provided solely

for staffing of a project office ~~((to replace the Interstate 5 bridge across the Columbia river (G2000088)) for the I-5 Interstate Bridge Replacement project (L2000370). ((If at least a \$9,000,000 transfer is not authorized in section 406(29), chapter 416, Laws of 2019, then \$9,000,000 of the motor vehicle account—state appropriation lapses.))~~

~~(b) ((Of the amount provided in this subsection, \$7,780,000 of the motor vehicle account—state appropriation must be placed in unallotted status by the office of financial management until the department develops a detailed plan for the work of this project office in consultation with the chairs and ranking members of the transportation committees of the legislature. The director of the office of financial management shall consult with the chairs and ranking members of the transportation committees of the legislature prior to making a decision to allot these funds.~~

~~(e))~~ The work of this project office includes, but is not limited to, the reevaluation of the purpose and need identified for the project previously known as the Columbia river crossing, the reevaluation of permits and development of a finance plan, the reengagement of key stakeholders and the public, and the reevaluation of scope, schedule, and budget for a reinvigorated bistate effort for replacement of the Interstate 5 Columbia river bridge. When reevaluating the finance plan for the project, the department shall assume that some costs of the new facility may be covered by tolls. The project office must also study the possible different governance structures for a bridge authority that would provide for the joint administration of the bridges over the Columbia river between Oregon and Washington. As part of this study, the project office must examine the feasibility and necessity of an interstate compact in conjunction with the national center for interstate compacts.

~~((d))~~ (c) Within the amount provided in this subsection, the department must implement chapter 137, Laws of 2019 (projects of statewide significance).

~~((e))~~ (d) The department shall have as a goal to:

(i) Reengage project stakeholders and reevaluate the purpose and need and environmental permits by July 1, 2020;

(ii) Develop a finance plan by December 1, 2020; and

(iii) Have made significant progress toward beginning the supplemental environmental impact statement process by June 30, 2021. The department shall aim to provide a progress report on these activities to the governor and the transportation committees of the legislature by December 1, 2019, and a final report to the governor and the transportation committees of the legislature by December 1, 2020.

~~(23) (((\$17,500,000 of the motor vehicle account—state appropriation is provided solely to begin the pre design phase on the I-5/Columbia River Bridge project (G2000088).~~

~~(24))~~ (a) \$191,360,000 of the connecting Washington account—state appropriation, \$47,655,000 of the motor vehicle account—federal appropriation, \$11,179,000 of the motor vehicle account—private/local appropriation, \$6,100,000 of the motor vehicle account—state appropriation, and \$18,706,000 of the transportation partnership account—state appropriation are provided solely for the Fish Passage Barrier Removal project (OBI4001) with the intent of fully complying with the court injunction by 2030.

(b) Of the amounts provided in this subsection, \$320,000 of the connecting Washington account—state appropriation is provided solely to remove the fish passage barrier on state route number 6 that interfaces with Boistfort Valley water utilities near milepost 46.6.

(c) The department shall coordinate with the Brian Abbott fish passage barrier removal board to use a watershed approach to maximize habitat gain by replacing both state and local culverts. The department shall deliver high habitat value fish passage

barrier corrections that it has identified, guided by the following factors: Opportunity to bundle projects, ability to leverage investments by others, presence of other barriers, project readiness, other transportation projects in the area, and transportation impacts.

(d) The department must keep track of, for each barrier removed: (i) The location; (ii) the amount of fish habitat gain; and (iii) the amount spent to comply with the injunction.

(e) It is the intent of the legislature that for the amount listed for the 2021-2023 biennium for the Fish Passage Barrier Removal project (OBI4001) on the LEAP list referenced in subsection (1) of this section, that accrued practical design savings deposited in the transportation future funding program account be used to help fund the cost of fully complying with the court injunction by 2030.

~~((25))~~ (24) (a) The Washington state department of transportation is directed to pursue compliance with the *U.S. v. Washington* permanent injunction by delivering culvert corrections within the injunction area guided by the principle of providing the greatest fisheries habitat gain at the earliest time and considering the following factors: Opportunity to bundle projects, tribal priorities, ability to leverage investments by others, presence of other barriers, project readiness, culvert condition, other transportation projects in the area, and transportation impacts.

(b) The department and Brian Abbott fish barrier removal board, while providing the opportunity for stakeholders, tribes, and government agencies to give input on a statewide culvert remediation plan, must provide updates on the development of the statewide culvert remediation plan to the capital budget, ways and means, and transportation committees of the legislature by November 1, 2020, and March 15, 2021. The first update must include a project timeline and plan to ensure that all state agencies with culvert correction programs are involved in the creation of the comprehensive plan. The department and Brian Abbott fish barrier removal board must submit the final comprehensive statewide culvert remediation plan and the process by which it will be adaptively managed over time to the governor and the legislative fiscal committees by June 30, 2021.

~~((26) \$16,649,000))~~ (25) \$4,880,000 of the connecting Washington account—state appropriation, \$373,000 of the motor vehicle account—state appropriation, and ~~(((\$6,000,000))~~ \$113,000 of the motor vehicle account—private/local appropriation are provided solely for the I-90/Barker to Harvard – Improve Interchanges & Local Roads project (L2000122). The connecting Washington account appropriation for the improvements that fall within the city of Liberty Lake may only be expended if the city of Liberty Lake agrees to cover any project costs within the city of Liberty Lake above the \$20,900,000 of state appropriation provided for the total project in LEAP Transportation Document ~~((2020))~~ 2021-1 as developed ~~((March 11, 2020))~~ April 23, 2021, Program – Highway Improvements (I).

~~((27))~~ (26) (a) ~~(((\$6,799,000))~~ \$3,901,000 of the motor vehicle account—federal appropriation, ~~(((\$31,000))~~ \$34,000 of the motor vehicle account—state appropriation, ~~(((\$3,812,000 of the transportation partnership account—state appropriation,))~~ and ~~(((\$7,000,000))~~ \$4,519,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation are provided solely for the SR 167/SR 410 to SR 18 - Congestion Management project (316706C).

(b) If sufficient bonding authority to complete this project is not provided within chapter 421, Laws of 2019 (addressing tolling), or within a bond authorization act referencing chapter 421, Laws of 2019 by June 30, 2019, it is the intent of the legislature to remove the \$100,000,000 in toll funding from this project on the list referenced in subsection (2) of this section.

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**FOR THE DEPARTMENT OF TRANSPORTATION—
PRESERVATION—PROGRAM P**

~~((28))~~ (27) For the I-405/North 8th Street Direct Access Ramp in Renton project (L1000280), if sufficient bonding authority to begin this project is not provided within chapter 421, Laws of 2019 (addressing tolling), or within a bond authorization act referencing chapter 421, Laws of 2019, it is the intent of the legislature to remove the project from the list referenced in subsection (2) of this section.

~~((29) \$7,985,000))~~ (28) \$7,071,000 of the Special Category C account—state appropriation ~~((and \$1,000,000 of the motor vehicle account—private/local appropriation are))~~ is provided solely for the SR 18 Widening - Issaquah/Hobart Rd to Raging River project (L1000199) for improving and widening state route number 18 to four lanes from Issaquah-Hobart Road to Raging River.

~~((30))~~ (29) \$2,250,000 of the motor vehicle account—state appropriation is provided solely for the I-5 Corridor from Mounts Road to Tumwater project (L1000231) for completing a National and State Environmental Policy Act (NEPA/SEPA) analysis to identify mid- and long-term environmental impacts associated with future improvements along the I-5 corridor from Tumwater to DuPont.

~~((31) \$622,000))~~ (30) \$200,000 of the motor vehicle account—state appropriation is provided solely for the US 101/East Sequim Corridor Improvements project (L2000343).

~~((32) \$12,916,000))~~ (31) \$777,000 of the motor vehicle account—state appropriation is provided solely for the SR 522/Paradise Lk Rd Interchange & Widening on SR 522 (Design/Engineering) project (NPARADI).

~~((33) \$1,000,000))~~ (32) \$1,001,000 of the motor vehicle account—state appropriation ~~((is))~~ and \$1,227,000 of the motor vehicle account—federal appropriation are provided solely for the US 101/Morse Creek Safety Barrier project (L1000247).

~~((34) \$1,000,000))~~ (33) \$85,000 of the motor vehicle account—state appropriation is provided solely for the SR 162/410 Interchange Design and Right of Way project (L1000276).

~~((36) The appropriations in this section include savings due to anticipated project underruns; however, it is unknown which projects will provide savings. The legislature intends to provide sufficient flexibility for the department to manage to this savings target. To provide this flexibility, the office of financial management may authorize, through an allotment modification, reductions in the appropriated amounts that are provided solely for a particular purpose within this section subject to the following conditions and limitations:~~

~~(a) The department must confirm that any modification requested under this subsection of amounts provided solely for a specific purpose are not expected to be used for that purpose in this biennium;~~

~~(b) Allotment modifications authorized under this subsection may not result in increased funding for any project beyond the amount provided for that project in the 2019-2021 fiscal biennium in LEAP Transportation Document 2020-2 ALL PROJECTS as developed March 11, 2020;~~

~~(c) Allotment modifications authorized under this subsection apply only to amounts appropriated in this section from the following accounts: Multimodal transportation account—state, transportation partnership account—state, connecting Washington account—state, and special category C account—state; and~~

~~(d) By December 1, 2020, the department must submit a report to the transportation committees of the legislature regarding the actions taken under this subsection.)~~

Sec. 1005. 2020 c 219 s 306 (uncodified) is amended to read as follows:

Recreational Vehicle Account—State	Appropriation	\$2,971,000
Transportation Partnership Account—State	Appropriation	((20,248,000))
		<u>\$20,181,000</u>
Motor Vehicle Account—State	Appropriation	((82,447,000))
		<u>\$87,755,000</u>
Motor Vehicle Account—Federal	Appropriation	((490,744,000))
		<u>\$498,257,000</u>
Motor Vehicle Account—Private/Local	Appropriation	((7,408,000))
		<u>\$7,660,000</u>
State Route Number 520 Corridor Account—State	Appropriation	((326,000))
		<u>\$395,000</u>
Connecting Washington Account—State	Appropriation	((204,630,000))
		<u>\$178,258,000</u>
Tacoma Narrows Toll Bridge Account—State	Appropriation	((8,350,000))
		<u>\$1,078,000</u>
Alaskan Way Viaduct Replacement Project Account—State	Appropriation	((10,000))
		<u>\$79,000</u>
Interstate 405 and State Route Number 167 Express Toll Lanes Account—State	Appropriation	((3,018,000))
		<u>\$1,457,000</u>
Transportation 2003 Account (Nickel Account)—State	Appropriation	\$17,892,000
TOTAL APPROPRIATION		((838,044,000))
		<u>\$815,983,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account—state appropriation and the entire transportation partnership account—state appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document ~~((2020))~~ 2021-1 as developed ~~((March 11, 2020))~~ April 23, 2021, Program - Highway Preservation Program (P). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section ~~((601 of this act))~~ 601 of this act, chapter . . ., Laws of 2021 (this act).

(2) Except as provided otherwise in this section, the entire motor vehicle account—state appropriation and motor vehicle account—federal appropriation are provided solely for the projects and activities listed in LEAP Transportation Document ~~((2020))~~ 2021-2 ALL PROJECTS as developed ~~((March 11, 2020))~~ April 23, 2021, Program - Highway Preservation Program (P). Any federal funds gained through efficiencies, adjustments to the federal funds forecast, ~~((additional congressional action not related to a specific project or purpose,))~~ or the federal funds redistribution process must then be applied to highway and bridge preservation activities or fish passage barrier corrections (0BI4001).

(3) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act. Ten days prior to any transfer, the department must submit its request to the office of

financial management and the transportation committees of the legislature and consider any concerns raised. The department shall submit a report on fiscal year funds transferred in the prior fiscal year using this subsection as part of the department's annual budget submittal.

(4) (~~(\$26,683,000)~~) \$21,517,000 of the connecting Washington account—state appropriation is provided solely for the land mobile radio upgrade (G2000055) and is subject to the conditions, limitations, and review provided in section 701 (~~(of this act)~~), chapter 219, Laws of 2020. The land mobile radio project is subject to technical oversight by the office of the chief information officer. The department, in collaboration with the office of the chief information officer, shall identify where existing or proposed mobile radio technology investments should be consolidated, identify when existing or proposed mobile radio technology investments can be reused or leveraged to meet multiagency needs, increase mobile radio interoperability between agencies, and identify how redundant investments can be reduced over time. The department shall also provide quarterly reports to the technology services board on project progress.

(5) (~~(\$4,000,000)~~) \$5,000,000 of the motor vehicle account—state appropriation is provided solely for extraordinary costs incurred from litigation awards, settlements, or dispute mitigation activities not eligible for funding from the self-insurance fund. The amount provided in this subsection must be held in unallotted status until the department submits a request to the office of financial management that includes documentation detailing litigation-related expenses. The office of financial management may release the funds only when it determines that all other funds designated for litigation awards, settlements, and dispute mitigation activities have been exhausted. No funds provided in this subsection may be expended on any legal fees related to the SR 99/Alaskan Way viaduct replacement project (809936Z).

(6) The appropriation in this section includes funding for starting planning, engineering, and construction of the Elwha River bridge replacement. To the greatest extent practicable, the department shall maintain public access on the existing route.

(7) \$21,289,000 of the motor vehicle account—federal appropriation and \$840,000 of the motor vehicle account—state appropriation are provided solely for the preservation of structurally deficient bridges or bridges that are at risk of becoming structurally deficient (L1000068). These funds must be used widely around the state of Washington. When practicable, the department shall pursue design-build contracts for these bridge projects to expedite delivery. The department shall provide a report that identifies the progress of each project funded in this subsection as part of its annual agency budget request.

(8) The department must consult with the Washington state patrol and the office of financial management during the design phase of any improvement or preservation project that could impact Washington state patrol weigh station operations. During the design phase of any such project, the department must estimate the cost of designing around the affected weigh station's current operations, as well as the cost of moving the affected weigh station.

(9) During the course of any planned resurfacing or other preservation activity on state route number 26 between Colfax and Othello in the 2019-2021 fiscal biennium, the department must add dug-in reflectors.

(10) Within the connecting Washington account—state appropriation, the department may transfer funds from Highway System Preservation (L1100071) to other preservation projects listed in the LEAP transportation document identified in subsection (1) of this section, if it is determined necessary for completion of these high priority preservation projects. The department's next budget submittal after using this subsection

must appropriately reflect the transfer.

Sec. 1006. 2020 c 219 s 307 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
TRAFFIC OPERATIONS—PROGRAM Q—CAPITAL**

Motor Vehicle Account—State Appropriation	(\$7,746,000)
	<u>\$6,296,000</u>
Motor Vehicle Account—Federal Appropriation	(\$6,137,000)
	<u>\$5,039,000</u>
Motor Vehicle Account—Private/Local Appropriation	\$579,000
Interstate 405 and State Route Number 167 Express Toll Lanes Account—State Appropriation	\$100,000
TOTAL APPROPRIATION	(\$14,562,000)
	<u>\$12,014,000</u>

The appropriations in this section are subject to the following conditions and limitations:

~~(((4) \$700,000))~~ \$121,000 of the motor vehicle account—state appropriation is provided solely for the SR 99 Aurora Bridge ITS project (L2000338).

Sec. 1007. 2020 c 219 s 308 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
WASHINGTON STATE FERRIES CONSTRUCTION—
PROGRAM W**

Puget Sound Capital Construction Account—State Appropriation	(\$116,253,000)
	<u>\$85,281,000</u>
Puget Sound Capital Construction Account—Federal Appropriation	(\$198,688,000)
	<u>\$177,352,000</u>
Puget Sound Capital Construction Account—Private/Local Appropriation	(\$4,779,000)
	<u>\$4,575,000</u>
Transportation Partnership Account—State Appropriation	(\$6,582,000)
	<u>\$2,312,000</u>
Connecting Washington Account—State Appropriation	\$112,426,000
Capital Vessel Replacement Account—State Appropriation	(\$96,030,000)
	<u>\$35,547,000</u>
Transportation 2003 Account (Nickel Account)—State Appropriation	\$986,000
TOTAL APPROPRIATION	(\$535,744,000)
	<u>\$418,479,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed in LEAP Transportation Document (~~(2020)~~) 2021-2 ALL PROJECTS as developed (~~(March 11, 2020)~~) April 23, 2021, Program - Washington State Ferries Capital Program (W).

(2) \$2,857,000 of the Puget Sound capital construction account—state appropriation, (~~(\$17,832,000)~~) \$18,818,000 of the Puget Sound capital construction account—federal appropriation, and \$63,789,000 of the connecting Washington account—state appropriation, are provided solely for the Mukilteo ferry terminal (952515P). To the extent practicable, the department shall avoid the closure of, or disruption to, any existing public access walkways in the vicinity of the terminal project during construction.

(3) (~~(\$102,641,000)~~) \$94,643,000 of the Puget Sound capital construction account—federal appropriation, \$47,819,000 of the

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connecting Washington account—state appropriation, and \$4,355,000 of the Puget Sound capital construction account—local appropriation are provided solely for the Seattle Terminal Replacement project (900010L).

(4) \$5,357,000 of the Puget Sound capital construction account—state appropriation is provided solely for emergency capital repair costs (999910K). Funds may only be spent after approval by the office of financial management.

(5) ~~(\$2,300,000)~~ \$2,224,000 of the Puget Sound capital construction account—state appropriation is provided solely for the ORCA acceptance project (L2000300). The ferry system shall work with Washington technology solutions and the tolling division on the development of a new, interoperable ticketing system.

(6) \$495,000 of the Puget Sound capital construction account—state appropriation is provided solely for an electric ferry planning team (G2000087) to develop ten-year and twenty-year implementation plans to efficiently deploy hybrid-electric vessels, including a cost-benefit analysis of construction and operation of hybrid-electric vessels with and without charging infrastructure. The plan includes, but is not limited to, vessel technology and feasibility, vessel and terminal deployment schedules, project financing, and workforce requirements. The plan shall be submitted to the office of financial management and the transportation committees of the legislature by June 30, 2020.

(7) ~~(\$35,000,000)~~ \$10,776,000 of the Puget Sound capital construction account—state appropriation and \$8,000,000 of the Puget Sound capital construction account—federal appropriation are provided solely for the conversion of up to two Jumbo Mark II vessels to electric hybrid propulsion (G2000084). The department shall seek additional funds for the purposes of this subsection. ~~((The department may spend from the Puget Sound capital construction account—state appropriation in this section only as much as the department receives in Volkswagen settlement funds for the purposes of this subsection.))~~

(8) \$400,000 of the Puget Sound capital construction account—state appropriation is provided solely for a request for proposals for a new maintenance management system (project L2000301) and is subject to the conditions, limitations, and review provided in section 701 ~~((of this act)), chapter 219, Laws of 2020.~~

(9) ~~(\$96,030,000)~~ \$35,547,000 of the capital vessel replacement account—state appropriation is provided solely for the acquisition of a 144-car hybrid-electric vessel. The vendor must present to the joint transportation committee and the office of financial management, by September 15, 2019, a list of options that will result in significant cost savings changes in terms of construction or the long-term maintenance and operations of the vessel. The vendor must allow for exercising the options without a penalty. It is the intent of the legislature to provide an additional \$88,000,000 in funding in the 2021-23 biennium. The reduction provided in this subsection is an assumed underrun pursuant to subsection (11) of this section. The commencement of construction of new vessels for the ferry system is important not only for safety reasons, but also to keep skilled marine construction jobs in the Puget Sound region and to sustain the capacity of the region to meet the ongoing construction and preservation needs of the ferry system fleet of vessels. The legislature has determined that the current vessel procurement process must move forward with all due speed, balancing the interests of both the taxpayers and shipyards. To accomplish construction of vessels in accordance with RCW 47.60.810, the prevailing shipbuilder, for vessels initially funded after July 1, 2020, is encouraged to follow the historical practice of subcontracting the construction of ferry superstructures to a

separate nonaffiliated contractor located within the Puget Sound region, that is qualified in accordance with RCW 47.60.690.

(10) The capital vessel replacement account—state appropriation includes up to ~~(\$96,030,000)~~ \$35,547,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

~~(((42)))~~ (11) The appropriations in this section include savings due to anticipated project underruns; however, it is unknown which projects will provide savings. The legislature intends to provide sufficient flexibility for the department to manage to this savings target. To provide this flexibility, the office of financial management may authorize, through an allotment modification, reductions in the appropriated amounts that are provided solely for a particular purpose within this section subject to the following conditions and limitations:

(a) The department must confirm that any modification requested under this subsection of amounts provided solely for a specific purpose are not expected to be used for that purpose in this biennium;

(b) Allotment modifications authorized under this subsection may not result in increased funding for any project beyond the amount provided for that project in the 2019-2021 fiscal biennium in LEAP Transportation Document ~~((2020))~~ 2021-2 ALL PROJECTS as developed ~~((March 11, 2020))~~ April 23, 2021;

(c) Allotment modifications authorized under this subsection apply only to amounts appropriated in this section from the following accounts: Puget Sound capital construction account—state, transportation partnership account—state, and capital vessel replacement account—state; and

(d) By December 1, 2020, the department must submit a report to the transportation committees of the legislature regarding the actions taken under this subsection.

Sec. 1008. 2020 c 219 s 309 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y—CAPITAL

Motor Vehicle Account—State Appropriation..	(\$3,300,000)
	<u>\$2,300,000</u>
Essential Rail Assistance Account—State Appropriation	\$851,000
Transportation Infrastructure Account—State Appropriation	(\$7,554,000)
	<u>\$7,465,000</u>
Multimodal Transportation Account—State Appropriation	(\$74,876,000)
	<u>\$72,135,000</u>
Multimodal Transportation Account—Federal Appropriation	\$8,601,000
Multimodal Transportation Account—Local Appropriation	\$336,000
TOTAL APPROPRIATION	(\$95,518,000)
	<u>\$91,688,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document ~~((2020))~~ 2021-2 ALL PROJECTS as developed ~~((March 11, 2020))~~ April 23, 2021, Program - Rail Program (Y).

(2) ~~(\$7,136,000)~~ \$7,047,000 of the transportation infrastructure account—state appropriation is provided solely for new low-interest loans approved by the department through the freight rail investment bank (FRIB) program. The department shall issue FRIB program loans with a repayment period of no more than ten years, and charge only so much interest as is

necessary to recoup the department's costs to administer the loans. The department shall report annually to the transportation committees of the legislature and the office of financial management on all FRIB loans issued.

(3) \$7,782,000 of the multimodal transportation account—state appropriation, \$51,000 of the transportation infrastructure account—state appropriation, and \$135,000 of the essential rail assistance account—state appropriation are provided solely for new statewide emergent freight rail assistance projects identified in the LEAP transportation document referenced in subsection (1) of this section.

(4) \$367,000 of the transportation infrastructure account—state appropriation and \$1,100,000 of the multimodal transportation account—state appropriation are provided solely to reimburse Highline Grain, LLC for approved work completed on Palouse River and Coulee City (PCC) railroad track in Spokane between the BNSF Railway Interchange at Cheney and Geiger Junction and must be administered in a manner consistent with freight rail assistance program projects. The value of the public benefit of this project is expected to meet or exceed the cost of this project in: Shipper savings on transportation costs; jobs saved in rail-dependent industries; and/or reduced future costs to repair wear and tear on state and local highways due to fewer annual truck trips (reduced vehicle miles traveled). The amounts provided in this subsection are not a commitment for future legislatures, but it is the legislature's intent that future legislatures will work to approve biennial appropriations until the full \$7,337,000 cost of this project is reimbursed.

(5)(a) \$716,000 of the essential rail assistance account—state appropriation and \$82,000 of the multimodal transportation account—state appropriation are provided solely for the purpose of the rehabilitation and maintenance of the Palouse river and Coulee City railroad line (F01111B).

(b) Expenditures from the essential rail assistance account—state in this subsection may not exceed the combined total of:

(i) Revenues and transfers deposited into the essential rail assistance account from leases and sale of property relating to the Palouse river and Coulee City railroad;

(ii) Revenues from trackage rights agreement fees paid by shippers; and

(iii) Revenues and transfers transferred from the miscellaneous program account to the essential rail assistance account, pursuant to RCW 47.76.360, for the purpose of sustaining the grain train program by maintaining the Palouse river and Coulee City railroad.

(6) The department shall issue a call for projects for the freight rail assistance program, and shall evaluate the applications in a manner consistent with past practices as specified in section 309, chapter 367, Laws of 2011. By November 15, 2020, the department shall submit a prioritized list of recommended projects to the office of financial management and the transportation committees of the legislature.

(7) (~~(\$10,000,000)~~) \$4,031,000 of the multimodal transportation account—state appropriation is provided solely as expenditure authority for any insurance proceeds received by the state for Passenger Rail Equipment Replacement (project 700010C.) The department must use this expenditure authority only to purchase replacement equipment that has been competitively procured and for service recovery needs and corrective actions related to the December 2017 derailment.

(8) \$898,000 of the multimodal transportation account—federal appropriation and \$8,000 of the multimodal transportation account—state appropriation are provided solely for the Ridgefield Rail Overpass (project 725910A). Total costs for this project may not exceed \$909,000 across fiscal biennia.

(9)(a) For projects funded as part of the 2015 connecting

Washington transportation package listed on the LEAP transportation document identified in subsection (1) of this section, if the department expects to have substantial reappropriations for the 2021-2023 fiscal biennium, the department may, on a pilot basis, apply funding from a project in this section with an appropriation that cannot be used for the current fiscal biennium to advance the South Kelso Railroad Crossing project (L1000147).

(b) At least ten business days before advancing the project pursuant to this subsection, the department must notify the office of financial management and the transportation committees of the legislature. The advancement of the project may not hinder the delivery of the projects for which the reappropriations are necessary for the 2021-2023 fiscal biennium.

(c) To the extent practicable, the department shall use the flexibility and authority granted in this section to minimize the amount of reappropriations needed each biennium.

(10) (~~The multimodal transportation account—state appropriation includes up to \$25,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.867.~~

~~(11))~~ The department must report to the joint transportation committee on the progress made on freight rail investment bank projects and freight rail assistance projects funded during this biennium by January 1, 2020.

~~((12))~~ (11) \$1,500,000 of the multimodal transportation account—state appropriation is provided solely for the Chelatchie Prairie railroad roadbed rehabilitation project (L1000233).

~~((13))~~ (12) \$250,000 of the multimodal transportation account—state appropriation is provided solely for the Port of Moses Lake Northern Columbia Basin railroad feasibility study (L1000235).

~~((14))~~ (13) \$500,000 of the multimodal transportation account—state appropriation is provided solely for the Spokane airport transload facility project (L1000242).

~~((15) \$1,000,000 of the motor vehicle account—state appropriation is provided solely for the grade separation at Bell road project (L1000239).~~

~~(16))~~ (14) \$750,000 of the motor vehicle account—state appropriation and \$399,000 of the multimodal transportation account—state appropriation are provided solely for the rail crossing improvements at 6th Ave. and South 19th St. project (L2000289).

~~((18))~~ (15) The appropriations in this section include savings due to anticipated project underruns; however, it is unknown which projects will provide savings. The legislature intends to provide sufficient flexibility for the department to manage to this savings target. To provide this flexibility, the office of financial management may authorize, through an allotment modification, reductions in the appropriated amounts that are provided solely for a particular purpose within this section subject to the following conditions and limitations:

(a) The department must confirm that any modification requested under this subsection of amounts provided solely for a specific purpose are not expected to be used for that purpose in this biennium;

(b) Allotment modifications authorized under this subsection may not result in increased funding for any project beyond the amount provided for that project in the 2019-2021 fiscal biennium in LEAP Transportation Document ~~((2020))~~ 2021-2 ALL PROJECTS as developed ((March 11, 2020)) April 23, 2021;

(c) Allotment modifications authorized under this subsection apply only to amounts appropriated in this section from the multimodal transportation account—state; and

(d) By December 1, 2020, the department must submit a report to the transportation committees of the legislature regarding the actions taken under this subsection.

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Sec. 1009. 2020 c 219 s 310 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z—CAPITAL

Highway Infrastructure Account—State Appropriation	\$1,276,000
Highway Infrastructure Account—Federal Appropriation	\$1,337,000
Transportation Partnership Account—State Appropriation	(\$2,380,000)
	<u>\$1,630,000</u>
Highway Safety Account—State Appropriation	\$1,314,000
Motor Vehicle Account—State Appropriation	(\$35,607,000)
	<u>\$24,543,000</u>
Motor Vehicle Account—Federal Appropriation	(\$41,420,000)
	<u>\$52,267,000</u>
Motor Vehicle Account—Private/Local Appropriation	(\$24,600,000)
	<u>\$18,000,000</u>
Connecting Washington Account—State Appropriation	(\$155,550,000)
	<u>\$130,708,000</u>
Multimodal Transportation Account—State Appropriation	(\$77,469,000)
	<u>\$74,351,000</u>
TOTAL APPROPRIATION	(\$340,953,000)
	<u>\$305,426,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document ((2020)) 2021-2 ALL PROJECTS as developed ((~~March 11, 2020~~) April 23, 2021, Program - Local Programs Program (Z).

(2) The amounts identified in the LEAP transportation document referenced under subsection (1) of this section for pedestrian safety/safe routes to school are as follows:

(a) (~~(\$18,380,000)~~) \$8,361,000 of the multimodal transportation account—state appropriation is provided solely for newly selected pedestrian and bicycle safety program projects. (~~(\$18,577,000)~~) \$19,363,000 of the multimodal transportation account—state appropriation and \$1,380,000 of the transportation partnership account—state appropriation are reappropriated for pedestrian and bicycle safety program projects selected in the previous biennia (L2000188).

(b) (~~(\$11,400,000)~~) \$4,066,000 of the motor vehicle account—federal appropriation and (~~(\$7,750,000)~~) \$4,668,000 of the multimodal transportation account—state appropriation are provided solely for newly selected safe routes to school projects. (~~(\$11,354,000)~~) \$10,744,000 of the motor vehicle account—federal appropriation, (~~(\$4,640,000)~~) \$3,075,000 of the multimodal transportation account—state appropriation, and \$1,314,000 of the highway safety account—state appropriation are reappropriated for safe routes to school projects selected in the previous biennia (L2000189). The department may consider the special situations facing high-need areas, as defined by schools or project areas in which the percentage of the children eligible to receive free and reduced-price meals under the national school lunch program is equal to, or greater than, the state average as determined by the department, when evaluating project proposals against established funding criteria while ensuring continued compliance with federal eligibility requirements.

(3) The department shall submit a report to the transportation committees of the legislature by December 1, 2019, and December 1, 2020, on the status of projects funded as part of the pedestrian safety/safe routes to school grant program. The report must include, but is not limited to, a list of projects selected and a brief description of each project's status.

(4) (~~(\$37,537,000)~~) \$32,976,000 of the multimodal transportation account—state appropriation is provided solely for bicycle and pedestrian projects listed in the LEAP transportation document referenced in subsection (1) of this section.

(5) (~~(\$23,926,000)~~) \$13,829,000 of the connecting Washington account—state appropriation is provided solely for the Covington Connector (L2000104). The amounts described in the LEAP transportation document referenced in subsection (1) of this section are not a commitment by future legislatures, but it is the legislature's intent that future legislatures will work to approve appropriations in the 2019-2021 fiscal biennium to reimburse the city of Covington for approved work completed on the project up to the full \$24,000,000 cost of this project.

(6)(a) For projects funded as part of the 2015 connecting Washington transportation package listed on the LEAP transportation document identified in subsection (1) of this section, if the department expects to have substantial reappropriations for the 2021-2023 fiscal biennium, the department may, on a pilot basis, apply funding from a project in this section with an appropriation that cannot be used for the current fiscal biennium to advance one or more of the following projects:

- (i) I-5/Port of Tacoma Road Interchange (L1000087);
- (ii) SR 99 Revitalization in Edmonds (NEDMOND); or
- (iii) SR 523 145th Street (L1000148);

(b) At least ten business days before advancing a project pursuant to this subsection, the department must notify the office of financial management and the transportation committees of the legislature. The advancement of a project may not hinder the delivery of the projects for which the reappropriations are necessary for the 2021-2023 fiscal biennium.

(c) To the extent practicable, the department shall use the flexibility and authority granted in this section to minimize the amount of reappropriations needed each biennium.

(7) It is the expectation of the legislature that the department will be administering a local railroad crossing safety grant program for \$7,000,000 in federal funds during the 2019-2021 fiscal biennium.

(8)(a) (~~(\$15,213,000)~~) \$22,500,000 of the motor vehicle account—federal appropriation is provided solely for national highway freight network projects identified on the project list submitted in accordance with section 218(4)(b), chapter 14, Laws of 2016 on October 31, 2016.

(b) The department shall convene a stakeholder group for the purpose of developing a recommendation for a Washington freight advisory committee. The recommendations must include, but are not limited to, defining the committee's purpose and goals, roles and responsibilities, reporting structure, and proposed activities. Stakeholders must include representation from, but not limited to, the trucking industry, the maritime industry, the rail industry, cities, tribal governments, counties, ports, and representatives from key industrial associations important to the state's economic vitality and other relevant public and private interests. In developing the recommendation, the stakeholder group must review practices used by other states. The proposed committee must conform with requirements of the fixing America's surface transportation act and other relevant federal legislation. The recommendations must include how the committee can address improving freight mobility including, but

not limited to, addressing insufficient truck parking in Washington state, examining the link between preservation investments and freight mobility, and enhancing freight logistics through the application of technology. The stakeholder group shall make recommendations to the governor and the transportation committees of the legislature by December 1, 2020.

(9) \$1,000,000 of the motor vehicle account—state appropriation is provided solely for the Beech Street Extension project (L1000222).

(10) ~~(\$3,900,000)~~ \$2,000,000 of the motor vehicle account—state appropriation is provided solely for the Dupont-Steilacoom road improvements project (L1000224).

(11) ~~(\$650,000)~~ \$100,000 of the motor vehicle account—state appropriation is provided solely for the SR 104/40th place northeast roundabout project (L1000244).

(12) ~~(\$860,000)~~ \$360,000 of the multimodal transportation account—state appropriation is provided solely for the Clinton to Ken's corner trail project (L1000249).

(13) ~~(\$210,000 of the motor vehicle account—state appropriation is provided solely for the I-405/44th gateway signage and green scaping improvements project (L1000250)).~~

(14) ~~(\$650,000)~~ \$50,000 of the motor vehicle account—state appropriation is provided solely for the Wallace Kneeland and Shelton springs road intersection improvements project (L1000260).

~~((45))~~ (14) \$1,000,000 of the motor vehicle account—state appropriation and \$500,000 of the multimodal transportation account—state appropriation are provided solely for the complete 224th Phase two project (L1000270).

~~((46))~~ (15) \$60,000 of the multimodal transportation account—state appropriation is provided solely for the installation of an updated meteorological station at the Colville airport (L1000279).

~~((47))~~ (16)(a) \$700,000 of the motor vehicle account—state appropriation is provided solely for the Ballard-Interbay Regional Transportation system plan project (L1000281).

(b) Funding in this subsection is provided solely for the city of Seattle to develop a plan and report for the Ballard-Interbay Regional Transportation System project to improve mobility for people and freight. The plan must be developed in coordination and partnership with entities including but not limited to the city of Seattle, King county, the Port of Seattle, Sound Transit, the Washington state military department for the Seattle armory, and the Washington state department of transportation. The plan must examine replacement of the Ballard bridge and the Magnolia bridge, which was damaged in the 2001 Nisqually earthquake. The city must provide a report on the plan that includes recommendations to the Seattle city council, King county council, and the transportation committees of the legislature by November 1, 2020. The report must include recommendations on how to maintain the current and future capacities of the Magnolia and Ballard bridges, an overview and analysis of all plans between 2010 and 2020 that examine how to replace the Magnolia bridge, and recommendations on a timeline for constructing new Magnolia and Ballard bridges.

~~((48))~~ (17) \$750,000 of the motor vehicle account—state appropriation is provided solely for the Mickelson Parkway project (L1000282).

~~((49) \$300,000)~~ (18) \$175,000 of the motor vehicle account—state appropriation is provided solely for the South 314th Street Improvements project (L1000283).

~~((20) \$250,000)~~ (19) \$200,000 of the motor vehicle account—state appropriation is provided solely for the Ridgefield South I-5 Access Planning project (L1000284).

~~((21) \$300,000)~~ (20) \$50,000 of the motor vehicle account—state appropriation is provided solely for the Washougal 32nd

Street Underpass Design and Permitting project (L1000285).

~~((22) \$600,000 of the connecting Washington account—state appropriation, \$150,000)~~ (21) \$25,000 of the motor vehicle account—state appropriation and \$267,000 of the multimodal transportation account—state appropriation are provided solely for the Bingen Walnut Creek and Maple Railroad Crossing (L2000328).

~~((23) \$1,500,000)~~ (22) \$200,000 of the motor vehicle account—state appropriation is provided solely for the SR 303 Warren Avenue Bridge Pedestrian Improvements project (L2000339).

~~((24) \$1,000,000)~~ (23) \$150,000 of the motor vehicle account—state appropriation is provided solely for the 72nd/Washington Improvements in Yakima project (L2000341).

~~((25) \$650,000)~~ (24) \$150,000 of the motor vehicle account—state appropriation is provided solely for the 48th/Washington Improvements in Yakima project (L2000342).

~~((27))~~ (25) The appropriations in this section include savings due to anticipated project underruns; however, it is unknown which projects will provide savings. The legislature intends to provide sufficient flexibility for the department to manage to this savings target. To provide this flexibility, the office of financial management may authorize, through an allotment modification, reductions in the appropriated amounts that are provided solely for a particular purpose within this section subject to the following conditions and limitations:

(a) The department must confirm that any modification requested under this subsection of amounts provided solely for a specific purpose are not expected to be used for that purpose in this biennium;

(b) Allotment modifications authorized under this subsection may not result in increased funding for any project beyond the amount provided for that project in the 2019-2021 fiscal biennium in LEAP Transportation Document ~~((2020))~~ 2021-2 ALL PROJECTS as developed ((March 11, 2020)) April 23, 2021;

(c) Allotment modifications authorized under this subsection apply only to amounts appropriated in this section from the following accounts: Connecting Washington account—state and multimodal transportation account—state; and

(d) By December 1, 2020, the department must submit a report to the transportation committees of the legislature regarding the actions taken under this subsection.

~~((26) \$11,679,000 of the motor vehicle account—federal appropriation is provided solely for acceleration of local preservation projects that ensure the reliable movement of freight on the national highway freight system (G2000100). The department shall identify projects through its current national highway system asset management call for projects with applications due in February 2021. The department shall give priority to those projects that can be obligated by September 30, 2021.~~

Sec. 1010. 2019 c 416 s 302 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL

State Patrol Highway Account—State Appropriation
 ~~(\$3,277,000)~~
\$2,437,000

The appropriation in this section is subject to the following conditions and limitations:

The entire appropriation in this section is provided solely for the following projects:

(1) \$250,000 for emergency repairs;

(2) ~~(\$468,000)~~ \$268,000 for roof replacements;

(3) \$350,000 for fuel tank decommissioning;

(4) ~~(\$759,000)~~ \$119,000 for generator and electrical replacement;

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(5) \$750,000 for water and fire suppression systems; and
(6) \$700,000 for academy training tank preservation reappropriation.

The Washington state patrol may transfer funds between projects specified in this section to address cash flow requirements. If a project specified in this section is completed for less than the amount provided, the remainder may be transferred to another project specified in this section not to exceed the total appropriation provided in this section.

TRANSFERS AND DISTRIBUTIONS

Sec. 1101. 2020 c 219 s 401 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND TRANSPORTATION FUND REVENUE

Special Category C Account—State Appropriation	.....(((\$105,000))
	<u>\$21,000</u>
(Multimodal Transportation Account—State Appropriation	.....(((\$125,000))
Transportation Partnership Account—State Appropriation	.....(((\$1,407,000))
	<u>\$182,000</u>
Connecting Washington Account—State Appropriation	.....(((\$7,723,000))
	<u>\$2,455,000</u>
Highway Bond Retirement Account—State	
Appropriation.....	.....(((\$1,378,835,000))
	<u>\$1,308,311,000</u>
Ferry Bond Retirement Account—State Appropriation	.....(((\$25,078,000))
	<u>\$25,079,000</u>
Transportation Improvement Board Bond Retirement	
Account—State Appropriation .....	.....(((\$12,452,000))
	<u>\$12,062,000</u>
Nondebt-Limit Reimbursable Bond Retirement	
Account—State Appropriation .....	.....(((\$31,253,000))
	<u>\$29,514,000</u>
Toll Facility Bond Retirement Account—State	
Appropriation.....	.....(((\$86,483,000))
	<u>\$85,565,000</u>
TOTAL APPROPRIATION.....	.....(((\$1,543,461,000))
	<u>\$1,463,189,000</u>

Sec. 1102. 2020 c 219 s 402 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES AND FISCAL AGENT CHARGES

(Multimodal Transportation Account—State Appropriation	.....(((\$25,000))
Transportation Partnership Account—State	
Appropriation.....	.....(((\$281,000))
	<u>\$68,000</u>
Connecting Washington Account—State Appropriation	.....(((\$1,599,000))
	<u>\$640,000</u>
Special Category C Account—State Appropriation	.....(((\$21,000))
	<u>\$9,000</u>
TOTAL APPROPRIATION.....	.....(((\$1,926,000))
	<u>\$717,000</u>

Sec. 1103. 2020 c 219 s 403 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

Motor Vehicle Account—State Appropriation:	
For motor vehicle fuel tax distributions to	
cities and counties .....	.....(((\$508,276,000))
	<u>\$456,823,000</u>

Sec. 1104. 2020 c 219 s 404 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—TRANSFERS	
Motor Vehicle Account—State Appropriation:	
For motor vehicle fuel tax refunds and	
statutory transfers .....	.....(((\$2,146,790,000))
	<u>\$1,921,901,000</u>

Sec. 1105. 2020 c 219 s 405 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING—TRANSFERS

Motor Vehicle Account—State Appropriation:	
For motor vehicle fuel tax refunds and	
transfers.....	.....(((\$235,788,000))
	<u>\$240,415,000</u>

Sec. 1106. 2020 c 219 s 406 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—ADMINISTRATIVE TRANSFERS

- (1) Highway Safety Account—State Appropriation: For transfer to the Multimodal Transportation Account—State
-(((\$54,000,000))
- \$24,000,000
- (2) ~~(Transportation Partnership Account—State Appropriation: For transfer to the Motor Vehicle Account—State~~
- ~~.....(((\$45,000,000))~~
- ~~(\$45,000,000)~~
- (3) Motor Vehicle Account—State Appropriation: For transfer to the State Patrol Highway Account—State
-(((\$57,000,000))
- \$25,400,000
- ((4)) (3) Motor Vehicle Account—State Appropriation: For transfer to the Freight Mobility Investment Account—State
- \$8,070,000
- ((5)) (4) Motor Vehicle Account—State Appropriation: For transfer to the Rural Arterial Trust Account—State
- \$1,732,000
- (5)(a) Motor Vehicle Account—State Appropriation: For transfer to the State Route Number 520 Civil Penalties Account—State
- \$6,000,000
- (b) The funds provided in (a) of this subsection are a loan to the state route number 520 civil penalties account—state, and the legislature assumes that these funds will be reimbursed to the motor vehicle account—state in the 2021-2023 biennium.
- (6) Motor Vehicle Account—State Appropriation: For transfer to the Transportation Improvement Account—State
-(((\$5,067,000))
- \$34,067,000
- (7) Motor Vehicle Account—State Appropriation: For transfer to the Puget Sound Capital Construction Account—State
-(((\$52,000,000))
- \$61,000,000
- (8) Motor Vehicle Account—State Appropriation: For transfer to the Puget Sound Ferry Operations Account—State
-\$55,000,000
- (9) Rural Mobility Grant Program Account—State Appropriation: For transfer to the Multimodal Transportation Account—State
- \$3,000,000

(10) State Route Number 520 Civil Penalties Account—State Appropriation: For transfer to the State Route Number 520 Corridor Account—State.....~~(\$1,434,000)~~
\$1,666,000

(11) Capital Vessel Replacement Account—State Appropriation: For transfer to the Connecting Washington Account—State..... \$60,000,000

(12) Multimodal Transportation Account—State Appropriation: For transfer to the Regional Mobility Grant Program Account—State \$11,215,000

(13) Multimodal Transportation Account—State Appropriation: For transfer to the Rural Mobility Grant Program Account—State \$15,223,000

(14) ~~(Transportation 2003 Account (Nickel Account) State Appropriation: For transfer to the Puget Sound Capital Construction Account—State..... \$15,000,000~~

~~(15)(a) Alaskan Way Viaduct Replacement Project Account—State Appropriation: For transfer to the Motor Vehicle Account—State..... \$9,992,000~~

~~(b) The transfer identified in this subsection is provided solely to repay in full the motor vehicle account—state appropriation loan from section 1005(21), chapter 416, Laws of 2019.~~

~~(16)) (a) Transportation Partnership Account—State Appropriation: For transfer to the Alaskan Way Viaduct Replacement Project Account—State \$77,956,000~~

~~(b) The amount transferred in this subsection represents that portion of the up to \$200,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.873, intended to be sold through the 2021-2023 fiscal biennium, used only for construction of the SR 99/Alaskan Way Viaduct Replacement project (809936Z), and that must be repaid from the Alaskan Way viaduct replacement project account consistent with RCW 47.56.864.~~

~~((17)) (15) Motor Vehicle Account—State Appropriation: For transfer to the County Arterial Preservation Account—State.....~~(\$4,829,000)~~
\$9,902,000~~

~~((18)) (16)(a) General Fund Account—State Appropriation: For transfer to the State Patrol Highway Account—State..... \$625,000~~

~~(b) The state treasurer shall transfer the funds only after receiving notification from the Washington state patrol under section 207(7), chapter 416, Laws of 2019.~~

~~((19) Capital Vessel Replacement Account—State Appropriation: For transfer to the Transportation Partnership Account—State..... \$2,312,000~~

~~(20)) (17)(a) Alaskan Way Viaduct Replacement Project Account—State Appropriation: For transfer to the Transportation Partnership Account—State.....~~(\$15,858,000)~~
\$15,577,000~~

~~(b) The amount transferred in this subsection represents repayment of debt service incurred for the construction of the SR 99/Alaskan Way Viaduct Replacement project (809936Z).~~

~~((21)) (18) Tacoma Narrows Toll Bridge Account—State Appropriation: For transfer to the Motor Vehicle Account—State \$950,000~~

~~((22)) (19)(a) Tacoma Narrows Toll Bridge Account—State Appropriation: For transfer to the Motor Vehicle Account—State..... \$5,000,000~~

~~(b) A transfer in the amount of \$5,000,000 was made from the Motor Vehicle Account to the Tacoma Narrows Toll Bridge Account in April 2019. It is the intent of the legislature that this transfer was to be temporary, for the purpose of minimizing the impact of toll increases, and this is an equivalent reimbursing transfer to occur in November 2019.~~

~~((23)) (20)(a) Transportation ~~(2003 Account (Nickel Account))~~
 Partnership Account—State Appropriation: For transfer to the Tacoma Narrows Toll Bridge Account—State\$12,543,000~~

~~(b) It is the intent of the legislature that this transfer is temporary, for the purpose of minimizing the impact of toll increases, and an equivalent reimbursing transfer is to occur after the debt service and deferred sales tax on the Tacoma Narrows bridge construction costs are fully repaid in accordance with chapter 195, Laws of 2018.~~

~~((24)) (21) Transportation Infrastructure Account—State Appropriation: For transfer to the multimodal Transportation Account—State \$9,000,000~~

~~((25)) (22) Multimodal Transportation Account—State Appropriation: For transfer to the Pilotage Account—State \$2,500,000~~

~~((26)) (23)(a) Motor Vehicle Account—State Appropriation: For transfer to the County Road Administration Board Emergency Loan Account—State \$1,000,000~~

~~(b) If chapter 157, Laws of 2019 is not enacted by June 30, 2019, the amount provided in this subsection lapses.~~

~~((27)) (24)(a) Advanced Environmental Mitigation Revolving Account—State Appropriation: For transfer to the Motor Vehicle Account—State \$9,000,000~~

~~(b) The amount transferred in this subsection is contingent on at least a \$9,000,000 transfer to the advanced environmental mitigation revolving account authorized by June 30, 2019, in the omnibus capital appropriations act.~~

~~((28) Multimodal Transportation Account—State Appropriation: For transfer to the Electric Vehicle Charging Infrastructure Account—State \$1,000,000~~

~~(29)) (25) Multimodal Transportation Account—State Appropriation: For transfer to the Complete Streets Grant Program Account—State.....\$10,200,000~~

~~((30)) (26)(a) Multimodal Transportation Account—State Appropriation: For transfer to the Connecting Washington Account—State\$82,080,000~~

~~(b) The amount transferred in this subsection represents a reversal of the changes made to RCW 82.32.385, in section 703, chapter 219, Laws of 2020, that directed a transfer of \$82,080,000 to the multimodal transportation account rather than the connecting Washington account.~~

~~(27)(a) Transportation Partnership Account—State Appropriation: For transfer to the Capital Vessel Replacement Account—State..... ~~(\$96,030,000)~~
\$35,547,000~~

~~(b) The amount transferred in this subsection represents proceeds from the sale of bonds authorized in RCW 47.10.873.~~

~~((31)) (28) Freight Mobility Multimodal Account—State Appropriation: For transfer to the Multimodal Transportation Account—State \$7,296,000~~

~~((32)) (29) Connecting Washington Account—State Appropriation: For transfer to the Motor Vehicle Account—State\$115,000,000~~

~~(30)(a) Motor Vehicle Account—State Appropriation: For transfer to the Alaskan Way Viaduct Replacement Project Account—State\$13,000,000~~

~~(b) The funds provided in (a) of this subsection are a loan to the Alaskan Way viaduct replacement project account—state, and the legislature assumes that these funds will be reimbursed to the motor vehicle account—state at a later date when traffic on the toll facility has recovered from the COVID-19 pandemic.~~

~~(31) Motor Vehicle Account—State Appropriation: For transfer to the Transportation 2003 Account~~

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<u>(Nickel Account)—State.....</u>	<u>\$12,800,000</u>
<u>(32) Multimodal Transportation Account—State</u>	
<u>Appropriation: For transfer to the Puget Sound</u>	
<u>Ferry Operations Account—State.....</u>	<u>\$55,000,000</u>

204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 301, 302, 304, 305, 306, 307, 308, 309, 310, 401, 402, 403, 404, 405, 406, 407, and 408 (uncodified); amending 2019 c 396 ss 2 and 3 (uncodified); adding a new section to 2019 c 416 (uncodified); creating new sections; making appropriations and authorizing expenditures for capital improvements; providing expiration dates; and declaring an emergency."

as follows:

FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

Multimodal Transportation Account—State	
Appropriation: For distribution to cities and	
counties.....	\$26,786,000
Motor Vehicle Account—State Appropriation: For	
distribution to cities and counties	\$23,438,000
TOTAL APPROPRIATION.....	\$50,224,000

And the bill do pass as recommended by the conference committee.

Signed by Senators Hobbs, King and Saldaña; Representatives Barkis, Fey and Wylie.

Sec. 1108. 2020 c 219 s 408 (uncodified) is amended to read as follows:

MOTION

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT TO BE PAID BY STATUTORILY PRESCRIBED REVENUE

Senator Hobbs moved that the Report of the Conference Committee on Substitute Senate Bill No. 5165 be adopted.

Senators Hobbs and King spoke in favor of passage of the motion.

Toll Facility Bond Retirement Account—Federal	
Appropriation	(\$199,522,000)
	\$199,523,000
Toll Facility Bond Retirement Account—State	
Appropriation	\$25,372,000
TOTAL APPROPRIATION.....	(\$224,894,000)
	\$224,895,000

The President declared the question before the Senate to be the motion by Senator Hobbs that the Report of the Conference Committee on Substitute Senate Bill No. 5165 be adopted.

The motion by Senator Hobbs carried and the Report of the Conference Committee was adopted by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5165, as recommended by the Conference Committee.

MISCELLANEOUS 2019-2021 FISCAL BIENNIUM

ROLL CALL

NEW SECTION. Sec. 1201. A new section is added to 2019 c 416 (uncodified) to read as follows:

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5165, as recommended by the Conference Committee, and the bill passed the Senate by the following vote: Yeas, 41; Nays, 8; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Braun, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Erickson, Fortunato, Frockt, Gildon, Hasegawa, Hawkins, Hobbs, Holy, Hunt, Keiser, King, Kuderer, Lovelett, McCune, Mullet, Muzzall, Nguyen, Nobles, Padden, Pedersen, Randall, Robinson, Rolfes, Saldaña, Salomon, Sheldon, Stanford, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, L.

Voting nay: Senators Brown, Dozier, Honeyford, Liias, Rivers, Schoesler, Short and Wilson, J.

The appropriations to the department of transportation in chapter 416, Laws of 2019, chapter 219, Laws of 2020, and this act must be expended for the programs and in the amounts specified in chapter 416, Laws of 2019, chapter 219, Laws of 2020, and this act. However, after May 1, 2021, unless specifically prohibited, the department may transfer state appropriations for the 2019-2021 fiscal biennium among operating programs after approval by the director of the office of financial management. However, the department shall not transfer state moneys that are provided solely for a specific purpose. The department shall not transfer funds, and the director of the office of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds and not federal funds. The director of the office of financial management shall notify the appropriate transportation committees of the legislature prior to approving any allotment modifications or transfers under this section.

SUBSTITUTE SENATE BILL NO. 5165, as recommended by the Conference Committee, 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.

MISCELLANEOUS

STATEMENT FOR THE JOURNAL

NEW SECTION. Sec. 1301. 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.

I made a mistake on my voting tonight. My intent was to vote for (in favor) SB 5165...a vote of yes, not nay.

Senator Jeff Wilson, 19th Legislative District

NEW SECTION. Sec. 1302. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

PERSONAL PRIVILEGE

On page 1, line 1 of the title, after "appropriations;" strike the remainder of the title and insert "amending RCW 43.19.642, 46.20.745, 82.21.030, 46.68.060, 47.12.370, 46.68.325, 47.56.876, 46.68.370, 46.68.300, 47.60.322, 46.68.290, 46.68.063, 47.60.530, 47.60.315, 34.05.350, 46.09.540, and 47.66.120; amending 2019 c 416 ss 101, 106, and 302 (uncodified), and 2020 c 219 ss 101, 102, 104, 105, 201, 202, 203,

Senator Hobbs: "So Mr. President, this is been a long and difficult session for specially for transportation, and I do you want to personally thank Senator Saldaña and Senator King for being with me throughout this now one hundred fourth day trying to craft this budget so thank you to both of you for your patience and consideration drafting this. And I would also like to thank our staff Kelly, Hayley, Erica, Kim, Danny, Bryon, and Dana. And of course, on the caucus staff both on the Republican side and on the

Democratic side; Hannah and Martin thank you all for crafting this and of course after sine die, we'll be working on something else to move Washington forward. So, thank you Mr. President for allowing me to say a few words."

PERSONAL PRIVILEGE

Senator King: "Thank you Mr. President. I do, I just want to thank Senator Saldaña and particularly Chairman Hobbs for allowing me to participate as we worked very diligently on this budget. It was a challenge and it was a challenge when we tried to deal with the House as well but I think all of that went quite well but I I want to thank them for their willingness to allow me to participate and their willingness to listen and in a particularly then want to thank as the good chair has done all of our staff partisan and nonpartisan they are an amazing group of people who

put in hours and hours and hours that usually go unrecognized and I think we need to recognize them for all of their efforts on our behalf and I thank profusely and I can want to thank our our chair for his leadership. Thank you, Mr. President."

MOTION

At 8:25 p.m., on motion of Senator Lias, the Senate adjourned until 12:00 o'clock noon Sunday, April 25, 2021.

DENNY HECK, President of the Senate

BRAD HENDRICKSON, Secretary of the Senate

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