NINETY SEVENTH DAY

House Chamber, Olympia, Saturday, April 19, 2025

The House was called to order at 10:00 a.m. by the Speaker (Representative Shavers presiding). The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Ria Johnson and Martell Naranjo. The Speaker (Representative Shavers presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Pastor Katy Cornell, Sozo Church, Belfair.

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

There being no objection, the House advanced to the third order of business.

MESSAGE FROM THE SENATE

Friday, April 18, 2025

Mme. Speaker:

The Senate has passed:

SUBSTITUTE SENATE BILL NO. 5444

and the same is herewith transmitted.

Sarah Bannister, Secretary

MESSAGE FROM THE SENATE

Friday, April 18, 2025

Mme. Speaker:

The Senate concurred in the House amendment(s) to the following bills and passed the bills as amended by the House:

ENGROSSED SENATE BILL NO. 5206
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5217
ENGROSSED SUBSTITUTE SENATE BILL NO. 5219
ENGROSSED SUBSTITUTE SENATE BILL NO. 5232
SUBSTITUTE SENATE BILL NO. 5253
SUBSTITUTE SENATE BILL NO. 5262
SUBSTITUTE SENATE BILL NO. 5298
ENGROSSED SENATE BILL NO. 5313
SUBSTITUTE SENATE BILL NO. 5314
SENATE BILL NO. 5317
SENATE BILL NO. 5343
SUBSTITUTE SENATE BILL NO. 5365
SUBSTITUTE SENATE BILL NO. 5388
ENGROSSED SUBSTITUTE SENATE BILL NO. 5403

and the same are herewith transmitted.

Sarah Bannister, Secretary

MESSAGE FROM THE SENATE

Friday, April 18, 2025

Mme. Speaker:

The President has signed:

HOUSE BILL NO. 1068
SUBSTITUTE HOUSE BILL NO. 1177
HOUSE BILL NO. 1270
SUBSTITUTE HOUSE BILL NO. 1272
HOUSE BILL NO. 1389
HOUSE BILL NO. 1494
SUBSTITUTE HOUSE BILL NO. 1509
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1522
SECOND SUBSTITUTE HOUSE BILL NO. 1715
SECOND SUBSTITUTE HOUSE BILL NO. 1788
SUBSTITUTE HOUSE BILL NO. 1791
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1875

and the same are herewith transmitted.

Sarah Bannister, Secretary

MESSAGE FROM THE SENATE

Friday, April 18, 2025

Mme. Speaker:

The President has signed:

SUBSTITUTE SENATE BILL NO. 5101
SUBSTITUTE SENATE BILL NO. 5104
SENATE BILL NO. 5224
SUBSTITUTE SENATE BILL NO. 5245
ENGROSSED SUBSTITUTE SENATE BILL NO. 5281
ENGROSSED SUBSTITUTE SENATE BILL NO. 5294
SENATE BILL NO. 5334
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5337
SENATE BILL NO. 5361
SENATE BILL NO. 5375
SENATE BILL NO. 5435
SENATE BILL NO. 5455
SENATE BILL NO. 5473
SENATE BILL NO. 5478
SENATE BILL NO. 5485
SUBSTITUTE SENATE BILL NO. 5494
ENGROSSED SENATE BILL NO. 5529
ENGROSSED SUBSTITUTE SENATE BILL NO. 5557
SENATE BILL NO. 5616
SENATE BILL NO. 5669
ENGROSSED SENATE BILL NO. 5689
SENATE BILL NO. 5702
SENATE BILL NO. 5716
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5745
SENATE JOINT MEMORIAL NO. 8004
SENATE JOINT RESOLUTION NO. 8201

and the same are herewith transmitted.

Sarah Bannister, Secretary

There being no objection, the House advanced to the sixth order of business.

SECOND READING

HOUSE BILL NO. 2050, by Representatives Ormsby, Parshley, Macri and Gregerson

Implementing K-12 savings and efficiencies.

The bill was read the second time.

Representative Walsh moved the adoption of amendment (1308):

On page 5, after line 17, insert the following:

"Sec. 3. RCW 28A.345.120 and 2021 c 197 s 5 are each amended to read as follows:

(1) The Washington state school directors' association shall identify or develop and periodically update governance training programs that align with the cultural competency, diversity, equity, and inclusion standards for school director governance developed under RCW 28A.345.115. The governance training programs must also include building government-to-government relationships with federally recognized tribes, multicultural education, and principles of English language acquisition. Governance training programs may be developed in collaboration with other entities.

(2) ((~~Beginning with the 2022 calendar year, the~~)) The Washington state school directors' association shall provide a governance training program identified or developed under subsection (1) of this section at no cost to school directors, and at the frequency necessary for school directors to meet the requirement in RCW 28A.343.100.

(3) Beginning with the 2025-26 school year, the Washington state school directors' association shall provide a virtual option for the governance training program identified or developed under subsection (1) of this section.

(4) For purposes of this section, "cultural competency," "diversity," "equity," and "inclusion" have the same meaning as in RCW 28A.415.443.

Sec. 4. RCW 28A.345.050 and 1983 c 187 s 2 are each amended to read as follows:

The school directors' association may establish a graduated schedule of dues for members of the association based upon the number of certificated personnel in each district. Dues shall be established for the directors of each district as a group. The total of all dues assessed shall not exceed twenty-seven cents for each one thousand dollars of the statewide total of all school districts' general fund receipts. The board of directors of a school district shall make provision for payment out of the general fund of the district of the dues of association members resident in the district, which payment shall be made in the manner provided by law for the payment of other claims against the general fund of the district. The dues for each school district shall be due and payable on the first day of January of each year. The school directors' association may not charge administrative dues to school districts in the 2025-26 and 2026-27 school years."

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

POINT OF ORDER

Representative Stonier requested a scope and object ruling on amendment (1308) to HOUSE BILL NO. 2050.

SPEAKER'S RULING

"The title of House Bill 2050 is an act relating to K-12 savings and efficiencies.

The bill changes the monthly apportionment schedule for allocations to public schools. It also modifies the formula used to calculate local effort assistance provided schools.

Amendment (1308) requires the Washington State School Directors' Association to provide a virtual attendance option for its school director governance training program and prohibits the association from charging administrative dues.

House Bill 2050 relates to school funding. The amendment relates to the duties and authority of the Washington State School Directors' Association. The amendment is outside the scope and object of the bill.

The point of order is well taken."

Representative Couture moved the adoption of amendment (1313):

On page 5, after line 17, insert the following:

"Sec. 3. RCW 28A.405.210 and 2023 c 362 s 1 are each amended to read as follows:

(1) No teacher, principal, supervisor, superintendent, or other certificated employee, holding a position as such with a school district, hereinafter referred to as "employee," shall be employed except by written order of a majority of the directors of the district at a regular or special meeting thereof, nor unless he or she is the holder of an effective teacher's certificate or other certificate required by law or the Washington professional educator standards board for the position for which the employee is employed.

(2)(a) The board shall make with each employee employed by it a written contract, which shall be in conformity with the laws of this state, and except as otherwise provided by law and under (b) of this subsection, limited to a term of not more than one year. Every such contract shall be made in duplicate, one copy to be retained by the school district superintendent or secretary and one copy to be delivered to the employee. No contract shall be offered by any board for the employment of any employee who has previously signed an employment contract for that same term in another school district of the state of Washington unless such employee shall have been released from his or her obligations under such previous contract by the board of directors of the school district to which he or she was obligated. Any contract signed in violation of this provision shall be void.

(b) A written contract made by a board with a principal under (a) of this subsection may be for a term of up to three years if the principal has: (i) Been employed as a principal for three or more consecutive years; (ii) been recommended by the superintendent as a candidate for a two or three-year contract because the principal has demonstrated the ability to stabilize instructional practices and received a comprehensive performance rating of level 3 or above in their most recent comprehensive performance evaluation under RCW 28A.405.100; and (iii) met the school district's requirements for satisfying an updated record check under RCW 28A.400.303. A written contract made by a board with a principal under (a) of this subsection for a term of three years may not be renewed before the final year of the contract.

(c) A board shall not enter into a severance agreement with a superintendent that would pay the individual more than $50,000 upon separation.

(3) In the event it is determined that there is probable cause or causes that the employment contract of an employee should not be renewed by the district for the next ensuing term such employee shall be notified in writing on or before May 15th preceding the commencement of such term of that determination, or if the omnibus appropriations act has not passed the legislature by the end of the regular legislative session for that year, then notification shall be no later than June 15th, which notification shall specify the cause or causes for nonrenewal of contract. Such determination of probable cause for certificated employees, other than the superintendent, shall be made by the superintendent. Such notice shall be served upon the employee personally, or by certified or registered mail, or by leaving a copy of the notice at the house of his or her usual abode with some person of suitable age and discretion then resident therein. Every such employee so notified, at his or her request made in writing and filed with the president, chair or secretary of the board of directors of the district within 10 days after receiving such notice, shall be granted opportunity for hearing pursuant to RCW 28A.405.310 to determine whether there is sufficient cause or causes for nonrenewal of contract: PROVIDED, That any employee receiving notice of nonrenewal of contract due to an enrollment decline or loss of revenue may, in his or her request for a hearing, stipulate that initiation of the arrangements for a hearing officer as provided for by RCW 28A.405.310(4) shall occur within 10 days following July 15 rather than the day that the employee submits the request for a hearing. If any such notification or opportunity for hearing is not timely given, the employee entitled thereto shall be conclusively presumed to have been reemployed by the district for the next ensuing term upon contractual terms identical with those which would have prevailed if his or her employment had actually been renewed by the board of directors for such ensuing term.

(4) This section shall not be applicable to "provisional employees" as so designated in RCW 28A.405.220; transfer to a subordinate certificated position as that procedure is set forth in RCW 28A.405.230 or 28A.405.245 shall not be construed as a nonrenewal of contract for the purposes of this section."

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

Representatives Couture, Couture (again), Walsh, Walsh (again) and Abell spoke in favor of the adoption of the amendment.

Representative Stonier spoke against the adoption of the amendment.

MOTIONS

On motion of Representative Leavitt, Representatives Simmons and Rule were excused.

On motion of Representative Griffey, Representatives Mendoza and Volz were excused.

Representatives Orcutt, Orcutt (again), Dufault and Marshall spoke in favor of the adoption of the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Shavers presiding) divided the House. The result was 38 - YEAS; 49 - NAYS.

Amendment (1313) was not adopted.

Representative Couture moved the adoption of amendment (1314):

On page 5, after line 17, insert the following:

"Sec. 3. RCW 28A.400.200 and 2018 c 266 s 205 are each amended to read as follows:

(1) Every school district board of directors shall fix, alter, allow, and order paid salaries and compensation for all district employees in conformance with this section.

(2)(a) Through the 2017-18 school year, salaries for certificated instructional staff shall not be less than the salary provided in the appropriations act in the statewide salary allocation schedule for an employee with a baccalaureate degree and zero years of service;

(b) Salaries for certificated instructional staff with a master's degree shall not be less than the salary provided in the appropriations act in the statewide salary allocation schedule for an employee with a master's degree and zero years of service; and

(c) Beginning with the 2018-19 school year:

(i) Salaries for full-time certificated instructional staff must not be less than forty thousand dollars, to be adjusted for regional differences in the cost of hiring staff as specified in RCW 28A.150.410, and to be adjusted annually by the same inflationary measure as provided in RCW 28A.400.205;

(ii) Salaries for full-time certificated instructional staff with at least five years of experience must exceed by at least ten percent the value specified in (c)(i) of this subsection;

(iii) A district may not pay full-time certificated instructional staff a salary that exceeds ninety thousand dollars, subject to adjustment for regional differences in the cost of hiring staff as specified in RCW 28A.150.410. This maximum salary is adjusted annually by the inflationary measure in RCW 28A.400.205;

(iv) These minimum and maximum salaries apply to the services provided as part of the state's statutory program of basic education and exclude supplemental contracts for additional time, responsibility, or incentive pursuant to this section or for enrichment pursuant to RCW 28A.150.276;

(v) A district may pay a salary that exceeds this maximum salary by up to ten percent for full-time certificated instructional staff: Who are educational staff associates; who teach in the subjects of science, technology, engineering, or math; or who teach in the transitional bilingual instruction or special education programs.

(3)(a)(i) Through the 2017-18 school year the actual average salary paid to certificated instructional staff shall not exceed the district's average certificated instructional staff salary used for the state basic education allocations for that school year as determined pursuant to RCW 28A.150.410.

(ii) For the 2018-19 school year, salaries for certificated instructional staff are subject to the limitations in *RCW 41.59.800.

(iii) Beginning with the 2019-20 school year, for purposes of subsection (4) of this section, RCW 28A.150.276, and 28A.505.100, each school district must annually identify the actual salary paid to each certificated instructional staff for services rendered as part of the state's program of basic education.

(b) Through the 2018-19 school year, fringe benefit contributions for certificated instructional staff shall be included as salary under (a)(i) of this subsection only to the extent that the district's actual average benefit contribution exceeds the amount of the insurance benefits allocation, less the amount remitted by districts to the health care authority for retiree subsidies, provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable. For purposes of this section, fringe benefits shall not include payment for unused leave for illness or injury under RCW 28A.400.210; employer contributions for old age survivors insurance, workers' compensation, unemployment compensation, and retirement benefits under the Washington state retirement system; or employer contributions for health benefits in excess of the insurance benefits allocation provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable. A school district may not use state funds to provide employer contributions for such excess health benefits.

(c) Salary and benefits for certificated instructional staff in programs other than basic education shall be consistent with the salary and benefits paid to certificated instructional staff in the basic education program.

(4)(a) Salaries and benefits for certificated instructional staff may exceed the limitations in subsection (3) of this section only by separate contract for additional time, for additional responsibilities, or for incentives. Supplemental contracts shall not cause the state to incur any present or future funding obligation. Supplemental contracts must be accounted for by a school district when the district is developing its four-year budget plan under RCW 28A.505.040.

(b) Supplemental contracts shall be subject to the collective bargaining provisions of chapter 41.59 RCW and the provisions of RCW 28A.405.240, shall not exceed one year, and if not renewed shall not constitute adverse change in accordance with RCW 28A.405.300 through 28A.405.380. No district may enter into a supplemental contract under this subsection for the provision of services which are a part of the basic education program required by Article IX, section 1 of the state Constitution and RCW 28A.150.220.

(c)(i) Beginning September 1, 2019, supplemental contracts for certificated instructional staff are subject to the following additional restrictions: School districts may enter into supplemental contracts only for enrichment activities as defined in and subject to the limitations of RCW 28A.150.276.

(ii) For a supplemental contract, or portion of a supplemental contract, that is time-based, the hourly rate the district pays may not exceed the hourly rate provided to that same instructional staff for services under the basic education salary identified under subsection (3)(a)(iii) of this section. For a supplemental contract, or portion of a supplemental contract that is not time-based, the contract must document the additional duties, responsibilities, or incentives that are being funded in the contract.

(5) Employee benefit plans offered by any district shall comply with RCW 28A.400.350, 28A.400.275, and 28A.400.280.

(6) A school district may not enter into a contract with a superintendent employed under RCW 28A.400.010 for an annual salary that exceeds $250,000."

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

Representatives Couture, Keaton, Walsh, Abell and McEntire spoke in favor of the adoption of the amendment.

Representative Bergquist spoke against the adoption of the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Shavers presiding) divided the House. The result was 38 - YEAS; 49 - NAYS.

Amendment (1314) was not adopted.

Representative Couture moved the adoption of amendment (1317):

On page 5, after line 17, insert the following:

"NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.400 RCW to read as follows:
Beginning in the 2025-26 school year, a school district's total full-time equivalent administrators employed in a school year may not exceed the total full-time equivalent administrators in the prior school year increased by 5 percent. For purposes of this section "administrator" means any certificated employee of a school district employed as a superintendent, assistant superintendent, director, principal, assistant principal, coordinator, or in any other supervisory or administrative position."

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

Representatives Couture and Couture (again) spoke in favor of the adoption of the amendment.

Representative Stonier spoke against the adoption of the amendment.

Amendment (1317) was not adopted.

Representative Walsh moved the adoption of amendment (1319):

On page 5, after line 17, insert the following:

"NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.150 RCW to read as follows:
A school district may not expend more than one percent of its funding provided for the program of basic education under RCW 28A.150.220 and 28A.150.260 on services provided by educational services districts established under chapter 28A.310 RCW."

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

Representatives Walsh and McEntire spoke in favor of the adoption of the amendment.

Representative Stonier spoke against the adoption of the amendment.

Amendment (1319) was not adopted.

Representative Couture moved the adoption of amendment (1316):

Beginning on page 1, line 4, strike all of section 1

On page 5, beginning on line 18, strike all of section 3

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

Representatives Couture, Orcutt, Walsh and Couture (again) spoke in favor of the adoption of the amendment.

Representative Ormsby spoke against the adoption of the amendment.

Amendment (1316) was not adopted.

Representative Couture moved the adoption of amendment (1315):

Beginning on page 3, line 7, strike all of section 2

On page 5, beginning on line 20, strike all of section 4

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

Representatives Couture, Waters, Engell and Jacobsen spoke in favor of the adoption of the amendment.

Representative Ormsby spoke against the adoption of the amendment.

Amendment (1315) was not adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representative Ormsby spoke in favor of the passage of the bill.

Representatives Couture, Walsh, Dufault and Engell spoke against the passage of the bill.

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of House Bill No. 2050.

ROLL CALL

The Clerk called the roll on the final passage of House Bill No. 2050, and the bill passed the House by the following vote: Yeas, 54; Nays, 40; Absent, 0; Excused, 4
Voting Yea: Representatives Berg, Bergquist, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Leavitt, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Ryu, Salahuddin, Santos, Shavers, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Wylie, Zahn and Mme. Speaker
Voting Nay: Representatives Abbarno, Abell, Barkis, Barnard, Bernbaum, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Jacobsen, Keaton, Klicker, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Orcutt, Paul, Penner, Rude, Schmick, Schmidt, Scott, Steele, Stokesbary, Stuebe, Walsh, Waters and Ybarra
Excused: Representatives Mendoza, Rule, Simmons and Volz

HOUSE BILL NO. 2050, having received the necessary constitutional majority, was declared passed.

With the consent of the House, HOUSE BILL NO. 2050 was immediately transmitted to the Senate.

SECOND READING

HOUSE BILL NO. 1552, by Representatives Peterson, Low, Reed, Ormsby and Hill

Extending the fee on real estate broker licenses to fund the Washington center for real estate research and adjusting the fee to account for inflation.

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Peterson and Connors spoke in favor of the passage of the bill.

Representative Dufault spoke against the passage of the bill.

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of House Bill No. 1552.

ROLL CALL

The Clerk called the roll on the final passage of House Bill No. 1552, and the bill passed the House by the following vote: Yeas, 82; Nays, 13; Absent, 0; Excused, 3

Voting Yea: Representatives Barkis, Barnard, Berg, Bergquist, Bernbaum, Berry, Bronoske, Burnett, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Griffey, Hackney, Hill, Hunt, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Ley, Low, Macri, Manjarrez, Marshall, McClintock, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Rude, Ryu, Salahuddin, Santos, Schmick, Schmidt, Scott, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Walen, Waters, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Caldier, Dufault, Dye, Engell, Jacobsen, McEntire, Richards, Shavers, Timmons, Walsh and Ybarra

Excused: Representatives Mendoza, Rule and Volz

HOUSE BILL NO. 1552, having received the necessary constitutional majority, was declared passed.

With the consent of the House, HOUSE BILL NO. 1552 was immediately transmitted to the Senate.

There being no objection, the House advanced to the seventh order of business.

THIRD READING

MESSAGE FROM THE SENATE

Wednesday, March 26, 2025

Mme. Speaker:

The Senate has passed HOUSE BILL NO. 1009, with the following amendment(s): 1009 AMS HLTC S2325.1

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 18.64.001 and 2022 c 240 s 13 are each amended to read as follows:

There shall be a state pharmacy quality assurance commission consisting of ((~~fifteen~~))16 members, to be appointed by the governor by and with the advice and consent of the senate. ((~~Ten~~))Nine of the members shall be designated as pharmacist members, four of the members shall be designated a public member, ((~~and one member~~))two members shall be ((~~a~~)) pharmacy ((~~technician~~))technicians, and one member shall either be a pharmacist member or a public member that is an owner, operator, or officer of a pharmacy who is not licensed as a pharmacist or pharmacy technician.

Each pharmacist member shall be a resident of this state, and at the time of his or her appointment shall have been a duly registered pharmacist under the laws of this state for a period of at least five consecutive years immediately preceding his or her appointment and shall at all times during his or her incumbency continue to be a duly licensed pharmacist: PROVIDED, That subject to the availability of qualified candidates the governor shall appoint pharmacist members representative of the areas of practice and geographically representative of the state of Washington.

((~~The~~))Each public member shall be a resident of this state((~~. The public member~~))and shall be appointed from the public at large((~~, but shall~~)). Except as provided in this section, each public member may not be affiliated with any aspect of pharmacy.

Members of the commission shall hold office for a term of four years, and the terms shall be staggered so that the terms of office of not more than two members will expire simultaneously on the third Monday in January of each year.

No person who has been appointed to and served for two four year terms shall be eligible for appointment to the commission.

Each member shall qualify by taking the usual oath of a state officer, which shall be filed with the secretary of state, and each member shall hold office for the term of his or her appointment and until his or her successor is appointed and qualified.

In case of the resignation or disqualification of a member, or a vacancy occurring from any cause, the governor shall appoint a successor for the unexpired term."

On page 1, line 2 of the title, after "commission;" strike the remainder of the title and insert "and amending RCW 18.64.001."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to HOUSE BILL NO. 1009 and advanced the bill, as amended by the Senate, to final passage.

Representatives Low and Bronoske spoke in favor of the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of House Bill No. 1009, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of House Bill No. 1009, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 95; Nays, 0; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Abell, Barkis, Barnard, Berg, Bergquist, Bernbaum, Berry, Bronoske, Burnett, Caldier, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dufault, Dye, Engell, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Griffey, Hackney, Hill, Hunt, Jacobsen, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Ley, Low, Macri, Manjarrez, Marshall, McClintock, McEntire, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Ryu, Salahuddin, Santos, Schmick, Schmidt, Scott, Shavers, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Walsh, Waters, Wylie, Ybarra, Zahn and Mme. Speaker

Excused: Representatives Mendoza, Rule and Volz

HOUSE BILL NO. 1009, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

The Speaker (Representative Shavers presiding) called upon Representative Stearns to preside.

THIRD READING

MESSAGE FROM THE SENATE

Wednesday, March 26, 2025

Mme. Speaker:

The Senate has passed HOUSE BILL NO. 1018, with the following amendment(s): 1018 AMS ENET S1889.1

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 80.50.010 and 2022 c 183 s 1 are each amended to read as follows:

The legislature finds that the present and predicted growth in energy demands in the state of Washington requires a procedure for the selection and use of sites for energy facilities and the identification of a state position with respect to each proposed site. The legislature recognizes that the selection of sites will have a significant impact upon the welfare of the population, the location and growth of industry and the use of the natural resources of the state.

It is the policy of the state of Washington to reduce dependence on fossil fuels by recognizing the need for clean energy in order to strengthen the state's economy, meet the state's greenhouse gas reduction obligations, and mitigate the significant near-term and long-term impacts from climate change while conducting a public process that is transparent and inclusive to all with particular attention to overburdened communities.

The legislature finds that the in-state manufacture of industrial products that enable a clean energy economy is critical to advancing the state's objectives in providing affordable electricity, promoting renewable energy, strengthening the state's economy, and reducing greenhouse gas emissions. Therefore, the legislature intends to provide the council with additional authority regarding the siting of clean energy product manufacturing facilities.

It is the policy of the state of Washington to recognize the pressing need for increased energy facilities, and to ensure through available and reasonable methods that the location and operation of all energy facilities and certain clean energy product manufacturing facilities will produce minimal adverse effects on the environment, ecology of the land and its wildlife, and the ecology of state waters and their aquatic life.

It is the intent to seek courses of action that will balance the increasing demands for energy facility location and operation in conjunction with the broad interests of the public. In addition, it is the intent of the legislature to streamline application review for energy facilities to meet the state's energy goals and to authorize applications for review of certain clean energy product manufacturing facilities to be considered under the provisions of this chapter.

Such action will be based on these premises:

(1) To assure Washington state citizens that, where applicable, operational safeguards are at least as stringent as the criteria established by the federal government and are technically sufficient for their welfare and protection.

(2) To preserve and protect the quality of the environment; to enhance the public's opportunity to enjoy the esthetic and recreational benefits of the air, water and land resources; to promote air cleanliness; to pursue beneficial changes in the environment; and to promote environmental justice for overburdened communities.

(3) To encourage the development and integration of clean energy sources.

(4) To provide abundant clean energy at reasonable cost.

(5) To avoid costs of complete site restoration and demolition of improvements and infrastructure at unfinished <u>fission</u> nuclear energy sites, and to use unfinished <u>fission</u> nuclear energy facilities for public uses, including economic development, under the regulatory and management control of local governments and port districts.

(6) To avoid costly duplication in the siting process and ensure that decisions are made timely and without unnecessary delay while also encouraging meaningful public comment and participation in energy facility decisions.

Sec. 2. RCW 80.50.020 and 2022 c 183 s 2 are each reenacted and amended to read as follows:

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

(1) "Alternative energy resource" includes energy facilities of the following types: (a) Wind; (b) solar energy; (c) geothermal energy; (d) renewable natural gas; (e) wave or tidal action; (f) biomass energy based on solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic;

or (g) renewable or green electrolytic hydrogen.

(2) "Applicant" means any person who makes application for a site certification pursuant to the provisions of this chapter.

(3) "Application" means any request for approval of a particular site or sites filed in accordance with the procedures established pursuant to this chapter, unless the context otherwise requires.

(4) "Associated facilities" means storage, transmission, handling, or other related and supporting facilities connecting an energy plant with the existing energy supply, processing, or distribution system, including, but not limited to, communications, controls, mobilizing or maintenance equipment, instrumentation, and other types of ancillary transmission equipment, off-line storage or venting required for efficient operation or safety of the transmission system and overhead, and surface or subsurface lines of physical access for the inspection, maintenance, and safe operations of the transmission facility and new transmission lines constructed to operate at nominal voltages of at least 115,000 volts to connect a thermal power plant or alternative energy facilities to the northwest power grid. However, common carrier railroads or motor vehicles shall not be included.

(5) "Biofuel" means a liquid or gaseous fuel derived from organic matter including, but not limited to, biodiesel, renewable diesel, ethanol, renewable natural gas, and renewable propane.

(6) "Certification" means a binding agreement between an applicant and the state which shall embody compliance to the siting guidelines, in effect as of the date of certification, which have been adopted pursuant to RCW 80.50.040 as now or hereafter amended as conditions to be met prior to or concurrent with the construction or operation of any energy facility.

(7) "Clean energy product manufacturing facility" means a facility that exclusively or primarily manufactures the following products or components primarily used by such products:

(a) Vehicles, vessels, and other modes of transportation that emit no exhaust gas from the onboard source of power, other than water vapor;

(b) Charging and fueling infrastructure for electric, hydrogen, or other types of vehicles that emit no exhaust gas from the onboard source of power, other than water vapor;

(c) Renewable or green electrolytic hydrogen, including preparing renewable or green electrolytic hydrogen for distribution as an energy carrier or manufacturing feedstock, or converting it to a green hydrogen carrier;

(d) Equipment and products used to produce energy from alternative energy resources; and

(e) Equipment and products used at storage facilities.

(8) "Construction" means on-site improvements, excluding exploratory work, which cost in excess of ((~~two hundred fifty thousand dollars~~))$250,000.

(9) "Council" means the energy facility site evaluation council created by RCW 80.50.030.

(10) "Counsel for the environment" means an assistant attorney general or a special assistant attorney general who shall represent the public in accordance with RCW 80.50.080.

(11) "Director" means the director of the energy facility site evaluation council appointed by the chair of the council in accordance with RCW 80.50.360.

(12) "Electrical transmission facilities" means electrical power lines and related equipment.

(13) "Energy facility" means an energy plant or transmission facilities: PROVIDED, That the following are excluded from the provisions of this chapter:

(a) Facilities for the extraction, conversion, transmission or storage of water, other than water specifically consumed or discharged by energy production or conversion for energy purposes; and

(b) Facilities operated by and for the armed services for military purposes or by other federal authority for the national defense.

(14) "Energy plant" means the following facilities together with their associated facilities:

(a) Any fission nuclear power facility where the primary purpose is to produce and sell electricity;

(b) Any nonnuclear stationary thermal power plant with generating capacity of ((~~three hundred fifty thousand~~))350,000 kilowatts or more, measured using maximum continuous electric generating capacity, less minimum auxiliary load, at average ambient temperature and pressure, and floating thermal power plants of ((~~one hundred thousand~~))100,000 kilowatts or more suspended on the surface of water by means of a barge, vessel, or other floating platform;

(c) Facilities which will have the capacity to receive liquefied natural gas in the equivalent of more than ((~~one hundred million~~))100,000,000 standard cubic feet of natural gas per day, which has been transported over marine waters;

(d) Facilities which will have the capacity to receive more than an average of ((~~fifty thousand~~))50,000 barrels per day of crude or refined petroleum or liquefied petroleum gas which has been or will be transported over marine waters, except that the provisions of this chapter shall not apply to storage facilities unless occasioned by such new facility construction;

(e) Any underground reservoir for receipt and storage of natural gas as defined in RCW 80.40.010 capable of delivering an average of more than ((~~one hundred million~~))100,000,000 standard cubic feet of natural gas per day; and

(f) Facilities capable of processing more than ((~~twenty-five thousand~~))25,000 barrels per day of petroleum or biofuel into refined products except where such biofuel production is undertaken at existing industrial facilities.

(15)(a) "Green electrolytic hydrogen" means hydrogen produced through electrolysis.

(b) "Green electrolytic hydrogen" does not include hydrogen manufactured using steam reforming or any other conversion technology that produces hydrogen from a fossil fuel feedstock.

(16) "Green hydrogen carrier" means a chemical compound, created using electricity or renewable resources as energy input and without use of fossil fuel as a feedstock, from renewable hydrogen or green electrolytic hydrogen for the purposes of transportation, storage, and dispensing of hydrogen.

(17) "Independent consultants" means those persons who have no financial interest in the applicant's proposals and who are retained by the council to evaluate the applicant's proposals, supporting studies, or to conduct additional studies.

(18) "Land use plan" means a comprehensive plan or land use element thereof adopted by a unit of local government pursuant to chapter 35.63, 35A.63, 36.70, or 36.70A RCW, or as otherwise designated by chapter 325, Laws of 2007.

(19) "Person" means an individual, partnership, joint venture, private or public corporation, association, firm, public service company, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

(20) "Preapplicant" means a person considering applying for a site certificate agreement for any facility.

(21) "Preapplication process" means the process which is initiated by written correspondence from the preapplicant to the council, and includes the process adopted by the council for consulting with the preapplicant and with federally recognized tribes, cities, towns, and counties prior to accepting applications for any facility.

(22) "Renewable hydrogen" means hydrogen produced using renewable resources both as the source for the hydrogen and the source for the energy input into the production process.

(23) "Renewable natural gas" means a gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters.

(24) "Renewable resource" means: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) renewable natural gas; (f) renewable hydrogen; (g) wave, ocean, or tidal power; (h) biodiesel fuel that is not derived from crops raised on land cleared from old growth or first growth forests; or (i) biomass energy.

(25) "Secretary" means the secretary of the United States department of energy.

(26) "Site" means any proposed or approved location of an energy facility, alternative energy resource, clean energy product manufacturing facility, or electrical transmission facility.

(27) "Storage facility" means a plant that: (a) Accepts electricity as an energy source and uses a chemical, thermal, mechanical, or other process to store energy for subsequent delivery or consumption in the form of electricity; or (b) stores renewable hydrogen, green electrolytic hydrogen, or a green hydrogen carrier for subsequent delivery or consumption.

(28) "Thermal power plant" means, for the purpose of certification, any electrical generating facility using any fuel for distribution of electricity by electric utilities.

(29) "Transmission facility" means any of the following together with their associated facilities:

(a) Crude or refined petroleum or liquid petroleum product transmission pipeline of the following dimensions: A pipeline larger than six inches minimum inside diameter between valves for the transmission of these products with a total length of at least ((~~fifteen~~))15 miles;

(b) Natural gas, synthetic fuel gas, or liquefied petroleum gas transmission pipeline of the following dimensions: A pipeline larger than ((~~fourteen~~))14 inches minimum inside diameter between valves, for the transmission of these products, with a total length of at least ((~~fifteen~~))15 miles for the purpose of delivering gas to a distribution facility, except an interstate natural gas pipeline regulated by the United States federal energy regulatory commission.

(30) "Zoning ordinance" means an ordinance of a unit of local government regulating the use of land and adopted pursuant to chapter 35.63, 35A.63, 36.70, or 36.70A RCW or Article XI of the state Constitution, or as otherwise designated by chapter 325, Laws of 2007.

Sec. 3. RCW 80.50.060 and 2023 c 229 s 4 are each amended to read as follows:

(1)(a) The provisions of this chapter apply to the construction of energy facilities which includes the new construction of energy facilities and the reconstruction or enlargement of existing energy facilities where the net increase in physical capacity or dimensions resulting from such reconstruction or enlargement meets or exceeds those capacities or dimensions set forth in RCW 80.50.020 (14) and (29). No construction or reconstruction of such energy facilities may be undertaken, except as otherwise provided in this chapter, without first obtaining certification in the manner provided in this chapter.

(b) If applicants proposing the following types of facilities choose to receive certification under this chapter, the provisions of this chapter apply to the construction, reconstruction, or enlargement of these new or existing facilities:

(i) Facilities that produce refined biofuel, but which are not capable of producing 25,000 barrels or more per day;

(ii) Alternative energy resource facilities;

(iii) Electrical transmission facilities: (A) Of a nominal voltage of at least 115,000 volts; and (B) located in more than one jurisdiction that has promulgated land use plans or zoning ordinances;

(iv) Clean energy product manufacturing facilities; ((~~and~~))

(v) Storage facilities; and

(vi) Fusion energy facilities. However, such a fusion energy facility receiving site certification must also secure required licenses and registrations, or equivalent authorizations, for radiation control purposes from designated state or federal agencies.

(c) All of the council's powers with regard to energy facilities apply to all of the facilities in (b) of this subsection and these facilities are subject to all provisions of this chapter that apply to an energy facility.

(2)(a) The provisions of this chapter must apply to:

(i) The construction, reconstruction, or enlargement of new or existing electrical transmission facilities: (A) Of a nominal voltage of at least 500,000 volts alternating current or at least 300,000 volts direct current; (B) located in more than one county; and (C) located in the Washington service area of more than one retail electric utility; and

(ii) The construction, reconstruction, or modification of electrical transmission facilities when the facilities are located in a national interest electric transmission corridor as specified in RCW 80.50.045.

(b) For the purposes of this subsection, "modification" means a significant change to an electrical transmission facility and does not include the following: (i) Minor improvements such as the replacement of existing transmission line facilities or supporting structures with equivalent facilities or structures; (ii) the relocation of existing electrical transmission line facilities; (iii) the conversion of existing overhead lines to underground; or (iv) the placing of new or additional conductors, supporting structures, insulators, or their accessories on or replacement of supporting structures already built.

(3) The provisions of this chapter shall not apply to normal maintenance and repairs which do not increase the capacity or dimensions beyond those set forth in RCW 80.50.020 (14) and (29).

(4) Applications for certification of energy facilities made prior to July 15, 1977, shall continue to be governed by the applicable provisions of law in effect on the day immediately preceding July 15, 1977, with the exceptions of RCW 80.50.071 which shall apply to such prior applications and to site certifications prospectively from July 15, 1977.

(5) Applications for certification shall be upon forms prescribed by the council and shall be supported by such information and technical studies as the council may require.

(6) Upon receipt of an application for certification under this chapter, the chair of the council shall notify:

(a) The appropriate county legislative authority or authorities where the proposed facility is located;

(b) The appropriate city legislative authority or authorities where the proposed facility is located;

(c) The department of archaeology and historic preservation; and

(d) The appropriate federally recognized tribal governments that may be affected by the proposed facility.

(7) The council must work with local governments where a project is proposed to be sited in order to provide for meaningful participation and input during siting review and compliance monitoring.

(8) The council must consult with all federally recognized tribes that possess resources, rights, or interests reserved or protected by federal treaty, statute, or executive order in the area where an energy facility is proposed to be located to provide early and meaningful participation and input during siting review and compliance monitoring. The chair and designated staff must offer to conduct government-to-government consultation to address issues of concern raised by such a tribe. The goal of the consultation process is to identify tribal resources or rights potentially affected by the proposed energy facility and to seek ways to avoid, minimize, or mitigate any adverse effects on tribal resources or rights. The chair must provide regular updates on the consultation to the council throughout the application review process. The report from the council to the governor required in RCW 80.50.100 must include a summary of the government-to-government consultation process that complies with RCW 42.56.300, including the issues and proposed resolutions.

(9) The department of archaeology and historic preservation shall coordinate with the affected federally recognized tribes and the applicant in order to assess potential effects to tribal cultural resources, archaeological sites, and sacred sites.

Sec. 4. RCW 80.50.300 and 2000 c 243 s 1 are each amended to read as follows:

(1) This section applies only to unfinished fission nuclear power projects. If a certificate holder stops construction of a fission nuclear energy facility before completion, terminates the project or otherwise resolves not to complete construction, never introduces or stores fuel for the energy facility on the site, and never operates the energy facility as designed to produce energy, the certificate holder may contract, establish interlocal agreements, or use other formal means to effect the transfer of site restoration responsibilities, which may include economic development activities, to any political subdivision or subdivisions of the state composed of elected officials. The contracts, interlocal agreements, or other formal means of cooperation may include, but are not limited to provisions effecting the transfer or conveyance of interests in the site and energy facilities from the certificate holder to other political subdivisions of the state, including costs of maintenance and security, capital improvements, and demolition and salvage of the unused energy facilities and infrastructure.

(2) If a certificate holder transfers all or a portion of the site to a political

subdivision or subdivisions of the state composed of elected officials and located in the same county as the site, the council shall amend the site certification agreement to release those portions of the site that it finds are no longer intended for the development of an energy facility.

Immediately upon release of all or a portion of the site pursuant to this section, all responsibilities for maintaining the public welfare for portions of the site transferred, including but not limited to health and safety, are transferred to the political subdivision or subdivisions of the state. For sites located on federal land, all responsibilities for maintaining the public welfare for all of the site, including but not limited to health and safety, must be transferred to the political subdivision or subdivisions of the state irrespective of whether all or a portion of the site is released.

(3) The legislature finds that for all or a portion of sites that have been transferred to a political subdivision or subdivisions of the state prior to September 1, 1999, ensuring water for site restoration including economic development, completed pursuant to this section can best be accomplished by a transfer of existing surface water rights, and that such a transfer is best accomplished administratively through procedures set forth in existing statutes and rules. However, if a transfer of water rights is not possible, the department of ecology shall, within six months of the transfer of the site or portion thereof pursuant to subsection (1) of this section, create a trust water right under chapter 90.42 RCW containing between ten and twenty cubic feet per second for the benefit of the appropriate political subdivision or subdivisions of the state. The trust water right shall be used in fulfilling site restoration responsibilities, including economic development. The trust water right shall be from existing valid water rights within the basin where the site is located.

(4) For purposes of this section, "political subdivision or subdivisions of the state" means a city, town, county, public utility district, port district, or joint operating agency."

On page 1, line 2 of the title, after "RCW;" strike the remainder of the title and insert "amending RCW 80.50.010, 80.50.060, and 80.50.300; and reenacting and amending RCW 80.50.020."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to HOUSE BILL NO. 1018 and advanced the bill, as amended by the Senate, to final passage.

Representatives Shavers and Barnard spoke in favor of the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Stearns presiding) stated the question before the House to be the final passage of House Bill No. 1018, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of House Bill No. 1018, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 94; Nays, 1; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Abell, Barkis, Barnard, Berg, Bergquist, Bernbaum, Berry, Bronoske, Burnett, Caldier, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Engell, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Griffey, Hackney, Hill, Hunt, Jacobsen, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Ley, Low, Macri, Manjarrez, Marshall, McClintock, McEntire, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Ryu, Salahuddin, Santos, Schmick, Schmidt, Scott, Shavers, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Walsh, Waters, Wylie, Ybarra, Zahn and Mme. Speaker

Voting Nay: Representative Dufault

Excused: Representatives Mendoza, Rule and Volz

HOUSE BILL NO. 1018, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

The Speaker (Representative Stearns presiding) called upon Representative Shavers to preside.

THIRD READING

MESSAGE FROM THE SENATE

Wednesday, April 16, 2025

Mme. Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 1023, with the following amendment(s): 1023-S AMS ENGR S2641.E

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A new section is added to chapter 18.16 RCW to read as follows:

ARTICLE 1
PURPOSE

The purpose of this compact is to facilitate the interstate practice and regulation of cosmetology with the goal of improving public access to, and the safety of, cosmetology services and reducing unnecessary burdens related to cosmetology licensure. Through this compact, the member states seek to establish a regulatory framework which provides for a new multistate licensing program. Through this new licensing program, the member states seek to provide increased value and mobility to licensed cosmetologists in the member states, while ensuring the provision of safe, effective, and reliable services to the public.

This compact is designed to achieve the following objectives, and the member states hereby ratify the same intentions by subscribing hereto:

(1) Provide opportunities for interstate practice by cosmetologists who meet uniform requirements for multistate licensure;

(2) Enhance the abilities of member states to protect public health and safety, and prevent fraud and unlicensed activity within the profession;

(3) Ensure and encourage cooperation between member states in the licensure and regulation of the practice of cosmetology;

(4) Support relocating military members and their spouses;

(5) Facilitate the exchange of information between member states related to the licensure, investigation, and discipline of the practice of cosmetology;

(6) Provide for the licensure and mobility of the workforce in the profession, while addressing the shortage of workers and lessening the associated burdens on the member states.

ARTICLE 2
DEFINITIONS

As used in this compact, and except as otherwise provided, the following definitions shall govern the terms herein:

(1) "Active military member" means any person with full-time duty status in the armed forces of the United States, including members of the national guard and reserve.

(2) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a member state's laws which is imposed by a state licensing authority or other regulatory body against a cosmetologist, including actions against an individual's license or authorization to practice such as revocation, suspension, probation, monitoring of the licensee, limitation of the licensee's practice, or any other encumbrance on a license affecting an individual's ability to participate in the cosmetology industry, including the issuance of a cease and desist order.

(3) "Alternative program" means a nondisciplinary monitoring or prosecutorial diversion program approved by a member state's state licensing authority.

(4) "Authorization to practice" means a legal authorization associated with a multistate license permitting the practice of cosmetology in that remote state, which shall be subject to the enforcement jurisdiction of the state licensing authority in that remote state.

(5) "Background check" means the submission of information for an applicant for the purpose of obtaining that applicant's criminal history record information, as further defined in 28 C.F.R. Sec. 20.3(d), from the federal bureau of investigation and the agency responsible for retaining state criminal or disciplinary history in the applicant's home state.

(6) "Charter member state" means member states who have enacted legislation to adopt this compact where such legislation predates the effective date of this compact as defined in Article 13 of this compact.

(7) "Commission" means the government agency whose membership consists of all states that have enacted this compact, which is known as the cosmetology licensure compact commission, as defined in Article 9 of this compact, and which shall operate as an instrumentality of the member states.

(8) "Cosmetologist" means an individual licensed in their home state to practice cosmetology.

(9) "Cosmetology," "cosmetology services," and the "practice of cosmetology" mean the care and services provided by a cosmetologist as set forth in the member state's statutes and regulations in the state where the services are being provided.

(10) "Current significant investigative information" means:

(a) Investigative information that a state licensing authority, after an inquiry or investigation that complies with a member state's due process requirements, has reason to believe is not groundless and, if proved true, would indicate a violation of that state's laws regarding fraud or the practice of cosmetology; or

(b) Investigative information that indicates that a licensee has engaged in fraud or represents an immediate threat to public health and safety, regardless of whether the licensee has been notified and had an opportunity to respond.

(11) "Data system" means a repository of information about licensees including, but not limited to, license status, investigative information, and adverse actions.

(12) "Disqualifying event" means any event which shall disqualify an individual from holding a multistate license under this compact, which the commission may by rule or order specify.

(13) "Encumbered license" means a license in which an adverse action restricts the practice of cosmetology by a licensee, or where said adverse action has been reported to the commission.

(14) "Encumbrance" means a revocation or suspension of, or any limitation on, the full and unrestricted practice of cosmetology by a state licensing authority.

(15) "Executive committee" means a group of delegates elected or appointed to act on behalf of, and within the powers granted to them by, the commission.

(16) "Home state" means the member state which is a licensee's primary state of residence, and where that licensee holds an active and unencumbered license to practice cosmetology.

(17) "Investigative information" means information, records, or documents received or generated by a state licensing authority pursuant to an investigation or other inquiry.

(18) "Jurisprudence requirement" means the assessment of an individual's knowledge of the laws and rules governing the practice of cosmetology in a state.

(19) "Licensee" means an individual who currently holds a license from a member state to practice as a cosmetologist.

(20) "Member state" means any state that has adopted this compact.

(21) "Multistate license" means a license issued by and subject to the enforcement jurisdiction of the state licensing authority in a licensee's home state, which authorizes the practice of cosmetology in member states and includes authorizations to

practice cosmetology in all remote states pursuant to this compact.

(22) "Remote state" means any member state, other than the licensee's home state.

(23) "Rule" means any rule or regulation promulgated by the commission under this compact which has the force of law.

(24) "Single-state license" means a cosmetology license issued by a member state that authorizes practice of cosmetology only within the issuing state and does not include any authorization outside of the issuing state.

(25) "State" means a state, territory, or possession of the United States and the District of Columbia.

(26) "State licensing authority" means a member state's regulatory body responsible for issuing cosmetology licenses or otherwise overseeing the practice of cosmetology in that state.

ARTICLE 3
MEMBER STATE REQUIREMENTS

(1) To be eligible to join this compact, and to maintain eligibility as a member state, a state must:

(a) License and regulate cosmetology;

(b) Have a mechanism or entity in place to receive and investigate complaints about licensees practicing in that state;

(c) Require that licensees within the state pass a cosmetology competency examination prior to being licensed to provide cosmetology services to the public in that state;

(d) Require that licensees satisfy educational or training requirements in cosmetology prior to being licensed to provide cosmetology services to the public in that state;

(e) Implement procedures for considering one or more of the following categories of information from applicants for licensure: Criminal history; disciplinary history; or background check. Such procedures may include the submission of information by applicants for the purpose of obtaining an applicant's background check as defined in this compact;

(f) Participate in the data system, including through the use of unique identifying numbers;

(g) Share information related to adverse actions with the commission and other member states, both through the data system and otherwise;

(h) Notify the commission and other member states, in compliance with the terms of the compact and rules of the commission, of the existence of investigative information or current significant investigative information in the state's possession regarding a licensee practicing in that state;

(i) Comply with such rules as may be enacted by the commission to administer this compact; and

(j) Accept licensees from other member states as established in this compact.

(2) Member states may charge a fee for granting a license to practice cosmetology.

(3) Individuals not residing in a member state shall continue to be able to apply for a member state's single-state license as provided under the laws of each member state. However, the single-state license granted to these individuals shall not be recognized as granting a multistate license to provide services in any other member state.

(4) Nothing in this compact shall affect the requirements established by a member state for the issuance of a single-state license.

(5) A multistate license issued to a licensee by a home state to a resident of that state shall be recognized by each member state as authorizing a licensee to practice cosmetology in each member state.

(6) At no point shall the commission have the power to define the educational or professional requirements for a license to practice cosmetology. The member states shall retain sole jurisdiction over the provision of these requirements.

ARTICLE 4
MULTISTATE LICENSE

(1) To be eligible to apply to their home state's state licensing authority for an initial multistate license under this compact, a licensee must hold an active and unencumbered single-state license to practice cosmetology in their home state.

(2) Upon the receipt of an application for a multistate license, according to the rules of the commission, a member state's state licensing authority shall ascertain whether the applicant meets the requirements for a multistate license under this compact.

(3) If an applicant meets the requirements for a multistate license under this compact and any applicable rules of the commission, the state licensing authority in receipt of the application shall, within a reasonable time, grant a multistate license to that applicant, and inform all member states of the grant of said multistate license.

(4) A multistate license to practice cosmetology issued by a member state's state licensing authority shall be recognized by each member state as authorizing the practice thereof as though that licensee held a single-state license to do so in each member state, subject to the restrictions in this compact.

(5) A multistate license granted pursuant to this compact may be effective for a definite period of time, concurrent with the licensure renewal period in the home state.

(6) To maintain a multistate license under this compact, a licensee must:

(a) Agree to abide by the rules of the state licensing authority, and the state scope of practice laws governing the practice of cosmetology, of any member state in which the licensee provides services;

(b) Pay all required fees related to the application and process, and any other fees which the commission may by rule require; and

(c) Comply with any and all other requirements regarding multistate licenses which the commission may by rule provide.

(7) A licensee practicing in a member state is subject to all scope of practice laws governing cosmetology services in that state.

(8) The practice of cosmetology under a multistate license granted pursuant to this

compact will subject the licensee to the jurisdiction of the state licensing authority, the courts, and the laws of the member state in which the cosmetology services are provided.

ARTICLE 5
REISSUANCE OF A MULTISTATE LICENSE BY A NEW HOME STATE

(1) A licensee may hold a multistate license, issued by their home state, in only one member state at any given time.

(2)If a licensee changes their home state by moving between two member states:

(a) The licensee shall immediately apply for the reissuance of their multistate license in their new home state. The licensee shall pay all applicable fees and notify the prior home state in accordance with the rules of the commission.

(b) Upon receipt of an application to reissue a multistate license, the new home state shall verify that the multistate license is active, unencumbered, and eligible for reissuance under the terms of the compact and the rules of the commission. The multistate license issued by the prior home state will be deactivated and all member states notified in accordance with the applicable rules adopted by the commission.

(c) If required for initial licensure, the new home state may require a background check as specified in the laws of that state, or the compliance with any jurisprudence requirements of the new home state.

(d) Notwithstanding any other provision of this compact, if a licensee does not meet the requirements set forth in this compact for the reissuance of a multistate license by the new home state, then the licensee shall be subject to the new home state requirements for the issuance of a single-state license in that state.

(3) If a licensee changes their primary state of residence by moving from a member state to a nonmember state, or from a nonmember state to a member state, then the licensee shall be subject to the state requirements for the issuance of a single-state license in the new home state.

(4) Nothing in this compact shall interfere with a licensee's ability to hold a single-state license in multiple states; however, for the purposes of this compact, a licensee shall have only one home state, and only one multistate license.

(5) Nothing in this compact shall interfere with the requirements established by a member state for the issuance of a single-state license.

ARTICLE 6
AUTHORITY OF THE COMPACT COMMISSION AND MEMBER STATE LICENSING AUTHORITIES

(1) Nothing in this compact, nor any rule or regulation of the commission, shall be construed to limit, restrict, or in any way reduce the ability of a member state to enact and enforce laws, regulations, or other rules related to the practice of cosmetology in that state, where those laws, regulations, or other rules are not inconsistent with the provisions of this compact.

(2) Insofar as practical, a member state's state licensing authority shall cooperate with the commission and with each entity exercising independent regulatory authority over the practice of cosmetology according to the provisions of this compact.

(3) Discipline shall be the sole responsibility of the state in which cosmetology services are provided. Accordingly, each member state's state licensing authority shall be responsible for receiving complaints about individuals practicing cosmetology in that state, and for communicating all relevant investigative information about any such adverse action to the other member states through the data system in addition to any other methods the commission may by rule require.

ARTICLE 7
ADVERSE ACTIONS

(1) A licensee's home state shall have exclusive power to impose an adverse action against a licensee's multistate license issued by the home state.

(2) A home state may take adverse action on a multistate license based on the investigative information, current significant investigative information, or adverse action of a remote state.

(3) In addition to the powers conferred by state law, each remote state's state licensing authority shall have the power to:

(a) Take adverse action against a licensee's authorization to practice cosmetology through the multistate license in that member state, provided that:

(i) Only the licensee's home state shall have the power to take adverse action against the multistate license issued by the home state; and

(ii) For the purposes of taking adverse action, the home state's state licensing authority shall give the same priority and effect to reported conduct received from a remote state as it would if such conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine the appropriate action;

(b) Issue cease and desist orders or impose an encumbrance on a licensee's authorization to practice within that member state;

(c) Complete any pending investigations of a licensee who changes their primary state of residence during the course of such an investigation. The state licensing authority shall also be empowered to report the results of such an investigation to the commission through the data system as described in this compact;

(d) Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses, as well as the production of evidence. Subpoenas issued by a state licensing authority in a member state for the attendance and testimony of witnesses or the production of evidence from another member state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings before it. The issuing state licensing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the

service statutes of the state in which the witnesses or evidence are located;

(e) If otherwise permitted by state law, recover from the affected licensee the costs of investigations and disposition of cases resulting from any adverse action taken against that licensee;

(f) Take adverse action against the licensee's authorization to practice in that state based on the factual findings of another remote state.

(4) A licensee's home state shall complete any pending investigation(s) of a cosmetologist who changes their primary state of residence during the course of the investigation(s). The home state shall also have the authority to take appropriate action(s) and shall promptly report the conclusions of the investigations to the data system.

(5) If an adverse action is taken by the home state against a licensee's multistate license, the licensee's authorization to practice in all other member states shall be deactivated until all encumbrances have been removed from the home state license. All home state disciplinary orders that impose an adverse action against a licensee's multistate license shall include a statement that the cosmetologist's authorization to practice is deactivated in all member states during the pendency of the order.

(6) Nothing in this compact shall override a member state's authority to accept a licensee's participation in an alternative program in lieu of adverse action. A licensee's multistate license shall be suspended for the duration of the licensee's participation in any alternative program.

(7) Joint investigations.

(a) In addition to the authority granted to a member state by its respective scope of practice laws or other applicable state law, a member state may participate with other member states in joint investigations of licensees.

(b) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under this compact.

ARTICLE 8
ACTIVE MILITARY MEMBERS AND THEIR SPOUSES

Active military members, or their spouses, shall designate a home state where the individual has a current license to practice cosmetology in good standing. The individual may retain their home state designation during any period of service when that individual or their spouse is on active duty assignment.

ARTICLE 9
ESTABLISHMENT AND OPERATION OF THE COSMETOLOGY LICENSURE COMPACT COMMISSION

(1) The compact member states hereby create and establish a joint government agency whose membership consists of all member states that have enacted the compact known as the cosmetology licensure compact commission. The commission is an instrumentality of the compact member states acting jointly and not an instrumentality of any one state. The commission shall come into existence on or after the effective date of the compact as set forth in Article 13 of this compact.

(2) Membership, voting, and meetings.

(a) Each member state shall have and be limited to one delegate selected by that member state's state licensing authority.

(b) The delegate shall be an administrator of the state licensing authority of the member state or their designee.

(c) The commission shall by rule or bylaw establish a term of office for delegates and may by rule or bylaw establish term limits.

(d) The commission may recommend removal or suspension of any delegate from office.

(e) A member state's state licensing authority shall fill any vacancy of its delegate occurring on the commission within 60 days of the vacancy.

(f) Each delegate shall be entitled to one vote on all matters that are voted on by the commission.

(g) The commission shall meet at least once during each calendar year. Additional meetings may be held as set forth in the bylaws. The commission may meet by telecommunication, videoconference, or other similar electronic means.

(3) The commission shall have the following powers:

(a) Establish the fiscal year of the commission;

(b) Establish code of conduct and conflict of interest policies;

(c) Adopt rules and bylaws;

(d) Maintain its financial records in accordance with the bylaws;

(e) Meet and take such actions as are consistent with the provisions of this compact, the commission's rules, and the bylaws;

(f) Initiate and conclude legal proceedings or actions in the name of the commission, provided that the standing of any state licensing authority to sue or be sued under applicable law shall not be affected;

(g) Maintain and certify records and information provided to a member state as the authenticated business records of the commission, and designate an agent to do so on the commission's behalf;

(h) Purchase and maintain insurance and bonds;

(i) Borrow, accept, or contract for services of personnel including, but not limited to, employees of a member state;

(j) Conduct an annual financial review;

(k) Hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(l) As set forth in the commission rules, charge a fee to a licensee for the grant of a multistate license and thereafter, as may be established by commission rule, charge the licensee a multistate license renewal fee for each renewal period. Nothing in this compact shall be construed to prevent a home state from charging a licensee a fee for a multistate license or renewals of a

multistate license, or a fee for the jurisprudence requirement if the member state imposes such a requirement for the grant of a multistate license;

(m) Assess and collect fees;

(n) Accept any and all appropriate gifts, donations, grants of money, other sources of revenue, equipment, supplies, materials, and services, and receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(o) Lease, purchase, retain, own, hold, improve, or use any property, real, personal, or mixed, or any undivided interest therein;

(p) Sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed;

(q) Establish a budget and make expenditures;

(r) Borrow money;

(s) Appoint committees, including standing committees, composed of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this compact and the bylaws;

(t) Provide and receive information from, and cooperate with, law enforcement agencies;

(u) Elect a chair, vice chair, secretary, and treasurer and such other officers of the commission as provided in the commission's bylaws;

(v) Establish and elect an executive committee, including a chair and a vice chair;

(w) Adopt and provide to the member states an annual report;

(x) Determine whether a state's adopted language is materially different from the model compact language such that the state would not qualify for participation in the compact; and

(y) Perform such other functions as may be necessary or appropriate to achieve the purposes of this compact.

(4) The executive committee.

(a) The executive committee shall have the power to act on behalf of the commission according to the terms of this compact. The powers, duties, and responsibilities of the executive committee shall include:

(i) Overseeing the day-to-day activities of the administration of the compact including compliance with the provisions of the compact, the commission's rules and bylaws, and other such duties as deemed necessary;

(ii) Recommending to the commission changes to the rules or bylaws, changes to this compact legislation, fees charged to compact member states, fees charged to licensees, and other fees;

(iii) Ensuring compact administration services are appropriately provided, including by contract;

(iv) Preparing and recommending the budget;

(v) Maintaining financial records on behalf of the commission;

(vi) Monitoring compact compliance of member states and providing compliance reports to the commission;

(vii) Establishing additional committees as necessary;

(viii) Exercising the powers and duties of the commission during the interim between commission meetings, except for adopting or amending rules, adopting or amending bylaws, and exercising any other powers and duties expressly reserved to the commission by rule or bylaw; and

(ix) Other duties as provided in the rules or bylaws of the commission.

(b)(i) The executive committee shall be composed of up to seven voting members:

(A) The chair and vice chair of the commission and any other members of the commission who serve on the executive committee shall be voting members of the executive committee; and

(B) Other than the chair, vice chair, secretary, and treasurer, the commission shall elect three voting members from the current membership of the commission.

(ii) The commission may elect ex officio, nonvoting members from a recognized national cosmetology professional association as approved by the commission. The commission's bylaws shall identify qualifying organizations and the manner of appointment if the number of organizations seeking to appoint an ex officio member exceeds the number of members specified in this Article.

(c) The commission may remove any member of the executive committee as provided in the commission's bylaws.

(d) The executive committee shall meet at least annually.

(i) Annual executive committee meetings, as well as any executive committee meeting at which it does not take or intend to take formal action on a matter for which a commission vote would otherwise be required, shall be open to the public, except that the executive committee may meet in a closed, nonpublic session of a public meeting when dealing with any of the matters covered under subsection (6)(d) of this Article.

(ii) The executive committee shall give five business days' advance notice of its public meetings, posted on its website and as determined to provide notice to persons with an interest in the public matters the executive committee intends to address at those meetings.

(e) The executive committee may hold an emergency meeting when acting for the commission to:

(i) Meet an imminent threat to public health, safety, or welfare;

(ii) Prevent a loss of commission or member state funds; or

(iii) Protect public health and safety.

(5) The commission shall adopt and provide to the member states an annual report.

(6) Meetings of the commission.

(a) All meetings of the commission that are not closed pursuant to (d) of this subsection shall be open to the public. Notice of public meetings shall be posted on the commission's website at least 30 days prior to the public meeting.

(b) Notwithstanding (a) of this subsection, the commission may convene an

emergency public meeting by providing at least 24 hours' prior notice on the commission's website, and any other means as provided in the commission's rules, for any of the reasons it may dispense with notice of proposed rule making under Article 11(12) of this compact. The commission's legal counsel shall certify that one of the reasons justifying an emergency public meeting has been met.

(c) Notice of all commission meetings shall provide the time, date, and location of the meeting, and if the meeting is to be held or accessible via telecommunication, videoconference, or other electronic means, the notice shall include the mechanism for access to the meeting.

(d) The commission may convene in a closed, nonpublic meeting for the commission to discuss:

(i) Noncompliance of a member state with its obligations under the compact;

(ii) The employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) Current or threatened discipline of a licensee by the commission or by a member state's state licensing authority;

(iv) Current, threatened, or reasonably anticipated litigation;

(v) Negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(vi) Accusing any person of a crime or formally censuring any person;

(vii) Trade secrets or commercial or financial information that is privileged or confidential;

(viii) Information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(ix) Investigative records compiled for law enforcement purposes;

(x) Information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact;

(xi) Legal advice;

(xii) Matters specifically exempted from disclosure to the public by federal or member state law; or

(xiii) Other matters as promulgated by the commission by rule.

(e) If a meeting, or portion of a meeting, is closed, the presiding officer shall state that the meeting will be closed and reference each relevant exempting provision, and such reference shall be recorded in the minutes.

(f) The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release only by a majority vote of the commission or order of a court of competent jurisdiction.

(7) Financing of the commission.

(a) The commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(b) The commission may accept any and all appropriate sources of revenue, donations, and grants of money, equipment, supplies, materials, and services.

(c) The commission may levy on and collect an annual assessment from each member state and impose fees on licensees of member states to whom it grants a multistate license to cover the cost of the operations and activities of the commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount for member states shall be allocated based upon a formula that the commission shall promulgate by rule.

(d) The commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any member states, except by and with the authority of the member state.

(e) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the financial review and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be subject to an annual financial review by a certified or licensed public accountant, and the report of the financial review shall be included in and become part of the annual report of the commission.

(8) Qualified immunity, defense, and indemnification.

(a) The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, both personally and in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing in this subsection (8)(a) shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person. The procurement of insurance of any type by the commission shall not in any way compromise or limit the immunity granted hereunder.

(b) The commission shall defend any member, officer, executive director, employee, and representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or as determined by the commission that the person against whom the claim is made had a reasonable basis for believing occurred

within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining their own counsel at their own expense; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(c) The commission shall indemnify and hold harmless any member, officer, executive director, employee, and representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

(d) Nothing herein shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

(e) Nothing in this compact shall be interpreted to waive or otherwise abrogate a member state's state action immunity or state action affirmative defense with respect to antitrust claims under the Sherman act, Clayton act, or any other state or federal antitrust or anticompetitive law or regulation.

(f) Nothing in this compact shall be construed to be a waiver of sovereign immunity by the member states or by the commission.

ARTICLE 10
DATA SYSTEM

(1) The commission shall provide for the development, maintenance, operation, and utilization of a coordinated database and reporting system.

(2) The commission shall assign each applicant for a multistate license a unique identifier, as determined by the rules of the commission.

(3) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this compact is applicable as required by the rules of the commission, including:

(a) Identifying information;

(b) Licensure data;

(c) Adverse actions against a license and information related thereto;

(d) Nonconfidential information related to alternative program participation, the beginning and ending dates of such participation, and other information related to such participation;

(e) Any denial of application for licensure, and the reason(s) for such denial (excluding the reporting of any criminal history record information where prohibited by law);

(f) The existence of investigative information;

(g) The existence of current significant investigative information; and

(h) Other information that may facilitate the administration of this compact or the protection of the public, as determined by the rules of the commission.

(4) The records and information provided to a member state pursuant to this compact or through the data system, when certified by the commission or an agent thereof, shall constitute the authenticated business records of the commission, and shall be entitled to any associated hearsay exception in any relevant judicial, quasi-judicial, or administrative proceedings in a member state.

(5) The existence of current significant investigative information and the existence of investigative information pertaining to a licensee in any member state will only be available to other member states.

(6) It is the responsibility of the member states to monitor the database to determine whether adverse action has been taken against such a licensee or license applicant. Adverse action information pertaining to a licensee or license applicant in any member state will be available to any other member state.

(7) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(8) Any information submitted to the data system that is subsequently expunged pursuant to federal law or the laws of the member state contributing the information shall be removed from the data system.

ARTICLE 11
RULE MAKING

(1) The commission shall promulgate reasonable rules in order to effectively and efficiently implement and administer the purposes and provisions of this compact. A rule shall be invalid and have no force or effect only if a court of competent jurisdiction holds that the rule is invalid because the commission exercised its rule-making authority in a manner that is beyond the scope and purposes of the compact, or the powers granted hereunder, or based upon another applicable standard of review.

(2) The rules of the commission shall have the force of law in each member state, provided however that where the rules of the commission conflict with the laws of the member state that establish the member state's scope of practice laws governing the practice of cosmetology as held by a court of competent jurisdiction, the rules of the commission shall be ineffective in that state to the extent of the conflict.

(3) The commission shall exercise its rule-making powers pursuant to the criteria set forth in this Article and the rules adopted thereunder. Rules shall become binding as of the date specified by the commission for each rule.

(4) If a majority of the legislatures of the member states rejects a rule or portion of a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, then such rule shall

have no further force and effect in any member state or to any state applying to participate in the compact.

(5) Rules shall be adopted at a regular or special meeting of the commission.

(6) Prior to adoption of a proposed rule, the commission shall hold a public hearing and allow persons to provide oral and written comments, data, facts, opinions, and arguments.

(7) Prior to adoption of a proposed rule by the commission, and at least 30 days in advance of the meeting at which the commission will hold a public hearing on the proposed rule, the commission shall provide a notice of proposed rule making:

(a) On the website of the commission or other publicly accessible platform;

(b) To persons who have requested notice of the commission's notices of proposed rule making; and

(c) In such other way(s) as the commission may by rule specify.

(8) The notice of proposed rule making shall include:

(a) The time, date, and location of the public hearing at which the commission will hear public comments on the proposed rule and, if different, the time, date, and location of the meeting where the commission will consider and vote on the proposed rule;

(b) If the hearing is held via telecommunication, videoconference, or other electronic means, the commission shall include the mechanism for access to the hearing in the notice of proposed rule making;

(c) The text of the proposed rule and the reason therefor;

(d) A request for comments on the proposed rule from any interested person; and

(e) The manner in which interested persons may submit written comments.

(9) All hearings will be recorded. A copy of the recording and all written comments and documents received by the commission in response to the proposed rule shall be available to the public.

(10) Nothing in this Article shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this Article.

(11) The commission shall, by majority vote of all members, take final action on the proposed rule based on the rule-making record and the full text of the rule.

(a) The commission may adopt changes to the proposed rule provided the changes do not enlarge the original purpose of the proposed rule.

(b) The commission shall provide an explanation of the reasons for substantive changes made to the proposed rule as well as reasons for substantive changes not made that were recommended by commenters.

(c) The commission shall determine a reasonable effective date for the rule. Except for an emergency as provided in Article 11(12) of this compact, the effective date of the rule shall be no sooner than 45 days after the commission issuing the notice that it adopted or amended the rule.

(12) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule with five days' notice, with opportunity to comment, provided that the usual rule-making procedures provided in the compact and in this Article shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately to:

(a) Meet an imminent threat to public health, safety, or welfare;

(b) Prevent a loss of commission or member state funds;

(c) Meet a deadline for the promulgation of a rule that is established by federal law or rule; or

(d) Protect public health and safety.

(13) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

(14) No member state's rule-making requirements shall apply under this compact.

ARTICLE 12
OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(1) Oversight.

(a) The executive and judicial branches of state government in each member state shall enforce this compact and take all actions necessary and appropriate to implement the compact.

(b) Venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings. Nothing herein shall affect or limit the selection or propriety of venue in any action against a licensee for professional malpractice, misconduct, or any such similar matter.

(c) The commission shall be entitled to receive service of process in any proceeding regarding the enforcement or interpretation of the compact and shall have standing to intervene in such a proceeding for all purposes. Failure to provide the commission service of process shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(2) Default, technical assistance, and termination.

(a) If the commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall provide written notice to the defaulting state. The notice of default shall describe the default, the proposed means of curing the default, and any other action that the commission may take, and shall offer training and specific technical assistance regarding the default.

(b) The commission shall provide a copy of the notice of default to the other member states.

(c) If a state in default fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the delegates of the member states, and all rights, privileges, and benefits conferred on that state by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(d) Termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, the defaulting state's state licensing authority, and each of the member states' state licensing authority.

(e) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(f) Upon the termination of a state's membership from this compact, that state shall immediately provide notice to all licensees who hold a multistate license within that state of such termination. The terminated state shall continue to recognize all licenses granted pursuant to this compact for a minimum of 180 days after the date of said notice of termination.

(g) The commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the compact, unless agreed upon in writing between the commission and the defaulting state.

(h) The defaulting state may appeal the action of the commission by petitioning the United States district court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees.

(3) Dispute resolution.

(a) Upon request by a member state, the commission shall attempt to resolve disputes related to the compact that arise among member states and between member and nonmember states.

(b) The commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(4) Enforcement.

(a) The commission, in the reasonable exercise of its discretion, shall enforce the provisions of this compact and the commission's rules.

(b) By majority vote as provided by commission rule, the commission may initiate legal action against a member state in default in the United States district court for the District of Columbia or the federal district where the commission has its principal offices to enforce compliance with the provisions of the compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees. The remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or the defaulting member state's law.

(c) A member state may initiate legal action against the commission in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices to enforce compliance with the provisions of the compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees.

(d) No individual or entity other than a member state may enforce this compact against the commission.

ARTICLE 13
EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT

(1) The compact shall come into effect on the date on which the compact statute is enacted into law in the seventh member state.

(a) On or after the effective date of the compact, the commission shall convene and review the enactment of each of the charter member states to determine if the statute enacted by each such charter member state is materially different than the model compact statute.

(i) A charter member state whose enactment is found to be materially different from the model compact statute shall be entitled to the default process set forth in Article 12 of this compact.

(ii) If any member state is later found to be in default, or is terminated or withdraws from the compact, the commission shall remain in existence and the compact shall remain in effect even if the number of member states should be less than seven.

(b) Member states enacting the compact subsequent to the charter member states shall be subject to the process set forth in Article 9(3)(x) of this compact to determine if their enactments are materially different from the model compact statute and whether they qualify for participation in the compact.

(c) All actions taken for the benefit of the commission or in furtherance of the purposes of the administration of the compact prior to the effective date of the compact or the commission coming into existence shall be considered to be actions of the commission unless specifically repudiated by the commission.

(d) Any state that joins the compact shall be subject to the commission's rules and bylaws as they exist on the date on which the compact becomes law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(2) Any member state may withdraw from this compact by enacting a statute repealing that state's enactment of the compact.

(a) A member state's withdrawal shall not take effect until 180 days after enactment of the repealing statute.

(b) Withdrawal shall not affect the continuing requirement of the withdrawing state's state licensing authority to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(c) Upon the enactment of a statute withdrawing from this compact, a state shall immediately provide notice of such withdrawal to all licensees within that state. Notwithstanding any subsequent statutory enactment to the contrary, such withdrawing state shall continue to recognize all licenses granted pursuant to this compact for a minimum of 180 days after the date of such notice of withdrawal.

(3) Nothing contained in this compact shall be construed to invalidate or prevent any licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this compact.

(4) This compact may be amended by the member states. No amendment to this compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

ARTICLE 14
CONSTRUCTION AND SEVERABILITY

(1) This compact and the commission's rule-making authority shall be liberally construed so as to effectuate the purposes and the implementation and administration of the compact. Provisions of the compact expressly authorizing or requiring the promulgation of rules shall not be construed to limit the commission's rule-making authority solely for those purposes.

(2) The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is held by a court of competent jurisdiction to be contrary to the Constitution of any member state, a state seeking participation in the compact, or of the United States, or the applicability thereof to any government, agency, person, or circumstance is held to be unconstitutional by a court of competent jurisdiction, the validity of the remainder of this compact and the applicability thereof to any other government, agency, person, or circumstance shall not be affected thereby.

(3) Notwithstanding subsection (2) of this Article, the commission may deny a state's participation in the compact or, in accordance with the requirements of Article 12 of this compact, terminate a member state's participation in the compact, if it determines that a constitutional requirement of a member state is a material departure from the compact. Otherwise, if this compact shall be held to be contrary to the Constitution of any member state, the compact shall remain in full force and effect as to the remaining member states and in full force and effect as to the member state affected as to all severable matters.

ARTICLE 15
CONSISTENT EFFECT AND CONFLICT WITH OTHER STATE LAWS

(1) Nothing herein shall prevent or inhibit the enforcement of any other law of a member state that is not inconsistent with the compact.

(2) Any laws, statutes, regulations, or other legal requirements in a member state in conflict with the compact are superseded to the extent of the conflict.

(3) All permissible agreements between the commission and the member states are binding in accordance with their terms.

NEW SECTION. **Sec. 2.** Section 1 of this act may be known and cited as the cosmetology licensure compact.

NEW SECTION. **Sec. 3.** A new section is added to chapter 18.16 RCW to read as follows:

In administering and managing Washington single-state cosmetology licenses in accordance with chapter 18.16 RCW and multistate licenses under the cosmetology licensure compact as described in section 1 of this act, the department shall track and manage revenues and costs generated by each license separately.

For purposes of RCW 43.24.086, the Washington single-state cosmetology licensing program under this chapter and multistate cosmetology licensing program under section 1 of this act must be considered separate professional licensing programs.

NEW SECTION. **Sec. 4.** A new section is added to chapter 18.16 RCW to read as follows:

(1) By enacting the cosmetology licensure compact in section 1 of this act, Washington state hereby adopts the compact as of the effective date of the section.

(2) This compact only applies to multistate licenses for the practice of cosmetology as defined in RCW 18.16.020.

Sec. 5. RCW 42.56.250 and 2023 c 458 s 1, 2023 c 361 s 15, and 2023 c 45 s 1 are each reenacted and amended to read as follows:

(1) The following employment and licensing information is exempt from public inspection and copying under this chapter:

(a) Test questions, scoring keys, and other examination data used to administer a

license, employment, or academic examination;

(b) All applications for public employment other than for vacancies in elective office, including the names of applicants, resumes, and other related materials submitted with respect to an applicant;

(c) Professional growth plans (PGPs) in educator license renewals submitted through the eCert system in the office of the superintendent of public instruction;

(d) The following information held by any public agency in personnel records, public employment related records, volunteer rosters, or included in any mailing list of employees or volunteers of any public agency: Residential addresses, residential telephone numbers, personal wireless telephone numbers, personal email addresses, social security numbers, driver's license numbers, identicard numbers, payroll deductions including the amount and identification of the deduction, and emergency contact information of employees or volunteers of a public agency, and the names, dates of birth, residential addresses, residential telephone numbers, personal wireless telephone numbers, personal email addresses, social security numbers, and emergency contact information of dependents of employees or volunteers of a public agency. For purposes of this subsection (1)(d), "employees" includes independent provider home care workers as defined in RCW 74.39A.240;

(e) Information that identifies a person who, while an agency employee: (i) Seeks advice, under an informal process established by the employing agency, in order to ascertain his or her rights in connection with a possible unfair practice under chapter 49.60 RCW against the person; and (ii) requests his or her identity or any identifying information not be disclosed;

(f) Investigative records compiled by an employing agency in connection with an investigation of a possible unfair practice under chapter 49.60 RCW or of a possible violation of other federal, state, or local laws or an employing agency's internal policies prohibiting discrimination or harassment in employment. Records are exempt in their entirety while the investigation is active and ongoing. After the agency has notified the complaining employee of the outcome of the investigation, the records may be disclosed only if the names of complainants, other accusers, and witnesses are redacted, unless a complainant, other accuser, or witness has consented to the disclosure of his or her name. The employing agency must inform a complainant, other accuser, or witness that his or her name will be redacted from the investigation records unless he or she consents to disclosure;

(g) Criminal history records checks for board staff finalist candidates conducted pursuant to RCW 43.33A.025;

(h) Photographs and month and year of birth in the personnel files of employees or volunteers of a public agency, including employees and workers of criminal justice agencies as defined in RCW 10.97.030. The news media, as defined in RCW 5.68.010(5), shall have access to the photographs and full date of birth. For the purposes of this subsection (1)(h), news media does not include any person or organization of persons in the custody of a criminal justice agency as defined in RCW 10.97.030;

(i)(i) Any employee's name or other personally identifying information, including but not limited to birthdate, job title, addresses of work stations and locations, work email address, work phone number, bargaining unit, or other similar information, maintained by an agency in personnel-related records or systems, or responsive to a request for a list of individuals subject to the commercial purpose prohibition under RCW 42.56.070(8), if the employee has provided:

(A) A sworn statement, signed under penalty of perjury and verified by the director of the employing agency or director's designee, that the employee or a dependent of the employee is a survivor of domestic violence as defined in RCW 10.99.020 or 7.105.010, sexual assault as defined in RCW 70.125.030 or sexual abuse as defined in RCW 7.105.010, stalking as described in RCW 9A.46.110 or defined in RCW 7.105.010, or harassment as described in RCW 9A.46.020 or defined in RCW 7.105.010, and notifying the agency as to why the employee has a reasonable basis to believe that the risk of domestic violence, sexual assault, sexual abuse, stalking, or harassment continues to exist. A sworn statement under this subsection expires after two years, but may be subsequently renewed by providing a new sworn statement to the employee's employing agency; or

(B) ((~~Provides proof~~))Proof to the employing agency of the employee's participation or the participation of a dependent in the address confidentiality program under chapter 40.24 RCW.

(ii) Any documentation maintained by an agency to administer this subsection (1)(i) is exempt from disclosure under this chapter and is confidential and may not be disclosed without consent of the employee who submitted the documentation. Agencies may provide information to their employees on how to submit a request to anonymize their work email address.

(iii) For purposes of this subsection (1)(i), "verified" means that the director of the employing agency or director's designee confirmed that the sworn statement identifies the alleged perpetrator or perpetrators by name and, if possible, image or likeness, or that the director or designee obtained from the employee a police report, protection order petition, or other documentation of allegations related to the domestic violence, sexual assault or abuse, stalking, or harassment.

(iv) The exemption in this subsection (1)(i) does not apply to public records requests from the news media as defined in RCW 5.68.010(5);

(j) The global positioning system data that would indicate the location of the residence of a public employee or volunteer using the global positioning system recording device;

(k) Information relating to a future voter, as provided in RCW 29A.08.725;

(l) Voluntarily submitted information collected and maintained by a state agency or higher education institution that identifies an individual state employee's personal demographic details. "Personal demographic details" means race or ethnicity, sexual orientation as defined by RCW 49.60.040((~~(27)~~)), immigration status, national origin, or status as a person with a disability. This exemption does not prevent the release of state employee demographic information in a deidentified or aggregate format; ((~~and~~))

(m) Benefit enrollment information collected and maintained by the health care authority through its authority as director of the public employees' benefits board and school employees' benefits board programs as authorized by chapter 41.05 RCW. This subsection (1)(m) does not prevent the release of benefit enrollment information in a deidentified or aggregate format. "Benefit enrollment information" means:

(i) Information listed in (d) of this subsection;

(ii) Personal demographic details as defined in (l) of this subsection;

(iii) Benefit elections;

(iv) Date of birth;

(v) Documents provided for verification of dependency, such as tax returns or marriage or birth certificates;

(vi) Marital status;

(vii) Primary language spoken;

(viii) Tobacco use status; and

(ix) Tribal affiliation; and

(n) Information contributed by the department of licensing to the data system or shared with the cosmetology licensure compact commission, or member states described in the cosmetology licensure compact pursuant to section 1 of this act.

(2) Upon receipt of a request for information located exclusively in an employee's personnel, payroll, supervisor, or training file, the agency must provide notice to the employee, to any union representing the employee, and to the requestor. The notice must state:

(a) The date of the request;

(b) The nature of the requested record relating to the employee;

(c) That the agency will release any information in the record which is not exempt from the disclosure requirements of this chapter at least ten days from the date the notice is made; and

(d) That the employee may seek to enjoin release of the records under RCW 42.56.540.

NEW SECTION. **Sec. 6.** This act takes effect June 1, 2028."

On page 1, line 1 of the title, after "compact;" strike the remainder of the title and insert "reenacting and amending RCW 42.56.250; adding new sections to chapter 18.16 RCW; creating a new section; and providing an effective date."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1023 and advanced the bill, as amended by the Senate, to final passage.

Representatives Ryu and Ybarra spoke in favor of the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1023, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1023, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 95; Nays, 0; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Abell, Barkis, Barnard, Berg, Bergquist, Bernbaum, Berry, Bronoske, Burnett, Caldier, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dufault, Dye, Engell, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Griffey, Hackney, Hill, Hunt, Jacobsen, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Ley, Low, Macri, Manjarrez, Marshall, McClintock, McEntire, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Ryu, Salahuddin, Santos, Schmick, Schmidt, Scott, Shavers, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Walsh, Waters, Wylie, Ybarra, Zahn and Mme. Speaker

Excused: Representatives Mendoza, Rule and Volz

SUBSTITUTE HOUSE BILL NO. 1023, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Wednesday, March 26, 2025

Mme. Speaker:

The Senate has passed HOUSE BILL NO. 1039, with the following amendment(s): 1039 AMS LGV S2328.1

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature is providing a clear statement of the authority for a city and tribal government to mutually agree to contract for urban governmental services beyond the urban growth boundary of the city to tribal lands with urban development and be in compliance with the provisions of the growth management act.

Sec. 2. RCW 36.70A.110 and 2024 c 26 s 1 are each amended to read as follows:

(1) Each county that is required or chooses to plan under RCW 36.70A.040 shall designate an urban growth area or areas within which urban growth shall be encouraged and outside of which growth can occur only if it is not urban in nature. Each city that is located in such a county shall be included within an urban growth area. An urban growth area may include more than a single city. An urban growth area may

include territory that is located outside of a city only if such territory already is characterized by urban growth whether or not the urban growth area includes a city, or is adjacent to territory already characterized by urban growth, or is a designated new fully contained community as defined by RCW 36.70A.350. When a federally recognized Indian tribe whose reservation or ceded lands lie within the county or city has voluntarily chosen to participate in the planning process pursuant to RCW 36.70A.040, the county or city and the tribe shall coordinate their planning efforts for any areas planned for urban growth consistent with the terms outlined in the memorandum of agreement provided for in RCW 36.70A.040(8).

(2) Based upon the growth management population projection made for the county by the office of financial management, the county and each city within the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty-year period, except for those urban growth areas contained totally within a national historical reserve. As part of this planning process, each city within the county must include areas sufficient to accommodate the broad range of needs and uses that will accompany the projected urban growth including, as appropriate, medical, governmental, institutional, commercial, service, retail, and other nonresidential uses.

Each urban growth area shall permit urban densities and shall include greenbelt and open space areas. In the case of urban growth areas contained totally within a national historical reserve, the city may restrict densities, intensities, and forms of urban growth as determined to be necessary and appropriate to protect the physical, cultural, or historic integrity of the reserve. An urban growth area determination may include a reasonable land market supply factor and shall permit a range of urban densities and uses. In determining this market factor, cities and counties may consider local circumstances. Cities and counties have discretion in their comprehensive plans to make many choices about accommodating growth.

Within one year of July 1, 1990, each county that as of June 1, 1991, was required or chose to plan under RCW 36.70A.040, shall begin consulting with each city located within its boundaries and each city shall propose the location of an urban growth area. Within sixty days of the date the county legislative authority of a county adopts its resolution of intention or of certification by the office of financial management, all other counties that are required or choose to plan under RCW 36.70A.040 shall begin this consultation with each city located within its boundaries. The county shall attempt to reach agreement with each city on the location of an urban growth area within which the city is located. If such an agreement is not reached with each city located within the urban growth area, the county shall justify in writing why it so designated the area an urban growth area. A city may object formally with the department over the designation of the urban growth area within which it is located. Where appropriate, the department shall attempt to resolve the conflicts, including the use of mediation services.

(3) Urban growth should be located first in areas already characterized by urban growth that have adequate existing public facility and service capacities to serve such development, second in areas already characterized by urban growth that will be served adequately by a combination of both existing public facilities and services and any additional needed public facilities and services that are provided by either public or private sources, and third in the remaining portions of the urban growth areas. Urban growth may also be located in designated new fully contained communities as defined by RCW 36.70A.350.

(4) In general, cities are the units of local government most appropriate to provide urban governmental services. In general, it is not appropriate that urban governmental services be extended to or expanded in rural areas except in those limited circumstances shown to be necessary to protect basic public health and safety and the environment and when such services are financially supportable at rural densities and do not permit urban development and as authorized in section 3 of this act.

(5) On or before October 1, 1993, each county that was initially required to plan under RCW 36.70A.040(1) shall adopt development regulations designating interim urban growth areas under this chapter. Within three years and three months of the date the county legislative authority of a county adopts its resolution of intention or of certification by the office of financial management, all other counties that are required or choose to plan under RCW 36.70A.040 shall adopt development regulations designating interim urban growth areas under this chapter. Adoption of the interim urban growth areas may only occur after public notice; public hearing; and compliance with the state environmental policy act, chapter 43.21C RCW, and under this section. Such action may be appealed to the growth management hearings board under RCW 36.70A.280. Final urban growth areas shall be adopted at the time of comprehensive plan adoption under this chapter.

(6) Each county shall include designations of urban growth areas in its comprehensive plan.

(7) An urban growth area designated in accordance with this section may include within its boundaries urban service areas or potential annexation areas designated for specific cities or towns within the county.

(8) If, during the county's annual review under RCW 36.70A.130(2)(a), the county determines revision of the urban growth area is not required to accommodate the population projection for the county made by the office of financial management for the succeeding 20-year period, but does determine that patterns of development have created pressure for development in areas exceeding the amount of available developable lands within the urban growth area, then the county may revise the urban

growth area or areas based on identified patterns of development and likely future development pressure if the following requirements are met:

(a) The revised urban growth area would not result in a net increase in the total acreage or development capacity of the urban growth area or areas;

(b) The areas added to the urban growth area are not designated by the county as agricultural, forest, or mineral resource lands of long-term commercial significance;

(c) If the areas added to the urban growth area have previously been designated as agricultural, forest, or mineral resource lands of long-term commercial significance, either an equivalent amount of agricultural, forest, or mineral resource lands of long-term commercial significance must be added to the area outside of the urban growth area, or the county must wait a minimum of two years before another swap may occur;

(d) Less than 15 percent of the areas added to the urban growth area are critical areas other than critical aquifer recharge areas. Critical aquifer recharge areas must have been previously designated by the county and be maintained per county development regulations within the expanded urban growth area and the revised urban growth area must not result in a net increase in critical aquifer recharge areas within the urban growth area;

(e) The areas added to the urban growth areas are suitable for urban growth;

(f) The transportation element and capital facility plan element of the county's comprehensive plan have identified the transportation facilities and public facilities and services needed to serve the urban growth area and the funding to provide the transportation facilities and public facilities and services;

(g) The areas removed from the urban growth area are not characterized by urban growth or urban densities;

(h) The revised urban growth area is contiguous, does not include holes or gaps, and will not increase pressures to urbanize rural or natural resource lands;

(i) The county's proposed urban growth area revision has been reviewed according to the process and procedure in the countywide planning policies adopted and approved according to RCW 36.70A.210; and

(j) The revised urban growth area meets all other requirements of this section.

(9)(a) At the earliest possible date prior to the revision of the county's urban growth area authorized under subsection (8) of this section, the county must engage in meaningful consultation with any federally recognized Indian tribe that may be potentially affected by the proposed revision. Meaningful consultation must include discussion of the potential impacts to cultural resources and tribal treaty rights.

(b) A county must notify the affected federally recognized Indian tribe of the proposed revision using at least two methods, including by mail. Upon receiving a notice, the federally recognized Indian tribe may request a consultation to determine whether an agreement can be reached related to the revision of the county's urban growth area. If an agreement is not reached, the parties must enter mediation pursuant to RCW 36.70A.040.

(10)(a) Except as provided in (b) of this subsection, the expansion of an urban growth area is prohibited into the one hundred year floodplain of any river or river segment that: (i) Is located west of the crest of the Cascade mountains; and (ii) has a mean annual flow of one thousand or more cubic feet per second as determined by the department of ecology.

(b) Subsection (10)(a) of this section does not apply to:

(i) Urban growth areas that are fully contained within a floodplain and lack adjacent buildable areas outside the floodplain;

(ii) Urban growth areas where expansions are precluded outside floodplains because:

(A) Urban governmental services cannot be physically provided to serve areas outside the floodplain; or

(B) Expansions outside the floodplain would require a river or estuary crossing to access the expansion; or

(iii) Urban growth area expansions where:

(A) Public facilities already exist within the floodplain and the expansion of an existing public facility is only possible on the land to be included in the urban growth area and located within the floodplain; or

(B) Urban development already exists within a floodplain as of July 26, 2009, and is adjacent to, but outside of, the urban growth area, and the expansion of the urban growth area is necessary to include such urban development within the urban growth area; or

(C) The land is owned by a jurisdiction planning under this chapter or the rights to the development of the land have been permanently extinguished, and the following criteria are met:

(I) The permissible use of the land is limited to one of the following: Outdoor recreation; environmentally beneficial projects, including but not limited to habitat enhancement or environmental restoration; stormwater facilities; flood control facilities; or underground conveyances; and

(II) The development and use of such facilities or projects will not decrease flood storage, increase stormwater runoff, discharge pollutants to fresh or salt waters during normal operations or floods, or increase hazards to people and property.

(c) For the purposes of this subsection (10), "one hundred year floodplain" means the same as "special flood hazard area" as set forth in WAC 173-158-040 as it exists on July 26, 2009.

(11) If a county, city, or utility has adopted a capital facility plan or utilities element to provide sewer service within the urban growth areas during the twenty-year planning period, nothing in this chapter obligates counties, cities, or utilities to install sanitary sewer systems to properties within urban growth areas designated under subsection (2) of this section by the end of the twenty-year planning period when those properties:

(a)(i) Have existing, functioning, nonpolluting on-site sewage systems;

(ii) Have a periodic inspection program by a public agency to verify the on-site sewage systems function properly and do not pollute surface or groundwater; and

(iii) Have no redevelopment capacity; or

(b) Do not require sewer service because development densities are limited due to wetlands, floodplains, fish and wildlife habitats, or geological hazards.

NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A RCW to read as follows:

A federally recognized Indian tribe and a city may agree by December 31, 2028, to extend urban governmental services beyond the city and urban growth areas to property within the jurisdiction of the federally recognized Indian tribe that abuts the boundaries of the city."

On page 1, line 2 of the title, after "lands;" strike the remainder of the title and insert "amending RCW 36.70A.110; adding a new section to chapter 36.70A RCW; and creating a new section."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to HOUSE BILL NO. 1039 and advanced the bill, as amended by the Senate, to final passage.

Representatives Abbarno and Duerr spoke in favor of the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of House Bill No. 1039, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of House Bill No. 1039, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 95; Nays, 0; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Abell, Barkis, Barnard, Berg, Bergquist, Bernbaum, Berry, Bronoske, Burnett, Caldier, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dufault, Dye, Engell, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Griffey, Hackney, Hill, Hunt, Jacobsen, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Ley, Low, Macri, Manjarrez, Marshall, McClintock, McEntire, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Ryu, Salahuddin, Santos, Schmick, Schmidt, Scott, Shavers, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Walsh, Waters, Wylie, Ybarra, Zahn and Mme. Speaker

Excused: Representatives Mendoza, Rule and Volz

HOUSE BILL NO. 1039, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Monday, April 7, 2025

Mme. Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 1079, with the following amendment(s): 1079-S AMS WELL S2655.1

On page 2, line 31, after "section" strike all material through "administration" on line 33 and insert ":

(a) "Device" means any electronic equipment, including computers, tablets, and smartphones, used for test administration; and

(b) "Statewide assessments" and "statewide academic assessments" means the general and alternate academic achievement assessments administered statewide for English language arts, mathematics, and science"

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1079 and advanced the bill, as amended by the Senate, to final passage.

Representatives Ortiz-Self and Rude spoke in favor of the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1079, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1079, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 95; Nays, 0; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Abell, Barkis, Barnard, Berg, Bergquist, Bernbaum, Berry, Bronoske, Burnett, Caldier, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dufault, Dye, Engell, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Griffey, Hackney, Hill, Hunt, Jacobsen, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Ley, Low, Macri, Manjarrez, Marshall, McClintock, McEntire, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Ryu, Salahuddin, Santos, Schmick, Schmidt, Scott, Shavers, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Walsh, Waters, Wylie, Ybarra, Zahn and Mme. Speaker

Excused: Representatives Mendoza, Rule and Volz

SUBSTITUTE HOUSE BILL NO. 1079, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Wednesday, April 16, 2025

Mme. Speaker:

The Senate has passed ENGROSSED HOUSE BILL NO. 1106, with the following amendment(s): 1106.E AMS WM S2850.1

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 84.36.381 and 2023 c 147 s 1 are each amended to read as follows:

A person is exempt from any legal obligation to pay all or a portion of the amount of excess and regular real property taxes due and payable in the year following the year in which a claim is filed, and thereafter, in accordance with the following:

(1)(a) The property taxes must have been imposed upon a residence which was occupied by the person claiming the exemption as a principal place of residence as of the time of filing. However, any person who sells, transfers, or is displaced from his or her residence may transfer his or her exemption status to a replacement residence, but no claimant may receive an exemption on more than one residence in any year. Moreover, confinement of the person to a hospital, nursing home, assisted living facility, adult family home, or home of a relative for the purpose of long-term care does not disqualify the claim of exemption if:

(i) The residence is temporarily unoccupied;

(ii) The residence is occupied by a spouse or a domestic partner and/or a person financially dependent on the claimant for support; or

(iii) The residence is rented for the purpose of paying nursing home, hospital, assisted living facility, or adult family home costs.

(b) For the purpose of this subsection (1), "relative" means any individual related to the claimant by blood, marriage, or adoption;

(2) The person claiming the exemption must have owned, at the time of filing, in fee, as a life estate, or by contract purchase, the residence on which the property taxes have been imposed or if the person claiming the exemption lives in a cooperative housing association, corporation, or partnership, such person must own a share therein representing the unit or portion of the structure in which he or she resides. For purposes of this subsection, a residence owned by a marital community or state registered domestic partnership or owned by cotenants is deemed to be owned by each spouse or each domestic partner or each cotenant, and any lease for life is deemed a life estate;

(3)(a) The person claiming the exemption must be:

(i) Sixty-one years of age or older on December 31st of the year in which the exemption claim is filed, or must have been, at the time of filing, retired from regular gainful employment by reason of disability; or

(ii) A veteran of the armed forces of the United States entitled to and receiving compensation from the United States department of veterans affairs at:

(A) A combined service-connected evaluation rating of ((~~80~~))40 percent or higher; or

(B) A total disability rating for a service-connected disability without regard to evaluation percent.

(b) However, any surviving spouse or surviving domestic partner of a person who was receiving an exemption at the time of the person's death will qualify if the surviving spouse or surviving domestic partner is 57 years of age or older and otherwise meets the requirements of this section;

(4)(a) The amount that the person is exempt from an obligation to pay is calculated on the basis of combined disposable income, as defined in RCW 84.36.383.

(b) If the person claiming the exemption was retired for two months or more of the assessment year, the combined disposable income of such person must be calculated by multiplying the average monthly combined disposable income of such person during the months such person was retired by 12.

(c) If the income of the person claiming exemption is reduced for two or more months of the assessment year by reason of the death of the person's spouse or the person's domestic partner, or when other substantial changes occur in disposable income that are likely to continue for an indefinite period of time, the combined disposable income of such person must be calculated by multiplying the average monthly combined disposable income of such person after such occurrences by 12.

(d)(i) If the income of the person claiming the exemption increases as a result of a cost-of-living adjustment to social security benefits or supplemental security income in an amount that would disqualify the applicant from eligibility, the applicant is not disqualified but instead maintains eligibility.

(ii) The continued eligibility under this subsection applies to applications for property taxes levied for collection in calendar year 2024.

(e) If it is necessary to estimate income to comply with this subsection (4), the assessor may require confirming documentation of such income prior to May 31st of the year following application;

(5)(a) A person who otherwise qualifies under this section and has a combined disposable income equal to or less than income threshold 3 is exempt from all excess property taxes, the additional state property tax imposed under RCW 84.52.065(2), and the portion of the regular property taxes authorized pursuant to RCW 84.55.050 and approved by the voters, if the legislative authority of the county or city imposing the additional regular property taxes identified this exemption in the ordinance placing the RCW 84.55.050 measure on the ballot; and

(b)(i) A person who otherwise qualifies under this section and has a combined disposable income equal to or less than income threshold 2 but greater than income threshold 1 is exempt from all regular property taxes on the greater of $50,000 or 35 percent of the valuation of his or her residence, but not to exceed $70,000 of the valuation of his or her residence; or

(ii) A person who otherwise qualifies under this section and has a combined disposable income equal to or less than income threshold 1 is exempt from all regular property taxes on the greater of $60,000 or 60 percent of the valuation of his or her residence;

(6)(a) For a person who otherwise qualifies under this section and has a combined disposable income equal to or less than income threshold 3, the valuation of the residence is the assessed value of the residence on the later of January 1, 1995, or January 1st of the assessment year the person first qualifies under this section. If the person subsequently fails to qualify under this section only for one year because of high income, this same valuation must be used upon requalification. If the person fails to qualify for more than one year in succession because of high income or fails to qualify for any other reason, the valuation upon requalification is the assessed value on January 1st of the assessment year in which the person requalifies. If the person transfers the exemption under this section to a different residence, the valuation of the different residence is the assessed value of the different residence on January 1st of the assessment year in which the person transfers the exemption.

(b) In no event may the valuation under this subsection be greater than the true and fair value of the residence on January 1st of the assessment year.

(c) This subsection does not apply to subsequent improvements to the property in the year in which the improvements are made. Subsequent improvements to the property must be added to the value otherwise determined under this subsection at their true and fair value in the year in which they are made.

NEW SECTION. **Sec. 2.** RCW 82.32.805 and 82.32.808 do not apply to this act.

NEW SECTION. **Sec. 3.** This act applies to taxes levied for collection in 2027 and thereafter."

On page 1, line 4 of the title, after "relief;" strike the remainder of the title and insert "amending RCW 84.36.381; and creating new sections."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED HOUSE BILL NO. 1106 and advanced the bill, as amended by the Senate, to final passage.

Representatives Barnard and Leavitt spoke in favor of the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 1106, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 1106, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 95; Nays, 0; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Abell, Barkis, Barnard, Berg, Bergquist, Bernbaum, Berry, Bronoske, Burnett, Caldier, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dufault, Dye, Engell, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Griffey, Hackney, Hill, Hunt, Jacobsen, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Ley, Low, Macri, Manjarrez, Marshall, McClintock, McEntire, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Ryu, Salahuddin, Santos, Schmick, Schmidt, Scott, Shavers, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Walsh, Waters, Wylie, Ybarra, Zahn and Mme. Speaker

Excused: Representatives Mendoza, Rule and Volz

ENGROSSED HOUSE BILL NO. 1106, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Tuesday, April 15, 2025

Mme. Speaker:

The Senate has passed ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1213, with the following amendment(s): 1213-S2.E AMS WM S2844.2

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 50A.05.020 and 2019 c 13 s 30 are each amended to read as follows:

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

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

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

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

(5) The department shall develop and implement an outreach program to ensure that employees who may be qualified to receive

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

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

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

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

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

(a) Projected and actual program participation;

(b) Premium rates;

(c) Fund balances;

(d) Benefits paid;

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

(f) Costs of providing benefits;

(g) Elective coverage participation;

(h) Voluntary plan participation;

(i) Outreach efforts; and

(j) Small business assistance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The maximum duration of paid medical leave may not exceed ((~~twelve~~))12 times the typical workweek hours during a period of ((~~fifty-two~~))52 consecutive calendar weeks. This leave may be extended an additional two times the typical workweek hours if the employee experiences a serious health condition with a pregnancy that results in incapacity.

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

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

use family leave during the postnatal period.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The sick leave an employee is entitled to under RCW 49.46.210 is in

addition to the employer's provided benefits and is in addition to any family or medical leave benefits.

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

(d) The employer has agreed to make all required payroll deductions, including that:

(i) In the case of plan termination or withdrawal, the employer must remit to the department all required moneys under RCW 50A.30.045 and 50A.30.065(3); and

(ii) If the employer has an approved voluntary plan for either medical leave or family leave but not both, the employer is still obligated to remit to the department premiums owed to the state plan for the portions not covered by the employer's approved voluntary plan.

(e) The plan will be in effect for a period of not less than one year and, thereafter, continuously unless the commissioner finds that the employer has given notice of withdrawal from the plan in a manner specified by the commissioner in rule. The plan may be withdrawn by the employer on the date of any law increasing the benefit amounts or the date of any change in the rate of employee premiums, if notice of the withdrawal from the plan is transmitted to the commissioner not less than ((~~thirty~~))30 days prior to the date of that law or change. If the plan is not withdrawn, it must be amended to conform to provide the increased benefit amount or change in the rate of the employee's premium on the date of the increase or change.

(f) The amount of payroll deductions from the wages of an employee in effect for any voluntary plan may not exceed the maximum payroll deduction for that employee as authorized under RCW 50A.10.030. The deductions may not be increased on other than an anniversary of the effective date of the plan, except to the extent that any increase in the deductions from the wages of an employee do not exceed the maximum rate authorized under the state program.

(g) The voluntary plan provides that an employee of an employer with a voluntary plan for either family leave or medical leave, or both, is eligible for the plan benefits if the employee meets the requirements of RCW 50A.15.010 and has worked at least ((~~three hundred forty~~))340 hours for the employer during the ((~~twelve~~))12 months immediately preceding the date leave will commence.

(h) The voluntary plan provides that an employee of an employer with a voluntary plan for either family leave or medical leave, or both, who takes leave under the voluntary plan is entitled to ((~~the~~)) employment protection ((~~provisions~~))in accordance with the requirements contained in RCW 50A.35.010 ((~~if the employee has worked for the employer for at least nine months and nine hundred sixty-five hours during the twelve months immediately preceding the date leave will commence~~)).

(i) The voluntary plan provides that the employer maintains the employee's existing health benefits as provided under RCW 50A.35.020.

(6)(a) The department must conduct a review of the expenses incurred in association with the administration of the voluntary plans during the first three years after implementation and report its findings to the legislature.

(b) The review must include an analysis of the adequacy of the fee in subsection (1) of this section to cover the department's administrative expenses related to reviewing and approving or denying the applications and administering appeals related to voluntary plans. The review must include an estimate of the next year's projected administrative costs related to the voluntary plans. The legislature shall adjust the fee in subsection (1) of this section as needed to ensure the department's administrative expenses related to the voluntary plans are covered by the fee.

(c) If the current receipts from the fee in subsection (1) of this section are inadequate to cover the department's administrative expenses related to the voluntary plans, the department may use funds from the family and medical leave insurance account under RCW 50A.05.070 to pay for these expenses.

Sec. 8. RCW 50A.24.010 and 2019 c 13 s 36 are each amended to read as follows:

(1) The legislature recognizes that while family leave and medical leave benefit both employees and employers, there may be costs that disproportionately impact small businesses. To equitably balance the risks among employers, the legislature intends to assist small businesses with the costs of an employee's use of family or medical leave as provided in this chapter.

(2) Employers with ((~~one hundred fifty or fewer~~))50 to 150 employees ((~~and employers with fifty or fewer employees who are assessed all premiums under RCW 50A.10.030(5)(b)~~)) may apply to the department for ((~~a grant~~))grants under this section, subject to the requirements of this section.

(3)(a) An employer may receive a grant of three thousand dollars if the employer hires a temporary worker to replace an employee on family or medical leave for a period of seven days or more.

(b) For an employee's family or medical leave, an employer may receive a grant of up to one thousand dollars as reimbursement for significant additional wage-related costs due to the employee's leave.

(c) An employer may receive a grant under (a) or (b) of this subsection, but not both, except that an employer who received a grant under (b) of this subsection may receive a grant of the difference between the grant awarded under (b) of this subsection and three thousand dollars if the employee on leave extended the leave beyond the leave initially planned and the employer hired a temporary worker for the employee on leave.

(4) An employer may ((~~apply for~~))receive a grant under this section no more than ten times per calendar year and no more than once for each employee on leave.

(5) To be eligible for a grant, the employer must provide the department written documentation showing the temporary worker hired or significant wage-related costs

incurred are due to an employee's use of family or medical leave.

(6) ((~~The department must assess an employer with fewer than fifty employees who receives a grant under this section for all premiums for three years from the date of receipt of a grant.~~

~~(7) The grants under this section shall be funded from the family and medical leave insurance account.~~

~~(8) The commissioner shall adopt rules as necessary to implement this section.~~

~~(9)~~)) For the purposes of this section, the number of employees must be calculated as provided in RCW 50A.10.030.

((~~(10)~~))(7) An employer who has an approved voluntary plan is not eligible to receive a grant under this section.

NEW SECTION. **Sec. 9.** A new section is added to chapter 50A.24 RCW to read as follows:

(1) Employers with fewer than 50 employees may apply to the department for grants under this section, subject to the requirements of this section.

(2)(a) An employer may receive a grant of $3,000 if the employer hires a temporary worker to replace an employee on family or medical leave for a period of seven days or more, or if the employer incurs significant additional wage-related costs due to the employee's leave. To be eligible for a grant, the employer must provide the department a written statement attesting that the employer hired a temporary worker or incurred other significant wage-related costs due to an employee's use of family or medical leave.

(b) An employer may receive a grant under this subsection no more than 10 times per calendar year and no more than once for each employee on leave.

(3) The department must assess any employer who receives a grant under this section for all premiums for three years from the date of receipt of a grant.

(4) For the purposes of this section, the number of employees must be calculated as provided in RCW 50A.10.030.

(5) An employer who has an approved voluntary plan is not eligible to receive a grant under this section.

NEW SECTION. **Sec. 10.** A new section is added to chapter 50A.24 RCW to read as follows:

(1) The grants under this chapter must be funded from the family and medical leave insurance account.

(2) An application for a grant under this chapter must be submitted no later than 12 months after the employee's first day of leave under this title. A third-party administrator or other agent authorized by the employer may submit an application on the employer's behalf.

(3) The department shall submit payment to the employer within 14 calendar days after the qualifying employer's completed application is received by the department.

(4) The department shall:

(a) Promptly notify an employer with fewer than 50 employees of the grants under this chapter if one or more of its employees receives benefits under this title;

(b) Make available on its website information on the grants under this chapter and include a link to grant applications within the existing website portal; and

(c) Include information on the grants under this chapter when notifying employers and employees of changes to the premium rate under RCW 50A.10.030.

(5) The commissioner shall adopt rules as necessary to implement this chapter.

Sec. 11. RCW 50A.35.010 and 2019 c 13 s 4 are each amended to read as follows:

(1)(a) Except as provided in RCW 50A.30.010(5) and subsections (6) and (7) of this section, ((~~any~~))an employee ((~~who takes family~~))is entitled to employment restoration upon returning from:

(i) Family or medical leave under this title, regardless of whether the employee also qualifies for and receives concurrent leave under the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section), as provided under RCW 50A.15.110; or

(ii) Unpaid leave protected by the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section) during a period in which the employee was eligible for benefits under this title but did not apply for and receive those benefits, excluding unpaid sick leave or temporary disability taken for pregnancy or childbirth under chapter 49.60 RCW or as an accommodation under RCW 43.10.005, subject to the notice requirements in subsection (8) of this section.

(b) For purposes of this section, "employment restoration" and "employment protection" mean that the employee is entitled, on return from the leave:

((~~(a)~~))(i) To be restored by the employer to the position of employment held by the employee when the leave commenced; or

((~~(b)~~))(ii) To be restored by the employer to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

(2) The taking of leave under this title may not result in the loss of any employment benefits accrued before the date on which the leave commenced.

(3) Nothing in this section shall be construed to entitle any restored employee to:

(a) The accrual of any seniority or employment benefits during any period of leave; or

(b) Any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave.

(4) As a condition of restoration under subsection (1) of this section for an employee who has taken medical leave, the employer may have a uniformly applied practice or policy that requires each such employee to receive certification from the employee's health care provider that the employee is able to resume work.

(5) Nothing in this section shall be construed to prohibit an employer from requiring an employee on leave to report periodically to the employer on the status and intention of the employee to return to work.

(6)(a) This section does not apply unless the employee:

(i) Works for an employer with ((~~fifty or more employees; (ii) has been employed by the current employer for twelve months or more; and (iii) has worked for the current employer for at least one thousand two hundred fifty hours during the twelve months immediately preceding the date on which leave will commence. For the purposes of this subsection, an employer shall be considered to employ fifty or more employees if the employer employs fifty or more employees for each working day during each of twenty or more calendar workweeks in the current or preceding calendar year~~))the following number of employees:

(A) 25 or more employees beginning January 1, 2026, until December 31, 2026;

(B) 15 or more employees beginning January 1, 2027, until December 31, 2027; and

(C) Eight or more employees beginning January 1, 2028, and thereafter; and

(ii) Began employment with the current employer at least 180 calendar days before taking the leave.

(b) An employer may deny restoration under this section to any salaried employee who is among the highest paid ((~~ten~~))10 percent of the employees employed by the employer within ((~~seventy-five~~))75 miles of the facility at which the employee is employed if:

(i) Denial is necessary to prevent substantial and grievous economic injury to the operations of the employer;

(ii) The employer notifies the employee of the intent of the employer to deny restoration on such basis at the time the employer determines that the injury would occur; and

(iii) The leave has commenced and the employee elects not to return to employment after receiving the notice.

(7)(a) Except by written agreement between the employer and employee or between the employer and an employee bargaining unit, the employee forfeits the right to employment restoration under this section if the employee does not exercise it upon the earlier of:

(i) The first scheduled work day following the period of leave under subsection (1)(a) of this section; or

(ii) The first scheduled work day following a continuous period of, or combined intermittent periods of a total of, 16 typical workweeks of leave under subsection (1)(a) of this section taken during a period of 52 consecutive calendar weeks, except this period is extended to 18 typical workweeks of leave under subsection (1)(a) of this section taken during a period of 52 consecutive calendar weeks if any of the leave was taken as a result of a serious health condition with a pregnancy resulting in incapacity.

(b) For any continuous period of leave exceeding two typical workweeks or any combined intermittent periods of leave exceeding 14 typical work days, the employer must provide at least five business days advance written notice to the employee, in a language understood by the employee and transmitted by a method reasonably certain to be received promptly by the employee, regarding the estimated expiration of the right of employment restoration and the date of the employee's first scheduled work day under this subsection. For combined intermittent periods of leave, the employer may estimate the expiration of the right of employment restoration based on information provided to the employer by the department and employee.

(c) The expiration of the periods under (a)(ii) of this subsection does not affect an employee's eligibility for paid family and medical leave benefits under this title.

(8)(a) In order for unpaid leave under subsection (1)(a)(ii) of this section to qualify for employment restoration rights under this section and count towards the maximum periods in subsection (7)(a)(ii) of this section, the employer must provide written notice to the employee, in a language understood by the employee and transmitted by a method reasonably certain to be received promptly by the employee, of the following:

(i) That the employer is designating and counting the employee's unpaid leave against the employee's entitlement under the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section), including specifying the amount of the entitlement used and remaining, as estimated by the employer based on information provided by the department and employee;

(ii) The start and end dates of the employer's designated 12-month leave year under the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section);

(iii) Since the employee is eligible for paid family or medical leave under this title but is not applying for and receiving benefits, that the employer is counting the unpaid leave towards the maximum periods in subsection (7)(a)(ii) of this section, including specifying the start and end dates of the unpaid leave, and the total amount of the unpaid leave counting toward those maximum periods, as estimated by the employer based on information provided by the department and employee; and

(iv) That the use of unpaid leave counting against the periods in subsection (7)(a)(ii) of this section does not affect the employee's eligibility for paid family or medical leave benefits under this title.

(b) The employer must provide the written notice required by this subsection:

(i) Within five business days of the earlier of either the employee's initial request for or use of unpaid leave protected by the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section); and

(ii) At least monthly for the remainder of the employer's designated 12-month leave year.

(9) For purposes of auditing compliance or otherwise enforcing this chapter, the department may require the employer to collect and report information on the exercise of employment restoration rights under this section.

(10) This section does not alter or limit the rights and protections available to employees under other state or federal laws, including but not limited to sick leave or temporary disability taken for pregnancy or childbirth under chapter 49.60 RCW or as an accommodation under RCW 43.10.005, sick leave taken under RCW 49.46.210, or leave protected by the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section).

Sec. 12. RCW 50A.35.020 and 2019 c 13 s 39 are each amended to read as follows:

((~~If required by the federal family and medical leave act, as it existed on October 19, 2017~~))(1) Except as provided under subsection (2) of this section, during any period of family or medical leave taken under this title, the employer shall maintain any existing health benefits of the employee in force for the duration of such leave as if the employee had continued to work from the date the employee commenced family or medical leave until the date the employee returns to employment. If the employer and employee share the cost of the existing health benefits, the employee remains responsible for the employee's share of the cost.

(2) This section does not apply ((~~to an~~))if:

(a) An employee ((~~who~~)) is not ((~~in employment for an~~))employed by the employer at the time of filing an application for benefits;

(b) An employee is not entitled to employment protection under RCW 50A.35.010; or

(c) The employee did not exercise the right to employment protection within the time periods provided under RCW 50A.35.010(7).

NEW SECTION. **Sec. 13.** This act takes effect January 1, 2026.

NEW SECTION. **Sec. 14.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void."

On page 1, line 2 of the title, after "program;" strike the remainder of the title and insert "amending RCW 50A.05.020, 50A.05.050, 50A.10.030, 50A.15.020, 50A.20.010, 50A.20.020, 50A.30.010, 50A.24.010, 50A.35.010, and 50A.35.020; adding new sections to chapter 50A.24 RCW; creating a new section; and providing an effective date."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1213 and advanced the bill, as amended by the Senate, to final passage.

Representative Berry spoke in favor of the passage of the bill.

Representative Schmidt spoke against the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of Engrossed Second Substitute House Bill No. 1213, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute House Bill No. 1213, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 57; Nays, 38; Absent, 0; Excused, 3

Voting Yea: Representatives Berg, Bergquist, Bernbaum, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Leavitt, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Reeves, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Barnard, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Jacobsen, Keaton, Klicker, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Orcutt, Penner, Richards, Rude, Schmick, Schmidt, Steele, Stokesbary, Stuebe, Walsh, Waters and Ybarra

Excused: Representatives Mendoza, Rule and Volz

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1213, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Friday, April 4, 2025

Mme. Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 1253, with the following amendment(s): 1253-S AMS ENET S2380.1

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 35.92.052 and 1997 c 230 s 1 are each amended to read as follows:

(1) ((~~Except as provided in subsection (3) of this section, cities~~))Cities of the first class which operate electric generating facilities and distribution systems shall have power and authority to participate and enter into agreements for the development, use, or ((~~undivided~~)) ownership of high voltage transmission facilities and capacity rights in those facilities and for the ((~~undivided~~))development, use, or ownership of any type of electric generating plants and facilities, including, but not limited

to, nuclear and other thermal power generating plants and facilities, renewable energy facilities, energy storage facilities, and transmission facilities including, but not limited to, related transmission facilities, all to be called "common facilities"; and for the planning, financing, acquisition, construction, operation, and maintenance with: (a) Each other; (b) electrical companies which are subject to the jurisdiction of the Washington utilities and transportation commission or the regulatory commission of any other state, to be called "regulated utilities"; (c) rural electric cooperatives, including generation and transmission cooperatives in any state; (d) municipal corporations, utility districts, or other political subdivisions in any state; ((~~and~~)) (e) any agency of the United States authorized to generate or transmit electrical energy; and (f) any other persons or entities. Agreements under this section include, but are not limited to, joint venture agreements and limited liability company agreements. It shall be provided in such agreements that each city shall use or own a percentage of any common facility at least equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction of or additions or improvements to the facility and shall own and control or provide for the use of a like percentage of the electrical transmission or output.

(2) A city using or owning common facilities under this section may issue revenue bonds or other obligations to finance the city's share of the use or ownership of the common facilities.

(3) ((~~Cities of the first class shall have the power and authority to participate and enter into agreements for the use or undivided ownership of a coal-fired thermal electric generating plant and facility placed in operation before July 1, 1975, including related common facilities, and for the planning, financing, acquisition, construction, operation, and maintenance of the plant and facility. It shall be provided in such agreements that each city shall use or own a percentage of any common facility equal to the percentage of the money furnished or the value of property supplied by the city for the acquisition and construction of or additions or improvements to the facility and shall own and control or provide for the use of a like percentage of the electrical transmission or output of the facility. Cities may enter into agreements under this subsection with each other, with regulated utilities, with rural electric cooperatives, with utility districts, with electric companies subject to the jurisdiction of the regulatory commission of any other state, and with any power marketer subject to the jurisdiction of the federal energy regulatory commission.~~

~~(4)~~)) The agreement must provide that each participant shall defray its own interest and other payments required to be made or deposited in connection with any financing undertaken by it to pay its percentage of the money furnished or value of property supplied by it for the planning, acquisition, and construction of any common facility, or any additions or betterments. The agreement shall provide a uniform method of determining and allocating operation and maintenance expenses of a common facility.

((~~(5)~~))(4) Each city participating in the ownership, use, or operation of a common facility shall pay all taxes chargeable to its share of the common facility and the electric energy generated under any applicable statutes and may make payments during preliminary work and construction for any increased financial burden suffered by any county or other existing taxing district in the county in which the common facility is located, under agreement with such county or taxing district.

((~~(6)~~))(5) In carrying out the powers granted in this section, each such city shall be severally liable only for its own acts and not jointly or severally liable for the acts, omissions, or obligations of others. No money or property supplied by any such city for the planning, financing, acquisition, construction, operation, or maintenance of, or addition or improvement to any common facility shall be credited or otherwise applied to the account of any other participant therein, nor shall the ((~~undivided~~)) share of any city in any common facility be charged, directly or indirectly, with any debt or obligation of any other participant or be subject to any lien as a result thereof. No action in connection with a common facility shall be binding upon any city unless authorized or approved by resolution or ordinance of its governing body.

((~~(7)~~))(6) Any city acting jointly outside the state of Washington, by mutual agreement with any participant under authority of this section, shall not acquire properties owned or operated by any public utility district, by any regulated utility, or by any public utility owned by a municipality without the consent of the utility owning or operating the property, and shall not participate in any condemnation proceeding to acquire such properties.

Sec. 2. RCW 54.44.020 and 2010 c 167 s 2 are each amended to read as follows:

(1) Except as provided in ((~~subsections~~))subsection (2) ((~~and (3)~~)) of this section, cities of the first class, ((~~public utility districts organized under chapter 54.08 RCW, and joint operating agencies organized under chapter 43.52 RCW, any such cities and~~)) public utility districts organized under chapter 54.08 RCW, which operate electric generating facilities or distribution systems, and any joint operating agency organized under chapter 43.52 RCW shall have power and authority to participate and enter into agreements with each other and with electrical companies which are subject to the jurisdiction of the Washington utilities and transportation commission or the ((~~public utility commissioner of Oregon~~))regulatory commission of any other state, hereinafter called "regulated utilities", and with rural electric cooperatives, including generation and transmission cooperatives, with any other person or entities for the

((~~undivided~~))development, use, and ownership of any type of electric generating plants and facilities, including, but not limited to, nuclear and other thermal power generating plants and facilities, renewable energy facilities, energy storage facilities, and transmission facilities including, but not limited to, related transmission facilities, hereinafter called "common facilities", and for the planning, financing, acquisition, construction, operation and maintenance thereof. Agreements under this section include, but are not limited to, joint venture agreements and limited liability company agreements. It shall be provided in such agreements that each city, public utility district, or joint operating agency shall own a percentage of any common facility at least equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction thereof and shall own and control a like percentage of the electrical output thereof.

(2) ((~~Cities of the first class, public utility districts organized under chapter 54.08 RCW, and joint operating agencies organized under chapter 43.52 RCW, shall have the power and authority to participate and enter into agreements for the undivided ownership of a coal-fired thermal electric generating plant and facility placed in operation before July 1, 1975, including related common facilities, and for the planning, financing, acquisition, construction, operation, and maintenance of the plant and facility. It shall be provided in such agreements that each city, public utility district, or joint operating agency shall own a percentage of any common facility equal to the percentage of the money furnished or the value of property supplied by the city, district, or agency, for the acquisition and construction of the facility, and shall own and control a like percentage of the electrical output thereof. Cities of the first class, public utility districts, and joint operating agencies may enter into agreements under this subsection with each other, with regulated utilities, with rural electric cooperatives, with electric companies subject to the jurisdiction of the regulatory commission of any other state, and with any power marketer subject to the jurisdiction of the federal energy regulatory commission.~~

~~(3)~~))(a) Except as provided in ((~~subsections~~))subsection (1) ((~~and (2)~~)) of this section, cities of the first class, counties with a biomass facility authorized under RCW 36.140.010, public utility districts organized under chapter 54.08 RCW, any cities that operate electric generating facilities or distribution systems, any joint operating agency organized under chapter 43.52 RCW, or any separate legal entity comprising two or more thereof organized under chapter 39.34 RCW shall, either directly or as co-owners of a separate legal entity, have power and authority to participate and enter into agreements described in (b) and (c) of this subsection with each other, and with any of the following, either directly or as co-owners of a separate legal entity:

(i) Any public agency, as that term is defined in RCW 39.34.020;

(ii) Electrical companies that are subject to the jurisdiction of the Washington utilities and transportation commission or the regulatory commission of any state; ((~~and~~))

(iii) Rural electric cooperatives and generation and transmission cooperatives or any wholly owned subsidiaries of either rural electric cooperatives or generation and transmission cooperatives; and

(iv) Any other persons or entities.

(b) Except as provided in (b)(i)(B) of this subsection ((~~(3)~~))(2), agreements including, but not limited to, joint venture agreements and limited liability company agreements, may provide for:

(i)(A) The ((~~undivided~~))development, use, or ownership, or indirect ownership in the case of a separate legal entity, of common facilities that include any type of electric generating plant generating an eligible renewable resource, as defined in RCW 19.285.030, energy storage facilities, and transmission facilities including, but not limited to, related transmission facilities, and for the planning, financing, acquisition, construction, operation, and maintenance thereof;

(B) For counties with a biomass facility authorized under RCW 36.140.010, the provisions in (b)(i)(A) of this subsection ((~~(3)~~))(2) are limited to the purposes of RCW 36.140.010; and

(ii) The formation, operation, and ownership of a separate legal entity that may own the common facilities.

(c) Agreements must provide that each city, county, public utility district, or joint operating agency:

(i) Owns a percentage of any common facility or a percentage of any separate legal entity at least equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction thereof; and

(ii) Owns and controls, or has a right to own and control in the case of a separate legal entity, a like percentage of the electrical output thereof.

(d) Any entity in which a public utility district participates, either directly or as co-owner of a separate legal entity, in constructing or developing a common facility pursuant to this subsection shall comply with the provisions of chapter 39.12 RCW.

((~~(4)~~))(3) Each participant shall defray its own interest and other payments required to be made or deposited in connection with any financing undertaken by it to pay its percentage of the money furnished or value of property supplied by it for the planning, acquisition and construction of any common facility, or any additions or betterments thereto. The agreement shall provide a uniform method of determining and allocating operation and maintenance expenses of the common facility.

((~~(5)~~))(4) Each city, county acting under RCW 36.140.010, public utility district, joint operating agency, regulated utility, and cooperatives participating in the direct or indirect ownership or operation of a common facility described in subsections (1) ((~~through (3)~~))and (2) of this section shall

pay all taxes chargeable to its share of the common facility and the electric energy generated thereby under applicable statutes as now or hereafter in effect, and may make payments during preliminary work and construction for any increased financial burden suffered by any county or other existing taxing district in the county in which the common facility is located, pursuant to agreement with such county or taxing district.

Sec. 3. RCW 54.16.090 and 1969 c 106 s 7 are each amended to read as follows:

A district may enter into any contract or agreement with the United States, or any state, municipality, or other utility district, or any department of those entities, or with any cooperative, mutual, consumer-owned utility, or with any investor-owned utility or with an association of any of such utilities, for carrying out any of the powers authorized by this title.

It may acquire by gift, devise, bequest, lease, or purchase, real and personal property necessary or convenient for its purposes, or for any local district therein.

It may make contracts, employ engineers, attorneys, and other technical or professional assistance; print and publish information or literature; advertise or promote the sale and distribution of electricity or water and do all other things necessary to carry out the provisions of this title.

It may advance funds, jointly fund or jointly advance funds for surveys, plans, investigations, or studies as set forth in RCW 54.16.010, including costs of investigations, design and licensing of properties and rights of the type described in RCW 54.16.020, including the cost of technical and professional assistance, and for the advertising and promotion of the sale and distribution of electricity or water.

In accordance with RCW 54.44.020, districts that operate electric generating facilities or distribution systems shall have power and authority to participate and enter into agreements with each other and with electrical companies which are subject to the jurisdiction of the Washington utilities and transportation commission or the regulatory commission of any other state, and with rural electric cooperatives, including generation and transmission cooperatives, with any other person or entities for the development, use, and ownership of any type of electric generating plants and facilities including, but not limited to, nuclear and other thermal power generating plants and facilities, renewable energy facilities, energy storage facilities, and transmission facilities including, but not limited to, related transmission facilities, hereinafter called "common facilities," and for the planning, financing, acquisition, construction, operation and maintenance thereof. Agreements under this section include, but are not limited to, joint venture agreements and limited liability company agreements. It shall be provided in such agreements that each district shall own a percentage of any common facility at least equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction thereof and shall own and control a like percentage of the electrical output thereof.

Sec. 4. RCW 43.52.300 and 1977 ex.s. c 184 s 4 are each amended to read as follows:

An operating agency formed under RCW 43.52.360 shall have authority:

(1) To generate, produce, transmit, deliver, exchange, purchase or sell electric energy and to enter into contracts for any or all such purposes.

(2) To construct, condemn, purchase, lease, acquire, add to, extend, maintain, improve, operate, develop and regulate plants, works and facilities for the generation and/or transmission of electric energy, either within or without the state of Washington, and to take, condemn, purchase, lease and acquire any real or personal, public or private property, franchise and property rights, including but not limited to state, county and school lands and properties, for any of the purposes herein set forth and for any facilities or works necessary or convenient for use in the construction, maintenance or operation of any such works, plants and facilities; provided that an operating agency shall not be authorized to acquire by condemnation any plants, works and facilities owned and operated by any city or district, or by a privately owned public utility. An operating agency shall be authorized to contract for and to acquire by lease or purchase from the United States or any of its agencies, any plants, works or facilities for the generation and transmission of electricity and any real or personal property necessary or convenient for use in connection therewith.

(3) To negotiate and enter into contracts with the United States or any of its agencies, with any state or its agencies, with Canada or its agencies or with any district or city of this state, for the lease, purchase, construction, extension, betterment, acquisition, operation and maintenance of all or any part of any electric generating and transmission plants and reservoirs, works and facilities or rights necessary thereto, either within or without the state of Washington, and for the marketing of the energy produced therefrom. Such negotiations or contracts shall be carried on and concluded with due regard to the position and laws of the United States in respect to international agreements.

(4) To negotiate and enter into contracts for the purchase, sale, exchange, transmission or use of electric energy or falling water with any person, firm or corporation, including political subdivisions and agencies of any state, of Canada, or of the United States, at fair and nondiscriminating rates.

(5) To apply to the appropriate agencies of the state of Washington, the United States or any thereof, and to Canada and/or to any other proper agency for such permits, licenses or approvals as may be necessary,

and to construct, maintain and operate works, plants and facilities in accordance with such licenses or permits, and to obtain, hold and use such licenses and permits in the same manner as any other person or operating unit.

(6) To establish rates for electric energy sold or transmitted by the operating agency. When any revenue bonds or warrants are outstanding the operating agency shall have the power and shall be required to establish and maintain and collect rates or charges for electric energy, falling water and other services sold, furnished or supplied by the operating agency which shall be fair and nondiscriminatory and adequate to provide revenues sufficient for the payment of the principal and interest on such bonds or warrants and all payments which the operating agency is obligated to set aside in any special fund or funds created for such purposes, and for the proper operation and maintenance of the public utility owned by the operating agency and all necessary repairs, replacements and renewals thereof.

(7) To act as agent for the purchase and sale at wholesale of electricity for any city or district whenever requested so to do by such city or district.

(8) To contract for and to construct, operate and maintain fishways, fish protective devices and facilities and hatcheries as necessary to preserve or compensate for projects operated by the operating agency.

(9) To construct, operate and maintain channels, locks, canals and other navigational, reclamation, flood control and fisheries facilities as may be necessary or incidental to the construction of any electric generating project, and to enter into agreements and contracts with any person, firm or corporation, including political subdivisions of any state, of Canada or the United States for such construction, operation and maintenance, and for the distribution and payment of the costs thereof.

(10) To employ legal, engineering and other professional services and fix the compensation of a managing director and such other employees as the operating agency may deem necessary to carry on its business, and to delegate to such manager or other employees such authority as the operating agency shall determine. Such manager and employees shall be appointed for an indefinite time and be removable at the will of the operating agency.

(11) To study, analyze and make reports concerning the development, utilization and integration of electric generating facilities and requirements within the state and without the state in that region which affects the electric resources of the state.

(12) To acquire any land bearing coal, uranium, geothermal, or other energy resources, within or without the state, or any rights therein, for the purpose of assuring a long-term, adequate supply of coal, uranium, geothermal, or other energy resources to supply its needs, both actual and prospective, for the generation of power and may make such contracts with respect to the extraction, sale, or disposal of such energy resources that it deems proper.

(13) To participate and enter into agreements in accordance with RCW 54.44.020. Joint operating agencies that operate electric generating facilities or distribution systems shall have power and authority to participate and enter into agreements with each other and with electrical companies which are subject to the jurisdiction of the Washington utilities and transportation commission or the regulatory commission of any other state, and with rural electric cooperatives, including generation and transmission cooperatives, with any other person or entities for the development, use, and ownership of any type of electric generating plants and facilities including, but not limited to, nuclear and other thermal power generating plants and facilities, renewable energy facilities, energy storage facilities, and transmission facilities including, but not limited to, related transmission facilities, hereinafter called "common facilities," and for the planning, financing, acquisition, construction, operation and maintenance thereof. Agreements under this section include, but are not limited to, joint venture agreements and limited liability company agreements. It shall be provided in such agreements that each joint operating agency shall own a percentage of any common facility at least equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction thereof and shall own and control a like percentage of the electrical output thereof."

On page 1, line 2 of the title, after "agreements;" strike the remainder of the title and insert "and amending RCW 35.92.052, 54.44.020, 54.16.090, and 43.52.300."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1253 and advanced the bill, as amended by the Senate, to final passage.

Representatives Ybarra and Doglio spoke in favor of the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1253, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1253, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 94; Nays, 1; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Abell, Barkis, Barnard, Berg, Bergquist, Bernbaum, Berry, Bronoske, Burnett, Caldier, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Engell, Entenman, Eslick, Farivar,

Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Griffey, Hackney, Hill, Hunt, Jacobsen, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Ley, Low, Macri, Manjarrez, Marshall, McClintock, McEntire, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Ryu, Salahuddin, Santos, Schmick, Schmidt, Scott, Shavers, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Walsh, Waters, Wylie, Ybarra, Zahn and Mme. Speaker

Voting Nay: Representative Dufault

Excused: Representatives Mendoza, Rule and Volz

SUBSTITUTE HOUSE BILL NO. 1253, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Wednesday, April 9, 2025

Mme. Speaker:

The Senate has passed ENGROSSED SUBSTITUTE HOUSE BILL NO. 1258, with the following amendment(s): 1258-S.E AMS WM S2498.3

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A new section is added to chapter 82.14B RCW to read as follows:

(1) A county located east of the crest of the Cascade mountains with a population between 530,000 and 1,500,000 receiving tax revenues under this chapter that operates a regional 911 emergency communications system must transfer a portion of the county 911 excise tax revenues received under RCW 82.14B.030 (1), (2), and (3) to the corresponding local government operating a municipal public safety answering point or receiving calls transferred from the regional 911 emergency communications system for disposition and dispatch. The portion of the county 911 excise tax to be transferred by a county operating a regional 911 communications system is the same percentage used for the tax imposed pursuant to RCW 82.14.420 (7) and (8).

(2) Beginning in calendar year 2026, the amount calculated in subsection (1) of this section must be transferred quarterly by the county operating the regional 911 emergency communications system to the corresponding local government operating a municipal public safety answering point or receiving calls transferred from the regional 911 emergency communications system to a municipal public safety answering point for disposition and dispatch for the quarter.

(3) For the purposes of this section, "regional 911 emergency communications system" means a 911 emergency communications system operated by a county that is responsible for receiving incoming 911 emergency calls for multiple local government law enforcement and fire response agencies."

On page 1, line 2 of the title, after "system;" strike the remainder of the title and insert "and adding a new section to chapter 82.14B RCW."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 1258 and advanced the bill, as amended by the Senate, to final passage.

Representative Ormsby spoke in favor of the passage of the bill.

Representative Schmidt spoke against the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 1258, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1258, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 57; Nays, 38; Absent, 0; Excused, 3

Voting Yea: Representatives Berg, Bergquist, Bernbaum, Berry, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Leavitt, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Barnard, Bronoske, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Jacobsen, Keaton, Klicker, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Orcutt, Penner, Rude, Schmick, Schmidt, Steele, Stokesbary, Stuebe, Walsh, Waters and Ybarra

Excused: Representatives Mendoza, Rule and Volz

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1258, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Wednesday, April 16, 2025

Mme. Speaker:

The Senate has passed ENGROSSED HOUSE BILL NO. 1382, with the following amendment(s): 1382.E AMS CLEV S2600.2

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 43.371.010 and 2019 c 319 s 2 are each amended to read as follows:

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

(1) "Authority" means the health care authority.

(2) "Carrier" and "health carrier" have the same meaning as in RCW 48.43.005.

(3) "Claims data" means the data required by RCW 43.371.030 to be submitted to the database, including billed, allowed and paid

amounts, and such additional information as defined by the director in rule.

(4) "Data supplier" means: (a) A carrier, third-party administrator, or a public program identified in RCW 43.371.030 that provides claims data; and (b) a carrier or any other entity that provides claims data to the database at the request of an employer-sponsored self-funded health plan or Taft-Hartley trust health plan pursuant to RCW 43.371.030(1).

(5) "Data vendor" means an entity contracted to perform data collection, processing, aggregation, extracts, analytics, and reporting.

(6) "Database" means the statewide all-payer health care claims database established in RCW 43.371.020.

(7) "Direct patient identifier" means a data variable that directly identifies an individual, including: Names; telephone numbers; fax numbers; social security number; medical record numbers; health plan beneficiary numbers; account numbers; certificate or license numbers; vehicle identifiers and serial numbers, including license plate numbers; device identifiers and serial numbers; web universal resource locators; internet protocol address numbers; biometric identifiers, including finger and voice prints; and full face photographic images and any comparable images.

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

(9) "Indirect patient identifier" means a data variable that may identify an individual when combined with other information.

(10) "Lead organization" means the organization selected under RCW 43.371.020.

(11) "Office" means the office of financial management.

(12) ((~~"Proprietary financial information" means claims data or reports that disclose or would allow the determination of specific terms of contracts, discounts, or fixed reimbursement arrangements or other specific reimbursement arrangements between an individual health care facility or health care provider, as those terms are defined in RCW 48.43.005, and a specific payer, or internal fee schedule or other internal pricing mechanism of integrated delivery systems owned by a carrier.~~

~~(13)~~)) "Unique identifier" means an obfuscated identifier assigned to an individual represented in the database to establish a basis for following the individual longitudinally throughout different payers and encounters in the data without revealing the individual's identity.

Sec. 2. RCW 43.371.020 and 2024 c 54 s 54 are each amended to read as follows:

(1) The office shall establish a statewide all-payer health care claims database. On January 1, 2020, the office must transfer authority and oversight for the database to the authority. The office and authority must develop a transition plan that sustains operations by July 1, 2019. The database shall support transparent public reporting of health care information. The database must improve transparency to: Assist patients, providers, and hospitals to make informed choices about care; enable providers, hospitals, and communities to improve by benchmarking their performance against that of others by focusing on best practices; enable purchasers to identify value, build expectations into their purchasing strategy, and reward improvements over time; and promote competition based on quality and cost. The database must systematically collect all medical claims and pharmacy claims from private and public payers, with data from all settings of care that permit the systematic analysis of health care delivery.

(2) The authority ((~~shall use~~))<u>may act as the lead organization, or select a lead organization from among the best potential bidders using</u> a competitive procurement process, in accordance with chapter 39.26 RCW, ((~~to select a lead organization from among the best potential bidders~~)) to coordinate and manage the database.

(a)(i) In conducting the competitive procurement, the authority must ensure that no state officer or state employee participating in the procurement process:

(A) Has a current relationship or had a relationship within the last three years with any organization that bids on the procurement that would constitute a conflict with the proper discharge of official duties under chapter 42.52 RCW; or

(B) Is a compensated or uncompensated member of a bidding organization's board of directors, advisory committee, or has held such a position in the past three years.

(ii) If any relationship or interest described in (a)(i) of this subsection is discovered during the procurement process, the officer or employee with the prohibited relationship must withdraw from involvement in the procurement process.

(b) Due to the complexities of the all-payer claims database and the unique privacy, quality, and financial objectives, the authority must give strong consideration to the following elements in determining the appropriate lead organization contractor: (i) The organization's degree of experience in health care data collection, analysis, analytics, and security; (ii) whether the organization has a long-term self-sustainable financial model; (iii) the organization's experience in convening and effectively engaging stakeholders to develop reports, especially among groups of health providers, carriers, and self-insured purchasers; (iv) the organization's experience in meeting budget and timelines for report generations; and (v) the organization's ability to combine cost and quality data to assess total cost of care.

(c) The successful lead organization must apply to be certified as a qualified entity pursuant to 42 C.F.R. Sec. 401.703(a) by the centers for medicare and medicaid services.

(d) The authority may not select a lead organization that:

(i) Is a health plan as defined by and consistent with the definitions in RCW 48.43.005;

(ii) Is a hospital as defined in RCW 70.41.020;

(iii) Is a provider regulated under Title 18 RCW;

(iv) Is a third-party administrator as defined in RCW 70.290.010; or

(v) Is an entity with a controlling interest in any entity covered in (d)(i) through (iv) of this subsection.

(3) As part of the competitive procurement process referenced in subsection (2) of this section, the lead organization shall enter into a contract with a data vendor or multiple data vendors to perform data collection, processing, aggregation, extracts, and analytics. A data vendor must:

(a) Establish a secure data submission process with data suppliers;

(b) Review data submitters' files according to standards established by the authority;

(c) Assess each record's alignment with established format, frequency, and consistency criteria;

(d) Maintain responsibility for quality assurance, including, but not limited to: (i) The accuracy and validity of data suppliers' data; (ii) accuracy of dates of service spans; (iii) maintaining consistency of record layout and counts; and (iv) identifying duplicate records;

(e) Assign unique identifiers, as defined in RCW 43.371.010, to individuals represented in the database;

(f) Ensure that direct patient identifiers, indirect patient identifiers, and proprietary financial information are released only in compliance with the terms of this chapter;

(g) Demonstrate internal controls and affiliations with separate organizations as appropriate to ensure safe data collection, security of the data with state of the art encryption methods, actuarial support, and data review for accuracy and quality assurance;

(h) Store data on secure servers that are compliant with the federal health insurance portability and accountability act and regulations, with access to the data strictly controlled and limited to staff with appropriate training, clearance, and background checks; and

(i) Maintain state of the art security standards for transferring data to approved data requestors.

(4) The lead organization and data vendor must submit detailed descriptions to Washington technology solutions to ensure robust security methods are in place. Washington technology solutions must report its findings to the authority and the appropriate committees of the legislature.

(5) The lead organization is responsible for internal governance, management, funding, and operations of the database. At the direction of the authority, the lead organization shall work with the data vendor to:

(a) Collect claims data from data suppliers as provided in RCW 43.371.030;

(b) Design data collection mechanisms with consideration for the time and cost incurred by data suppliers and others in submission and collection and the benefits that measurement would achieve, ensuring the data submitted meet quality standards and are reviewed for quality assurance;

(c) Ensure protection of collected data and store and use any data in a manner that protects patient privacy and complies with this section. All patient-specific information must be deidentified with an up-to-date industry standard encryption algorithm;

(d) Consistent with the requirements of this chapter, make information from the database available as a resource for public and private entities, including carriers, employers, providers, hospitals, and purchasers of health care;

(e) Report performance on cost and quality pursuant to RCW 43.371.060 using, but not limited to, the performance measures developed under RCW 41.05.690;

(f) Develop protocols and policies, including prerelease peer review by data suppliers, to ensure the quality of data releases and reports;

(g) Develop a plan for the financial sustainability of the database as may be reasonable and customary as compared to other states' databases and charge fees for reports and data files as needed to fund the database. Any fees must be approved by the authority and should be comparable, accounting for relevant differences across data requests and uses. The lead organization may not charge providers or data suppliers fees other than fees directly related to requested reports and data files; and

(h) Convene advisory committees with the approval and participation of the authority, including: (i) A committee on data policy development; and (ii) a committee to establish a data release process consistent with the requirements of this chapter and to provide advice regarding formal data release requests. The advisory committees must include in-state representation from key provider, hospital, public health, health maintenance organization, large and small private purchasers, consumer organizations, and the two largest carriers supplying claims data to the database.

(6) The lead organization governance structure and advisory committees for this database must include representation of the third-party administrator of the uniform medical plan. A payer, health maintenance organization, or third-party administrator must be a data supplier to the all-payer health care claims database to be represented on the lead organization governance structure or advisory committees.

(7) This section expires July 1, 2026.

Sec. 3. RCW 43.371.020 and 2024 c 54 s 54 are each amended to read as follows:

(1) The office shall establish a statewide all-payer health care claims database. On January 1, 2020, the office must transfer authority and oversight for the database to the authority. The office and authority must develop a transition plan that sustains operations by July 1, 2019. The database shall support transparent public reporting of health care information. The database must improve transparency to: Assist patients, providers, and hospitals to make informed choices about care; enable providers, hospitals, and communities to improve by benchmarking their performance against that of others by focusing on best

practices; enable purchasers, providers, hospitals, carriers, and statewide associations representing providers, hospitals, or carriers to identify value, build expectations into their purchasing strategy, and reward improvements over time; and promote competition based on quality and cost. The database must systematically collect all medical claims and pharmacy claims from private and public payers, with data from all settings of care that permit the systematic analysis of health care delivery.

(2) The authority ((~~shall use~~))may act as the lead organization, or select a lead organization from among the best potential bidders using a competitive procurement process, in accordance with chapter 39.26 RCW, ((~~to select a lead organization from among the best potential bidders~~)) to coordinate and manage the database.

(a)(i) In conducting the competitive procurement, the authority must ensure that no state officer or state employee participating in the procurement process:

(A) Has a current relationship or had a relationship within the last three years with any organization that bids on the procurement that would constitute a conflict with the proper discharge of official duties under chapter 42.52 RCW; or

(B) Is a compensated or uncompensated member of a bidding organization's board of directors, advisory committee, or has held such a position in the past three years.

(ii) If any relationship or interest described in (a)(i) of this subsection is discovered during the procurement process, the officer or employee with the prohibited relationship must withdraw from involvement in the procurement process.

(b) Due to the complexities of the all-payer claims database and the unique privacy, quality, and financial objectives, the authority must give strong consideration to the following elements in determining the appropriate lead organization contractor: (i) The organization's degree of experience in health care data collection, analysis, analytics, and security; (ii) whether the organization has a long-term self-sustainable financial model; (iii) the organization's experience in convening and effectively engaging stakeholders to develop reports, especially among groups of health providers, carriers, and self-insured purchasers; (iv) the organization's experience in meeting budget and timelines for report generations; and (v) the organization's ability to combine cost and quality data to assess total cost of care.

(c) The successful lead organization must apply to be certified as a qualified entity pursuant to 42 C.F.R. Sec. 401.703(a) by the centers for medicare and medicaid services.

(d) The authority may not select a lead organization that:

(i) Is a health plan as defined by and consistent with the definitions in RCW 48.43.005;

(ii) Is a hospital as defined in RCW 70.41.020;

(iii) Is a provider regulated under Title 18 RCW;

(iv) Is a third-party administrator as defined in RCW 70.290.010; or

(v) Is an entity with a controlling interest in any entity covered in (d)(i) through (iv) of this subsection.

(3) As part of the competitive procurement process referenced in subsection (2) of this section, the lead organization shall enter into a contract with a data vendor or multiple data vendors to perform data collection, processing, aggregation, extracts, and analytics. A data vendor must:

(a) Establish a secure data submission process with data suppliers;

(b) Review data submitters' files according to standards established by the authority;

(c) Assess each record's alignment with established format, frequency, and consistency criteria;

(d) Maintain responsibility for quality assurance, including, but not limited to: (i) The accuracy and validity of data suppliers' data; (ii) accuracy of dates of service spans; (iii) maintaining consistency of record layout and counts; and (iv) identifying duplicate records;

(e) Assign unique identifiers, as defined in RCW 43.371.010, to individuals represented in the database;

(f) Ensure that direct patient identifiers((~~,~~))and indirect patient identifiers((~~, and proprietary financial information~~)) are released only in compliance with the terms of this chapter;

(g) Demonstrate internal controls and affiliations with separate organizations as appropriate to ensure safe data collection, security of the data with state of the art encryption methods, actuarial support, and data review for accuracy and quality assurance;

(h) Store data on secure servers that are compliant with the federal health insurance portability and accountability act and regulations, with access to the data strictly controlled and limited to staff with appropriate training, clearance, and background checks; and

(i) Maintain state of the art security standards for transferring data to approved data requestors.

(4) The lead organization and data vendor must submit detailed descriptions to Washington technology solutions to ensure robust security methods are in place. Washington technology solutions must report its findings to the authority and the appropriate committees of the legislature.

(5) The lead organization is responsible for internal governance, management, funding, and operations of the database. At the direction of the authority, the lead organization shall work with the data vendor to:

(a) Collect claims data from data suppliers as provided in RCW 43.371.030;

(b) Design data collection mechanisms with consideration for the time and cost incurred by data suppliers and others in submission and collection and the benefits that measurement would achieve, ensuring the data submitted meet quality standards and are reviewed for quality assurance;

(c) Ensure protection of collected data and store and use any data in a manner that protects patient privacy and complies with this section. All patient-specific

information must be deidentified with an up-to-date industry standard encryption algorithm;

(d) Consistent with the requirements of this chapter, make information from the database available as a resource for public and private entities, including carriers, employers, providers, hospitals, and purchasers of health care;

(e) Report performance on cost and quality pursuant to RCW 43.371.060 using, but not limited to, the performance measures developed under RCW 41.05.690;

(f) Develop protocols and policies, including prerelease peer review by data suppliers, to ensure the quality of data releases and reports;

(g) Develop a plan for the financial sustainability of the database as may be reasonable and customary as compared to other states' databases and charge fees for reports and data files as needed to fund the database. Any fees must be approved by the authority and should be comparable, accounting for relevant differences across data requests and uses. The lead organization may not charge providers or data suppliers fees other than fees directly related to requested reports and data files; and

(h) Convene advisory committees with the approval and participation of the authority, including: (i) A committee on data policy development; and (ii) a committee to establish a data release process consistent with the requirements of this chapter and to provide advice regarding formal data release requests. The advisory committees must include in-state representation from key provider, hospital, public health, health maintenance organization, large and small private purchasers, consumer organizations, and the two largest carriers supplying claims data to the database.

(6) The lead organization governance structure and advisory committees for this database must include representation of the third-party administrator of the uniform medical plan. A payer, health maintenance organization, or third-party administrator must be a data supplier to the all-payer health care claims database to be represented on the lead organization governance structure or advisory committees.

Sec. 4. RCW 43.371.050 and 2019 c 319 s 5 are each amended to read as follows:

(1) Except as otherwise required by law, claims or other data from the database shall only be available for retrieval in processed form to public and private requesters pursuant to this section and shall be made available within a reasonable time after the request. Each request for claims data must include, at a minimum, the following information:

(a) The identity of any entities that will analyze the data in connection with the request;

(b) The stated purpose of the request and an explanation of how the request supports the goals of this chapter set forth in RCW 43.371.020(1);

(c) A description of the proposed methodology;

(d) The specific variables requested and an explanation of how the data is necessary to achieve the stated purpose described pursuant to (b) of this subsection;

(e) How the requester will ensure all requested data is handled in accordance with the privacy and confidentiality protections required under this chapter and any other applicable law;

(f) The method by which the data will be destroyed at the conclusion of the data use agreement;

(g) The protections that will be utilized to keep the data from being used for any purposes not authorized by the requester's approved application; and

(h) Consent to the penalties associated with the inappropriate disclosures or uses of direct patient identifiers((~~,~~))or indirect patient identifiers((~~, or proprietary financial information~~)) adopted under RCW 43.371.070(1).

(2) The lead organization may decline a request that does not include the information set forth in subsection (1) of this section that does not meet the criteria established by the lead organization's data release advisory committee, or for reasons established by rule.

(3) Except as otherwise required by law, the authority shall direct the lead organization and the data vendor to maintain the confidentiality of claims or other data it collects for the database that include ((~~proprietary financial information,~~)) direct patient identifiers, indirect patient identifiers, or any combination thereof. Any entity that receives claims or other data must also maintain confidentiality, including by agreeing to not reidentify any deidentified patient information, and may only release such claims data or any part of the claims data if:

(a) The claims data does not contain ((~~proprietary financial information,~~)) direct patient identifiers, indirect patient identifiers, or any combination thereof; and

(b) The release is described and approved as part of the request in subsection (1) of this section.

(4) The lead organization shall, in conjunction with the authority and the data vendor, create and implement a process to govern levels of access to and use of data from the database consistent with the following:

(a) Claims or other data that include ((~~proprietary financial information,~~)) direct patient identifiers, indirect patient identifiers, unique identifiers, or any combination thereof may be released only to the extent such information is necessary to achieve the goals of this chapter set forth in RCW 43.371.020(1) to researchers with approval of an institutional review board upon receipt of a signed data use and confidentiality agreement with the lead organization. A researcher or research organization that obtains claims data pursuant to this subsection must agree in writing not to disclose such data or parts of the data set to any other party, including affiliated entities, and must consent to the penalties associated with the inappropriate disclosures or uses of direct patient identifiers((~~,~~))or indirect patient

identifiers((~~, or proprietary financial information~~)) adopted under RCW 43.371.070(1).

(b) Claims or other data that do not contain direct patient identifiers, but that may contain ((~~proprietary financial information,~~)) indirect patient identifiers, unique identifiers, or any combination thereof may be released to:

(i) Federal, state, tribal, and local government agencies upon receipt of a signed data use agreement with the authority and the lead organization((~~. Federal, state, tribal, and local government agencies that obtain claims data pursuant to this subsection are prohibited from using such data in the purchase or procurement of health benefits for their employees~~));

(ii) Providers who practice a profession identified in RCW 18.130.040, hospitals licensed under chapter 70.41 or 71.12 RCW, carriers licensed under chapter 48.43 or 41.05 RCW, managed care organizations, and statewide associations representing hospitals, carriers, or providers upon receipt of a signed data use agreement with the authority and the lead organization. For entities within this class, the following purposes support the goals of this chapter set forth in RCW 43.371.020(1):

(A) Promoting informed choices and understanding of health care access, quality, or affordability, including related barriers;

(B) Benchmarking value and efficiency against that of others;

(C) Validating and assessing third-party analysis and reports based on claims data; and

(D) Performing quality improvement activities;

(iii) Any entity when functioning as the lead organization under the terms of this chapter; ((~~and~~))

((~~(iii)~~))(iv) The Washington health benefit exchange established under chapter 43.71 RCW, upon receipt of a signed data use agreement with the authority and the lead organization as directed by rules adopted under this chapter; and

(v) Agencies, researchers, and other entities as approved by the lead organization upon receipt of a signed data use agreement with the authority and the lead organization.

(c) ((~~Claims or other data that do not contain proprietary financial information, direct patient identifiers, or any combination thereof, but that may contain indirect patient identifiers, unique identifiers, or a combination thereof may be released to agencies, researchers, and other entities as approved by the lead organization upon receipt of a signed data use agreement with the lead organization.~~

~~(d)~~)) Claims or other data that do not contain direct patient identifiers, indirect patient identifiers, ((~~proprietary financial information,~~)) or any combination thereof may be released upon request.

(5) Reports utilizing data obtained under this section may not contain ((~~proprietary financial information,~~)) direct patient identifiers, indirect patient identifiers, or any combination thereof. Nothing in this subsection (5) may be construed to prohibit the use of geographic areas with a sufficient population size or aggregate gender, age, medical condition, or other characteristics in the generation of reports, so long as they cannot lead to the identification of an individual.

(6) ((~~Reports issued by the lead organization at the request of providers, facilities, employers, health plans, and other entities as approved by the lead organization may utilize proprietary financial information to calculate aggregate cost data for display in such reports. The authority shall approve by rule a format for the calculation and display of aggregate cost data consistent with this chapter that will prevent the disclosure or determination of proprietary financial information. In developing the rule, the authority shall solicit feedback from the stakeholders, including those listed in RCW 43.371.020(5)(h), and must consider, at a minimum, data presented as proportions, ranges, averages, and medians, as well as the differences in types of data gathered and submitted by data suppliers.~~

~~(7)~~)) Recipients of claims or other data under subsection (4) of this section must agree in a data use agreement or a confidentiality agreement to, at a minimum:

(a) Take steps to protect data containing direct patient identifiers, indirect patient identifiers, ((~~proprietary financial information,~~)) or any combination thereof as described in the agreement;

(b) Not redisclose the claims data except pursuant to subsection (3) of this section;

(c) Not attempt to determine the identity of any person whose information is included in the data set or use the claims or other data in any manner that identifies any individual or their family or attempt to locate information associated with a specific individual;

(d) Destroy claims data at the conclusion of the data use agreement; and

(e) Consent to the penalties associated with the inappropriate disclosures or uses of direct patient identifiers((~~,~~))or indirect patient identifiers((~~, or proprietary financial information~~)) adopted under RCW 43.371.070(1).

Sec. 5. RCW 43.371.060 and 2020 c 131 s 1 are each amended to read as follows:

(1)(a) Under the supervision of and through contract with the authority, the lead organization shall prepare health care data reports using the database and the statewide health performance and quality measure set. Prior to the lead organization releasing any health care data reports that use claims data, the lead organization must submit the reports to the authority for review.

(b) By October 31st of each year, the lead organization shall submit to the director a list of reports it anticipates producing during the following calendar year. The director may establish a public comment period not to exceed thirty days, and shall submit the list and any comment to the appropriate committees of the legislature for review.

(2)(a) Health care data reports that use claims data prepared by the lead organization for the legislature and the public should promote awareness and transparency in the health care market by reporting on:

(i) Whether providers and health systems deliver efficient, high quality care; and

(ii) Geographic and other variations in medical care and costs as demonstrated by data available to the lead organization.

(b) Measures in the health care data reports should be stratified by demography, income, language, health status, and geography when feasible with available data to identify disparities in care and successful efforts to reduce disparities.

(c) Comparisons of costs among providers and health care systems must account for differences in the case mix and severity of illness of patients and populations, as appropriate and feasible, and must take into consideration the cost impact of subsidization for uninsured and government-sponsored patients, as well as teaching expenses, when feasible with available data.

(3) The lead organization may not publish any data or health care data reports that:

(a) Directly or indirectly identify individual patients;

(b) ((~~Disclose a carrier's proprietary financial information;~~

~~(c)~~)) Compare performance in a report generated for the general public that includes any provider in a practice with fewer than four providers; or

((~~(d)~~))(c) Contain medicaid data that is in direct conflict with the biannual medicaid forecast.

(4) The lead organization may not release a report that compares and identifies providers, hospitals, or data suppliers unless:

(a) It allows the data supplier, the hospital, or the provider to verify the accuracy of the information submitted to the data vendor, comment on the reasonableness of conclusions reached, and submit to the lead organization and data vendor any corrections of errors with supporting evidence and comments within thirty days of receipt of the report;

(b) It corrects data found to be in error within a reasonable amount of time; and

(c) The report otherwise complies with this chapter.

(5) The authority and the lead organization may use claims data to identify and make available information on payers, providers, and facilities, but may not use claims data to recommend or incentivize direct contracting between providers and employers.

(6) The lead organization shall make information about claims data related to the provision of air ambulance service available on a website that is accessible to the public in a searchable format by geographic region, provider, and other relevant information.

(7)(a) The lead organization shall distinguish in advance to the authority when it is operating in its capacity as the lead organization and when it is operating in its capacity as a private entity. Where the lead organization acts in its capacity as a private entity, it may only access data pursuant to RCW 43.371.050(4) (b)((~~,~~))(v) or (c)((~~, or (d)~~)).

(b) Except as provided in RCW 43.371.050(4), claims or other data that contain direct patient identifiers ((~~or proprietary financial information~~)) must remain exclusively in the custody of the data vendor and may not be accessed by the lead organization.

Sec. 6. RCW 43.371.070 and 2019 c 319 s 7 are each amended to read as follows:

(1) The director shall adopt any rules necessary to implement this chapter, including:

(a) Definitions of claim and data files that data suppliers must submit to the database, including: Files for covered medical services, pharmacy claims, and dental claims; member eligibility and enrollment data; and provider data with necessary identifiers;

(b) Deadlines for submission of claim files;

(c) Penalties for failure to submit claim files as required;

(d) Procedures for ensuring that all data received from data suppliers are securely collected and stored in compliance with state and federal law;

(e) Procedures for ensuring compliance with state and federal privacy laws;

(f) Procedures for establishing appropriate fees;

(g) Procedures for data release;

(h) Penalties associated with the inappropriate disclosures or uses of direct patient identifiers((~~,~~))and indirect patient identifiers((~~, and proprietary financial information~~)); and

(i) A minimum reporting threshold below which a data supplier is not required to submit data.

(2) The director may not adopt rules, policies, or procedures beyond the authority granted in this chapter.

Sec. 7. RCW 43.371.090 and 2024 c 54 s 50 are each amended to read as follows:

(1) To ensure the database is meeting the needs of state agencies and other data users, the authority shall convene a state agency coordinating structure, consisting of state agencies with related data needs and the Washington health benefit exchange to ensure effectiveness of the database and the agencies' programs. The coordinating structure must collaborate in a private/public manner with the lead organization and other partners key to the broader success of the database. The coordinating structure shall advise the authority and lead organization on the development of any database policies and rules relevant to agency data needs.

(2) The office must participate as a key part of the coordinating structure and evaluate progress towards meeting the goals of the database, and, as necessary, recommend strategies for maintaining and promoting the progress of the database in meeting the intent of this section, and report its findings ((~~biennially~~))every five years to the governor and the legislature.

The authority shall facilitate the office obtaining the information needed to complete the report in a manner that is efficient and not overly burdensome for the parties. The authority must provide the office with access to database processes, procedures, nonproprietary methodologies, and outcomes to conduct the review and issue the ((~~biennial~~))five-year report. The ((~~biennial~~))five-year review shall assess, at a minimum the following:

(a) The list of approved agency use case projects and related data requirements under RCW 43.371.050(4);

(b) Successful and unsuccessful data requests and outcomes related to agency and nonagency health researchers pursuant to RCW 43.371.050(4);

(c) Online data portal access and effectiveness related to research requests and data provider review and reconsideration;

(d) Adequacy of data security and policy consistent with the policy of Washington technology solutions; and

(e) Timeliness, adequacy, and responsiveness of the database with regard to requests made under RCW 43.371.050(4) and for potential improvements in data sharing, data processing, and communication.

(3) To promote the goal of improving health outcomes through better cost and quality information, the authority, in consultation with the agency coordinating structure, the office, lead organization, and data vendor shall make recommendations to the Washington state performance measurement coordinating committee as necessary to improve the effectiveness of the state common measure set as adopted under RCW 70.320.030.

NEW SECTION. **Sec. 8.** By December 31, 2025, the health care authority shall review all Washington state and federal transparency programs and tools related to health care pricing and provide an update to the appropriate committees of the legislature summarizing the existing data reporting requirements and the types of data that are available to the public and policymakers.

NEW SECTION. **Sec. 9.** Sections 1 and 3 through 7 of this act take effect July 1, 2026."

On page 1, line 3 of the title, after "requirements;" strike the remainder of the title and insert "amending RCW 43.371.010, 43.371.020, 43.371.020, 43.371.050, 43.371.060, 43.371.070, and 43.371.090; creating a new section; providing an effective date; and providing an expiration date."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED HOUSE BILL NO. 1382 and advanced the bill, as amended by the Senate, to final passage.

Representative Bronoske spoke in favor of the passage of the bill.

Representative Schmick spoke against the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 1382, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 1382, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 58; Nays, 37; Absent, 0; Excused, 3

Voting Yea: Representatives Berg, Bergquist, Bernbaum, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Leavitt, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Barnard, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Jacobsen, Keaton, Klicker, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Orcutt, Penner, Rude, Schmick, Schmidt, Steele, Stokesbary, Stuebe, Walsh, Waters and Ybarra

Excused: Representatives Mendoza, Rule and Volz

ENGROSSED HOUSE BILL NO. 1382, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Monday, April 14, 2025

Mme. Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 1392, with the following amendment(s): 1392-S AMS ENGR S2795.E

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The definitions in this section apply throughout this chapter and chapter 48.--- RCW (the new chapter created in section 15 of this act) unless the context clearly requires otherwise.

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

(2) "Commissioner" means the insurance commissioner or his or her designee.

(3) "Covered lives" means all persons residing in Washington state who are covered:

(a) Under a fully insured individual or group health plan issued or delivered in Washington state; or

(b) By a medicaid managed care organization.

(4) "Health carrier" or "carrier" has the same meaning as defined in RCW 48.43.005.

(5) "Health plan" has the same meaning as defined in RCW 48.43.005 and does not include medicare advantage plans established

under medicare part C or outpatient prescription drug plans established under medicare part D.

(6) "Medicaid managed care organization" means a managed health care system under contract with the state of Washington to provide services to medicaid enrollees under RCW 74.09.522.

NEW SECTION. **Sec. 2.** (1) By September 1, 2025, the authority shall submit any state plan amendments or waiver requests to the centers for medicare and medicaid services that are necessary to implement the medicaid access program established in section 6 of this act.

(2) The assessment, collection, and disbursement of funds for this program shall be conditional upon:

(a) Final approval by the centers for medicare and medicaid services of any state plan amendments or waiver requests that are necessary in order to implement the applicable sections of this chapter including, if necessary, waiver of the broad-based or uniformity requirements as specified under section 1903(w)(3)(E) of the federal social security act and 42 C.F.R. Sec. 433.68(e);

(b) To the extent necessary, amendment of contracts between the authority and managed care organizations to implement this chapter; and

(c) Certification by the office of financial management that appropriations have been adopted that fully support the rates established in section 3 of this act for the upcoming fiscal year.

NEW SECTION. **Sec. 3.** (1) All health carriers and medicaid managed care organizations shall pay an annual covered lives assessment beginning January 1st of the plan year following the approval in section 2(2)(a) of this act as follows:

(a) For assessments due the first plan year:

(i) The authority shall assess a per member per month assessment of $16 per covered life for medicaid managed care organizations; and

(ii) The commissioner shall assess a per member per month assessment of $0.50 per covered life for health carriers.

(b) On or before May 15th of the first plan year of assessments due and on or before May 15th of each subsequent year, the authority shall determine the covered lives assessment at the rate necessary to fund the adjustment based on the inflation factor using the medicare economic index for professional services rates in section 6 of this act.

(c) The ratio of the total assessments collected from managed care organizations and health carriers must be set as 36 to one, respectively. Assessments for each calendar year shall be set utilizing the proportion of fully insured to medicaid managed care covered lives from the previous calendar year.

(2) The assessments as applied in subsection (1) of this section are limited to:

(a) The first 2,300,000 member months of fully insured lives per medicaid managed care organization on a per medicaid managed care organization basis; and

(b) The first 2,300,000 member months of fully insured lives per health carrier. For each health carrier, the assessment shall apply to member months of all group health plan lives first, followed by member months of individual health plans lives.

(3) If an assessment against a health carrier or medicaid managed care organization is prohibited by court order, the assessment for the remaining health carriers and medicaid managed care organizations may be adjusted in a manner consistent with subsection (1) of this section to ensure that the assessment amount calculated in subsection (1)(b) of this section will be collected.

(4) The authority shall annually notify, in writing, each medicaid managed care organization of the estimated total assessment and its payment obligation for the upcoming year. The authority shall determine a payment schedule for receipt of assessments under this section in accordance with the medicaid access program rules as defined by the authority. Payment collections may be made no more frequently than quarterly.

(5) Payments from managed care organizations are due to the authority within 45 days of the payment schedule determined under subsection (4) of this section. The authority shall charge interest as defined by RCW 43.17.240, which begins to accrue on the 46th day, on amounts received after the 45-day period. The authority may allow each managed care organization in arrears to submit a payment plan, subject to approval by the authority and initial payment under an approved payment plan.

(6) The authority may abate or defer, in whole or in part, the assessment of a managed care organization if, in the opinion of the authority, payment of the assessment would endanger the ability of the managed care organization to fulfill its contractual obligations under chapter 74.09 RCW. If an assessment against a managed care organization is abated or deferred in whole or in part, the amount by which such assessment is abated or deferred may be assessed against the other managed care organizations in a manner consistent with the basis for assessments in subsection (1) of this section. The managed care organization receiving such abatement or deferment remains liable to the program for the deficiency plus interest the rate established in RCW 43.17.240. Upon receipt of payment of any abatement or deferment by a managed care organization, the authority shall adjust future assessments made against other managed care organizations under this subsection to reflect receipt of the payment.

(7) The authority shall deposit annual assessments and interest collected under this section with the state treasurer to the credit of the medicaid access program account created in section 5 of this act.

(8) Managed care organizations shall submit any annual statements or other reports deemed necessary by the authority to

calculate the assessment under this section in a manner consistent with the schedule and procedures in accordance with the medicaid access program rules as defined by the authority.

NEW SECTION. **Sec. 4.** (1) All health carriers and medicaid managed care organizations shall pay an annual covered lives assessment under section 3 of this act.

(2) The commissioner shall assess a per member per month assessment for health carriers pursuant to section 3 of this act.

(3) The commissioner shall annually notify, in writing, each health carrier of the estimated total assessment and its payment obligation for the upcoming year. The commissioner shall determine a payment schedule for receipt of assessments under this section in accordance with the medicaid access program rules established by the authority. Payment collections may be made no more frequently than quarterly.

(4) Payments from health carriers are due to the commissioner within 45 days of the payment schedule determined under subsection (3) of this section. The commissioner shall charge interest as defined by RCW 43.17.240, which begins to accrue on the 46th day, on amounts received after the 45-day period. The commissioner may allow each health carrier in arrears to submit a payment plan, subject to approval by the commissioner and initial payment under an approved payment plan.

(5) The commissioner shall deposit annual assessments and interest collected under this section with the state treasurer to the credit of the medicaid access program account created in section 5 of this act.

(6) Health carriers shall submit any annual statements or other reports deemed necessary by the commissioner for the health care authority to calculate the assessment in a manner consistent with the schedule and procedures in accordance with section 3 of this act.

NEW SECTION. **Sec. 5.** (1) The medicaid access program account is created in the state treasury. All receipts from the assessments, interest, and penalties collected by the authority and commissioner under sections 3 and 4 of this act 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 administration and implementation of the medicaid access program as established in section 6 of this act.

(2) Disbursements from the account may be made only:

(a) To make payments to health care providers and managed care organizations;

(b) To medicaid managed care organizations to fund the nonfederal share of increased capitation payments based on their projected assessment obligation established by the medicaid access program and the medicaid managed care rate setting process;

(c) To refund erroneous or excessive payments made by health carriers and medicaid managed care organizations;

(d) To pay for administrative expenses incurred by the authority in performing the activities authorized by this chapter;

(e) To be used in lieu of state general fund payments for medicaid services in an amount not to exceed $35,000,000 in the first fiscal year following the approval in section 2(2)(a) of this act and assessment by the authority authorized in section 3(1)(a)(i) of this act;

(f) To repay the federal government for any excess payments made to health care providers from the account if the assessments or payment increases set forth by the medicaid access program are deemed out of compliance with federal statutes and regulations in a final determination by a court of competent jurisdiction with all appeals exhausted. In such a case, the authority may require health care providers receiving excess payments to refund the payments in question to the account. The state in turn shall return funds to the federal government in the same proportion as the original financing. If a health care provider is unable to refund payments, the state shall develop either a payment plan, deduct moneys from future medicaid payments, or both; and

(g) To pay up to $2,000,000 for administrative and service-related costs to expand medicaid access in schools by maximizing medicaid funding opportunities to support the school-based health services program, school-based health centers, and on-site behavioral health services.

NEW SECTION. **Sec. 6.** (1) The medicaid access program is hereby created.

(2) By January 1st of the second plan year after conditions of section 2 of this act are met, professional services rates for anesthesia, diagnostics, intense outpatient, opioid treatment programs, emergency room, inpatient and outpatient surgery, inpatient visits, low-level behavioral health, maternity services, office and home visits, consults, office administered drugs, vision, and other physician services, for services that are not reimbursed at or above medicare rates as of December 31, 2024, must be increased uniformly across professional service categories by a percentage of corresponding medicare rates as of December 31, 2024, based on availability of funds in the account created in section 5 of this act for rate increases from collections in the preceding plan year.

(3) By January 1st of the third plan year after the conditions of section 2 of this act are met, and annually thereafter, the rates for all services listed in subsection (2) of this section shall be adjusted using the most recently published medicare economic index available at the time rates are established for the plan year.

(4)(a) Beginning January 1st of the third plan year after the conditions of section 2 of this act are met and by January 1st in each of the two subsequent plan years, the authority shall study the impact of the professional services rate increases

described in this section on medicaid access. The authority shall provide information to fiscal and health committees of the legislature whether these rate increases have increased access for medicaid enrollees, using metrics including but not limited to:

(i) Increases in utilization of services from licensed health care providers;

(ii) Number of contracts with identifiable provider types enrolled to provide services to medicaid enrollees;

(iii) Patient access measures in the CAHPS health plan surveys of managed care organizations; and

(iv) Other external quality review metrics.

(b) The authority shall provide the information in a fashion that disaggregates managed care organizations and fee-for-service.

NEW SECTION. **Sec. 7.** Nothing in this act shall be construed to alter the requirements: (1) Under 42 C.F.R. Sec. 438.4 that the rates paid by the state to managed care organizations be actuarially sound; and (2) that the state develop the rates in compliance with standards under 42 C.F.R. Sec. 438.5.

NEW SECTION. **Sec. 8.** The authority may adopt rules and undertake actions necessary to carry out sections 2, 3, and 6 of this act including, but not limited to, rules prescribing the medicaid access program plan of operations, measures to enforce reporting of covered lives, audits of covered lives reporting, and payment of applicable assessments.

NEW SECTION. **Sec. 9.** The commissioner may adopt rules and undertake actions necessary to carry out section 4 of this act including, but not limited to, rules prescribing the medicaid access program plan of operations, measures to enforce reporting of covered lives, audits of covered lives reporting, and payment of applicable assessments.

NEW SECTION. **Sec. 10.** The medicaid access program, health carriers and medicaid managed care organizations assessed by the program, the authority, and employees of the authority are not civilly or criminally liable and may not have any penalty or cause of action of any nature arise against them for any action or inaction, including any discretionary decision or failure to make a discretionary decision, when the action or inaction is done in good faith and in the performance of the powers and duties assigned to the program. This section does not prohibit legal actions against the program to enforce the program's statutory or contractual duties or obligations.

NEW SECTION. **Sec. 11.** The medicaid access program, health carriers and medicaid managed care organizations assessed by the program, the commissioner, the commissioner's representatives, and the commissioner's employees are not civilly or criminally liable and may not have any penalty or cause of action of any nature arise against them for any action or inaction, including any discretionary decision or failure to make a discretionary decision, when the action or inaction is done in good faith and in the performance of the powers and duties assigned to the program. This section does not prohibit legal actions against the program to enforce the program's statutory or contractual duties or obligations.

Sec. 12. RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the ambulance transport fund, the budget stabilization account, the capital

vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the medicaid access program account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the JUDY transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2

and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

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

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

Sec. 13. RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety

fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the medicaid access program account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the JUDY transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

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

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

NEW SECTION. **Sec. 14.** Sections 1 through 3, 5 through 8, and 10 of this act constitute a new chapter in Title 74 RCW.

NEW SECTION. **Sec. 15.** Sections 4, 9, and 11 of this act constitute a new chapter in Title 48 RCW.

NEW SECTION. **Sec. 16.** The provisions of this act are not severable. In the event that any portion of this act shall have been validly implemented and the entire act is later rendered ineffective, prior assessments and payments under the validly implemented portions shall not be affected.

NEW SECTION. **Sec. 17.** Sections 1 through 12, 14 through 16, and 18 through 20 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. 18.** (1) This act expires if by January 1, 2027, the federal centers for medicare and medicaid services does not provide final approval of the state plan amendment or waiver requests under section 2 of this act.

(2) The Washington state health care authority must provide written notice of the expiration date in subsection (1) of this section 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 authority.

NEW SECTION. **Sec. 19.** Section 12 of this act expires July 1, 2028.

NEW SECTION. **Sec. 20.** Section 13 of this act takes effect July 1, 2028.

NEW SECTION. **Sec. 21.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void."

On page 1, line 1 of the title, after "program;" strike the remainder of the title and insert "reenacting and amending RCW 43.84.092 and 43.84.092; adding a new chapter to Title 74 RCW; adding a new chapter to Title 48 RCW; creating new sections; providing an effective date; providing an expiration date; providing a contingent expiration date; and declaring an emergency."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1392 and advanced the bill, as amended by the Senate, to final passage.

Representative Macri spoke in favor of the passage of the bill.

Representative Schmick spoke against the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1392, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1392, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 57; Nays, 38; Absent, 0; Excused, 3

Voting Yea: Representatives Berg, Bergquist, Bernbaum, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Leavitt, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Ryu, Salahuddin, Santos, Scott, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Barnard, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Jacobsen, Keaton, Klicker, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Orcutt, Penner, Rude, Schmick, Schmidt, Shavers, Steele, Stokesbary, Stuebe, Walsh, Waters and Ybarra

Excused: Representatives Mendoza, Rule and Volz

SUBSTITUTE HOUSE BILL NO. 1392, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Wednesday, April 16, 2025

Mme. Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 1418, with the following amendment(s): 1418-S AMS TRAN S2691.1

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 36.57A.050 and 2020 c 83 s 2 are each amended to read as follows:

(1)(a) Within ((~~sixty~~))60 days of the establishment of the boundaries of the public transportation benefit area the members of the county legislative authority and the elected representative of each city within the area shall provide for the selection of the governing body of such area, the public transportation benefit area authority, which shall consist of elected officials selected by and serving at the pleasure of the governing bodies of component cities within the area and the county legislative authority of each county within the area. Two other transit-using members may be appointed to the governing body of such area, pursuant to subsection (3)(b) of this section.

(b) The elected official members of the governing body of the public transportation benefit area, if the population of the county in which the public transportation benefit area is located is more than ((~~four hundred thousand~~))400,000 and the county does not also contain a city with a population of ((~~seventy-five thousand~~))75,000 or more operating a transit system pursuant to chapter 35.95 RCW, must be selected to assure proportional representation, based on population, of each of the component cities located within the public transportation benefit area and the unincorporated areas of the county located within the public transportation benefit area, to the extent possible within the restrictions placed on the size of the governing body of a public transportation benefit area. If necessary to assure such proportional representation, multiple cities may be represented by a single elected official from one of the cities. A majority

of the governing board may not be selected to represent a single component city.

(c) If at the time a public transportation benefit area authority assumes the public transportation functions previously provided under the interlocal cooperation act (chapter 39.34 RCW) there are citizen positions on the governing board of the transit system, those positions may be retained as positions on the governing board of the public transportation benefit area authority.

(2) Within such ((~~sixty-day~~))60-day period, any city may by resolution of its legislative body withdraw from participation in the public transportation benefit area. The county legislative authority and each city remaining in the public transportation benefit area may disapprove and prevent the establishment of any governing body of a public transportation benefit area if the composition thereof does not meet its approval.

(3)(a) In no case shall the governing body of a single county public transportation benefit area be greater than ((~~nine~~))11 voting members and in the case of a multicounty area, ((~~fifteen~~))17 voting members. Those cities within the public transportation benefit area and excluded from direct membership on the authority are hereby authorized to designate a member of the authority who shall be entitled to represent the interests of such city which is excluded from direct membership on the authority. The legislative body of such city shall notify the authority as to the determination of its authorized representative on the authority.

(b)(i) In addition to the maximum of nine elected official voting members of the governing body of a single county public transportation benefit area or 15 elected official voting members of the governing body, in the case of a multicounty area, there may be two transit-using voting members appointed to each governing body by the elected official voting members. Transit-using voting members may not be employees of the transit agency operating under the public transportation benefit area authority.

(ii) One transit-using voting member must primarily rely on public transportation systems for transportation.

(iii) One transit-using voting member must represent a community-based organization and at least occasionally use public transportation systems for transportation. If no such representative in the public transportation benefit area's service area is available to serve, the governing body must appoint a second transit-using voting member who meets the requirements of (b)(ii) of this subsection.

(iv) If transit-using voting members are appointed to a governing body, meetings of the governing body must occur at a time and a place that are reasonably accessible by transit, in order to facilitate the participation of the transit-using voting members.

(v) Transit-using voting members must be provided comprehensive training regarding the open public meetings act established in chapter 42.30 RCW, the public records act established in chapter 42.56 RCW, and chapter 42.23 RCW regarding ethics for municipal officers, as soon as is reasonably practicable after the member's appointment.

(vi) This subsection (3)(b) does not apply to any public transportation benefit area authority where there are retained citizen positions on the governing body, pursuant to subsection (1)(c) of this section.

(c) There is one nonvoting member of the public transportation benefit area authority. The nonvoting member is recommended by the labor organization representing the public transportation employees within the local public transportation system. If the public transportation employees are represented by more than one labor organization, all such labor organizations shall select the nonvoting member by majority vote. The nonvoting member shall comply with all governing bylaws and policies of the authority. The chair or cochairs of the authority shall exclude the nonvoting member from attending any executive session held for the purpose of discussing negotiations with labor organizations. The chair or cochairs may exclude the nonvoting member from attending any other executive session. The requirement that a nonvoting member be appointed to the governing body of a public transportation benefit area authority does not apply to an authority that has no employees represented by a labor union.

(4)(a) Each member of the authority is eligible to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060 and to receive compensation, as set by the authority, in an amount not to exceed ((~~forty-four dollars~~))$44 for each day during which the member attends official meetings of the authority or performs prescribed duties approved by the chair of the authority. Except that the authority may, by resolution, increase the payment of per diem compensation to each member from ((~~forty-four dollars~~))$44 up to ((~~ninety dollars~~))$90 per day or portion of a day for actual attendance at board meetings or for performance of other official services or duties on behalf of the authority. In no event may a member be compensated in any year for more than ((~~seventy-five~~))75 days, except the chair who may be paid compensation for not more than ((~~one hundred~~))100 days: PROVIDED, That compensation shall not be paid to an elected official or employee of federal, state, or local government who is receiving regular full-time compensation from such government for attending meetings and performing prescribed duties of the authority.

(b) The dollar thresholds established in this section must be adjusted for inflation by the office of financial management every five years, beginning January 1, 2024, based upon changes in the consumer price index during that time period. "Consumer price index" means, for any calendar year, that year's annual average consumer price index, for Washington state, for wage earners and clerical workers, all items, compiled by the bureau of labor and statistics, United States department of labor. If the bureau of labor and statistics develops more than one

consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the adjustments for inflation in this section. The office of financial management must calculate the new dollar threshold and transmit it to the office of the code reviser for publication in the Washington State Register at least one month before the new dollar threshold is to take effect.

(c) A person holding office as commissioner for two or more special purpose districts shall receive only that per diem compensation authorized for one of his or her commissioner positions as compensation for attending an official meeting or conducting official services or duties while representing more than one of his or her districts. However, such commissioner may receive additional per diem compensation if approved by resolution of all boards of the affected commissions.

NEW SECTION. **Sec. 2.** This act takes effect January 1, 2026."

On page 1, line 2 of the title, after "areas;" strike the remainder of the title and insert "amending RCW 36.57A.050; and providing an effective date."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1418 and advanced the bill, as amended by the Senate, to final passage.

Representatives Timmons and Low spoke in favor of the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Shavers presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1418, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1418, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 62; Nays, 33; Absent, 0; Excused, 3

Voting Yea: Representatives Barkis, Berg, Bergquist, Bernbaum, Berry, Bronoske, Callan, Cortes, Davis, Dent, Doglio, Donaghy, Duerr, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Leavitt, Lekanoff, Low, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barnard, Burnett, Caldier, Chase, Connors, Corry, Couture, Dufault, Dye, Engell, Graham, Griffey, Jacobsen, Keaton, Klicker, Ley, Manjarrez, Marshall, McClintock, McEntire, Orcutt, Penner, Rude, Schmick, Schmidt, Steele, Stokesbary, Stuebe, Walsh, Waters and Ybarra

Excused: Representatives Mendoza, Rule and Volz

SUBSTITUTE HOUSE BILL NO. 1418, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

There being no objection, the House advanced to the third order of business.

MESSAGE FROM THE SENATE

Saturday, April 19, 2025

Mme. Speaker:

The Senate has passed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5814

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

MESSAGE FROM THE SENATE

Saturday, April 19, 2025

Mme. Speaker:

The President has signed:

HOUSE BILL NO. 1012
ENGROSSED HOUSE BILL NO. 1014
HOUSE BILL NO. 1046
ENGROSSED HOUSE BILL NO. 1052
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1149
SUBSTITUTE HOUSE BILL NO. 1171
ENGROSSED HOUSE BILL NO. 1173
ENGROSSED HOUSE BILL NO. 1185
SUBSTITUTE HOUSE BILL NO. 1244
SUBSTITUTE HOUSE BILL NO. 1308
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1332
HOUSE BILL NO. 1372
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1395
ENGROSSED HOUSE BILL NO. 1403
SECOND SUBSTITUTE HOUSE BILL NO. 1427
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1483
SUBSTITUTE HOUSE BILL NO. 1488
SECOND SUBSTITUTE HOUSE BILL NO. 1516
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1533
SUBSTITUTE HOUSE BILL NO. 1539
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1572
HOUSE BILL NO. 1605
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1620
HOUSE BILL NO. 1698
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1815
SUBSTITUTE HOUSE BILL NO. 1899
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1971
HOUSE JOINT MEMORIAL NO. 4002

and the same are herewith transmitted.

Colleen Pehar, Deputy Secretary

The Speaker (Representative Shavers presiding) called upon Representative Simmons to preside.

There being no objection, the House advanced to the fourth order of business.

INTRODUCTION & FIRST READING

2SSB 5786 by Senate Committee on Ways & Means (originally sponsored by Stanford)

AN ACT Relating to increasing license, permit, and endorsement fees; amending RCW 66.20.010, 66.20.400,

66.24.015, 66.24.035, 66.24.055, 66.24.140, 66.24.146, 66.24.150, 66.24.160, 66.24.165, 66.24.170, 66.24.179, 66.24.185, 66.24.200, 66.24.203, 66.24.240, 66.24.244, 66.24.246, 66.24.248, 66.24.250, 66.24.261, 66.24.310, 66.24.320, 66.24.330, 66.24.350, 66.24.354, 66.24.360, 66.24.363, 66.24.371, 66.24.380, 66.24.395, 66.24.420, 66.24.425, 66.24.450, 66.24.452, 66.24.495, 66.24.520, 66.24.530, 66.24.540, 66.24.550, 66.24.570, 66.24.580, 66.24.590, 66.24.600, 66.24.610, 66.24.630, 66.24.650, 66.24.655, 66.24.690, and 66.24.695; reenacting and amending RCW 66.24.400 and 66.24.680; and adding a new section to chapter 66.08 RCW.

Referred to Committee on Appropriations.

There being no objection, the bill listed on the day's introduction sheet under the fourth order of business was referred to the committee so designated.

There being no objection, the House advanced to the fifth order of business.

REPORTS OF STANDING COMMITTEES

April 19, 2025

HB 2049 Prime Sponsor, Representative Bergquist: Investing in the state's paramount duty to fund K-12 education and build strong and safe communities. Reported by Committee on Finance

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Berg, Chair; Street, Vice Chair; Mena; Parshley; Ramel; Santos; Scott; Springer and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Abell; Chase; and Penner.

MINORITY recommendation: Without recommendation. Signed by Representative Walen.

Referred to Committee on Rules for second reading

April 19, 2025

HB 2077 Prime Sponsor, Representative Fitzgibbon: Establishing a tax on certain business activities related to surpluses generated under the zero-emission vehicle program. Reported by Committee on Finance

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Berg, Chair; Street, Vice Chair; Mena; Parshley; Ramel; Santos; Scott; Springer; Walen and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Abell; Chase; and Penner.

Referred to Committee on Rules for second reading

April 19, 2025

HB 2081 Prime Sponsor, Representative Fitzgibbon: Modifying business and occupation tax surcharges, rates, and the advanced computing surcharge cap, clarifying the business and occupation tax deduction for certain investments, and creating a temporary business and occupation tax surcharge on large companies. Reported by Committee on Finance

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Berg, Chair; Street, Vice Chair; Mena; Parshley; Ramel; Santos; Scott; Springer and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Abell; Chase; Penner; and Walen.

Referred to Committee on Rules for second reading

April 19, 2025

HB 2084 Prime Sponsor, Representative Ramel: Increasing funding for K-12, health care, and public safety by repealing or modifying tax preferences for certain industries and goods. Reported by Committee on Finance

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Berg, Chair; Street, Vice Chair; Mena; Parshley; Ramel; Santos; Scott; Springer; Walen and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Abell; Chase; and Penner.

Referred to Committee on Rules for second reading

Representative Fitzgibbon moved that the bills listed on the day's committee reports under the fifth order of business be placed on the second reading calendar

An electronic roll call was requested.

ROLL CALL

The Clerk called the roll on the motion to place the bills from the day's committee reports onto the second reading calendar and the motion passed the House by the following vote: Yeas, 58; Nays, 37; Absent, 0; Excused, 3

Voting Yea: Representatives Berg, Bergquist, Bernbaum, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Leavitt, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Wylie, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Barnard, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Eslick, Graham, Griffey, Jacobsen, Keaton, Klicker, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Orcutt, Penner, Rude, Schmick, Schmidt, Steele, Stokesbary, Stuebe, Walsh, Waters and Ybarra

Excused: Representatives Mendoza, Rule and Volz

There being no objection, the House advanced to the seventh order of business.

THIRD READING

MESSAGE FROM THE SENATE

Tuesday, April 15, 2025

Mme. Speaker:

The Senate has passed ENGROSSED SUBSTITUTE HOUSE BILL NO. 1562, with the following amendment(s): 1562-S.E AMS LGV S2441.1

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A new section is added to chapter 70.54 RCW to read as follows:

(1) A public building in which a public restroom is required must provide a baby diaper changing station in at least one restroom that is accessible to women and one restroom that is accessible to men, or in one gender-neutral restroom. If multiple restrooms accessible to women, restrooms accessible to men, or gender-neutral restrooms exist, each restroom that does not include a baby diaper changing station must contain clear and conspicuous signage indicating where a restroom with a baby diaper changing station is located.

(2)(a) Except as provided in (b) and (c) of this subsection, the requirements in subsection (1) of this section apply to any public building constructed after the effective date of this section, and to any existing public building upon the issuance of a permit for a remodel or renovation of a public restroom within the building with an estimated cost of $15,000 or more.

(b) The requirements in subsection (1) of this section do not apply to an existing public building at the time of the issuance of a permit for the remodel or renovation of a public restroom if the local government issuing the permit or a building inspector determine that the installation of a baby diaper changing station in the building is not feasible or would result in a failure to comply with applicable building standards governing the right of access for persons with disabilities.

(c) The requirements in subsection (1) of this section do not apply to a restroom located in a health care facility if the restroom is intended for the use of one patient or resident at a time and is not available for public use.

(3) For a first violation of this section, the city or county attorney shall issue a warning letter to the owner or operator of the public building. An owner or operator of a public building that violates this section after receiving a warning letter is guilty of a class 2 civil infraction under chapter 7.80 RCW, except when the baby diaper changing station has been removed in compliance with subsection (4) of this section, in which case no penalty may be issued.

(4) A building owner or operator that has installed a baby diaper changing station in compliance with this section that is not used consistent with the standards established by the manufacturer may remove the baby diaper changing station.

(5) For the purposes of this section:

(a) "Baby diaper changing station" means a table or other device suitable for changing the diaper of a child weighing less than 50 pounds that is in compliance with the international building code standards as amended and adopted by the state building code council.

(b) "Gender-neutral restroom" means a restroom that is not restricted by gender including, but not limited to, restrooms available for use by families.

(c) "Health care facility" has the same meaning as in RCW 70.02.010.

(d) "Public building" is any building required to have a public restroom by the state building code or local regulations. "Public building" does not include an industrial building or commercial building that does not permit anyone who is under 18 years of age to enter the premises."

On page 1, line 2 of the title, after "stations;" strike the remainder of the title and insert "adding a new section to chapter 70.54 RCW; and prescribing penalties."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 1562 and advanced the bill, as amended by the Senate, to final passage.

Representatives Hunt and Klicker spoke in favor of the passage of the bill.

MOTIONS

On motion of Representative Griffey, Representative Eslick was excused.

On motion of Representative Ramel, Representative Wylie was excused.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Simmons presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 1562, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1562, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 67; Nays, 26; Absent, 0; Excused, 5

Voting Yea: Representatives Abbarno, Barnard, Berg, Bergquist, Bernbaum, Berry, Bronoske, Caldier, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Griffey, Hackney, Hill, Hunt, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Low, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Springer, Stearns, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Waters, Zahn and Mme. Speaker

Voting Nay: Representatives Abell, Barkis, Burnett, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Graham, Jacobsen, Ley, Manjarrez, Marshall, McClintock, McEntire, Orcutt, Rude, Schmick, Schmidt, Steele, Stokesbary, Walsh and Ybarra

Excused: Representatives Eslick, Mendoza, Rule, Volz and Wylie

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1562, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Tuesday, April 15, 2025

Mme. Speaker:

The Senate has passed HOUSE BILL NO. 1573, with the following amendment(s): 1573 AMS KRIS S3173.1

On page 2, beginning on line 12, after "RCW 29A.04.133" strike all material through "office" on line 18 and insert "((~~but~~))and may be taken ((~~either:~~

~~(a) Up to ten days prior to the scheduled date of assuming office; or~~

~~(b) At the last regular meeting of the governing body of the applicable county, city, town, or special district held before the winner is to assume office~~))between the date of the final certification of the election and the day before the term of office begins"

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to HOUSE BILL NO. 1573 and advanced the bill, as amended by the Senate, to final passage.

Representatives Parshley and Waters spoke in favor of the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Simmons presiding) stated the question before the House to be the final passage of House Bill No. 1573, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of House Bill No. 1573, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 93; Nays, 0; Absent, 0; Excused, 5

Voting Yea: Representatives Abbarno, Abell, Barkis, Barnard, Berg, Bergquist, Bernbaum, Berry, Bronoske, Burnett, Caldier, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dufault, Dye, Engell, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Griffey, Hackney, Hill, Hunt, Jacobsen, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Ley, Low, Macri, Manjarrez, Marshall, McClintock, McEntire, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Ryu, Salahuddin, Santos, Schmick, Schmidt, Scott, Shavers, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Walsh, Waters, Ybarra, Zahn and Mme. Speaker

Excused: Representatives Eslick, Mendoza, Rule, Volz and Wylie

HOUSE BILL NO. 1573, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Wednesday, April 9, 2025

Mme. Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 1576, with the following amendment(s): 1576-S AMS LGV S2465.1

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A new section is added to chapter 35.21 RCW to read as follows:

(1)(a) Except as provided for in subsection (3) of this section, cities must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, preservation ordinances, and other official controls the requirements of subsection (2) of this section for properties that are zoned for residential or mixed use no later than one year after the effective date of this section.

(b) Except as provided in subsection (3) of this section, the requirements of subsection (2) of this section apply and take effect in any city that has not adopted or amended ordinances, regulations, or other official controls as required under this section by the timeline in (a) of this subsection and supersede, preempt, and invalidate any conflicting local regulations.

(2) No city may designate a property as a historic landmark if:

(a) The property that would be designated as a historic landmark is less than 40 years old; or

(b) The designation would restrict the use, alteration, or demolition of the property, and the written consent of the owner of the property has not been obtained. Such a designation made through a local preservation ordinance after the effective date of this section without the written consent of the property owner is void unless and until such consent is obtained. Nothing in this act affects such a designation made through a local preservation ordinance prior to the effective date of this section.

(3) The limitations in subsection (2) of this section do not apply if the property that would be designated as a historic landmark is within a historic district established through a local preservation ordinance, or if the nominator has provided written documentation to show that the property nominated to be designated as a historic landmark is more than 125 years old and the city has determined that the property to be designated as a historic landmark is more than 125 years old.

(4) Nothing in this section prevents a city from allowing a property to be nominated as a historic landmark without the consent of the property owner. Except as provided in subsection (3) of this section, such consent must be obtained prior to the nomination being approved and the property being designated as a landmark.

NEW SECTION. **Sec. 2.** A new section is added to chapter 35A.21 RCW to read as follows:

(1)(a) Except as provided for in subsection (3) of this section, code cities must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, preservation ordinances, and other official controls, the requirements of subsection (2) of this section for properties that are zoned for residential or mixed use no later than one year after the effective date of this section.

(b) Except as provided in subsection (3) of this section, the requirements of subsection (2) of this section apply and take effect in any code city that has not adopted or amended ordinances, regulations, or other official controls as required under this section by the timeline in (a) of this subsection and supersede, preempt, and invalidate any conflicting local regulations.

(2) No code city may designate a property as a historic landmark if:

(a) The property that would be designated as a historic landmark is less than 40 years old; or

(b) The designation would restrict the use, alteration, or demolition of the property, and the written consent of the owner of the property has not been obtained. Such a designation made through a local preservation ordinance after the effective date of this section without the written consent of the property owner is void unless and until such consent is obtained. Nothing in this act affects such a designation made through a local preservation ordinance prior to the effective date of this section.

(3) The limitations in subsection (2) of this section do not apply if the property that would be designated as a historic landmark is within a historic district established through a local preservation ordinance, or if the nominator has provided written documentation to show that the property nominated to be designated as a historic landmark is more than 125 years old, and the code city has determined that the property to be designated as a historic landmark is more than 125 years old.

(4) Nothing in this section prevents a code city from allowing a property to be nominated as a historic landmark without the consent of the property owner. Except as provided in subsection (3) of this section, such consent must be obtained prior to the nomination being approved and the property being designated as a landmark.

Sec. 3. RCW 43.21C.495 and 2023 c 334 s 6 and 2023 c 3 s 8 are each reenacted and amended to read as follows:

(1) Adoption of ordinances, development regulations and amendments to such regulations, and other nonproject actions taken by a city to implement: The actions specified in section 2, chapter 246, Laws of 2022 unless the adoption of such ordinances, development regulations and amendments to such regulations, or other nonproject actions has a probable significant adverse impact on fish habitat; and the increased residential building capacity actions identified in RCW 36.70A.600(1), with the exception of the action specified in RCW 36.70A.600(1)(f), are not subject to administrative or judicial appeals under this chapter.

(2) Amendments to development regulations and other nonproject actions taken by a city to implement the requirements under RCW 36.70A.635 pursuant to RCW 36.70A.636(3)(b) are not subject to administrative or judicial appeals under this chapter.

(3) Adoption of ordinances, development regulations and amendments to such regulations, and other nonproject actions taken by a city or county consistent with the requirements of RCW 36.70A.680 and 36.70A.681, or such actions taken by a city pursuant to section 1 or 2 of this act, are not subject to administrative or judicial appeals under this chapter."

On page 1, line 2 of the title, after "cities;" strike the remainder of the title and insert "reenacting and amending RCW 43.21C.495; adding a new section to chapter 35.21 RCW; and adding a new section to chapter 35A.21 RCW."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1576 and advanced the bill, as amended by the Senate, to final passage.

Representatives Walen and Klicker spoke in favor of the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Simmons presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1576, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1576, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 93; Nays, 0; Absent, 0; Excused, 5

Voting Yea: Representatives Abbarno, Abell, Barkis, Barnard, Berg, Bergquist, Bernbaum, Berry, Bronoske, Burnett, Caldier, Callan, Chase, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dufault, Dye, Engell, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Graham, Gregerson, Griffey, Hackney, Hill, Hunt, Jacobsen, Keaton, Klicker, Kloba, Leavitt, Lekanoff, Ley, Low, Macri, Manjarrez, Marshall, McClintock, McEntire, Mena, Morgan, Nance, Obras, Orcutt, Ormsby, Ortiz-Self, Parshley, Paul, Penner, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Ryu, Salahuddin, Santos, Schmick, Schmidt, Scott, Shavers, Simmons, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Stuebe, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Walsh, Waters, Ybarra, Zahn and Mme. Speaker

Excused: Representatives Eslick, Mendoza, Rule, Volz and Wylie

SUBSTITUTE HOUSE BILL NO. 1576, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

Monday, April 14, 2025

Mme. Speaker:

The Senate has passed SECOND SUBSTITUTE HOUSE BILL NO. 1587, with the following amendment(s): 1587-S2 AMS HEWD S2442.1

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature recognizes that postsecondary credentials are vital for creating and maintaining a skilled workforce. To increase Washington's skilled workforce, local governments are encouraged to establish their own local government partner promise scholarship programs within the Washington state opportunity scholarship program to further reduce barriers for students within their jurisdiction. Current barriers may include scholarship applications, income limits, and degree program requirements. The purpose of this act is for local governments that establish local government partner promise scholarship programs to have minimal administrative duties, making benefits to students substantial. Therefore, it is the intent of the legislature to encourage additional local government partner promise scholarship programs to serve more students with fewer barriers.

NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.145 RCW to read as follows:

(1) A local government partner may establish its own promise scholarship program within the opportunity scholarship program. The local government partner promise scholarship program shall be administered by the Washington state opportunity scholarship program. The program administrator shall assist the local government partner in the selection, notification, and disbursement of scholarship awards.

(2) To be eligible to participate in a local government partner promise scholarship program, a student must have received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and attend a public two-year institution of higher education or a professional-technical certificate or degree program as approved by the state board for community and technical colleges under RCW 28B.50.090(7)(c). Eligibility may not extend beyond three years or 125 percent of the published length of the program in which the student is enrolled or the credit or clock-hour equivalent.

(3) A local government partner that establishes a promise scholarship program may establish separate rules for its program that are independent from the broader Washington state opportunity scholarship program.

(4) The value of the scholarship award under the local government partner promise scholarship program is, at minimum, the difference between the recipient's total tuition fees as defined in RCW 28B.15.020 and services and activities fees as defined in RCW 28B.15.041, less the value of any state-funded grant including the college bound scholarship program established in chapter 28B.118 RCW and the Washington college grant created in RCW 28B.92.200, scholarship, gift aid, or waiver assistance the recipient receives. The local government partner may provide additional scholarship awards to cover reasonable expenses associated with the costs of acquiring an education such as books, equipment, room and board, and other expenses as determined by the local government partner.

(5) The office of student financial assistance and the institutions of higher education may not consider awards made under a local government partner's promise scholarship program to be state-funded for the purpose of determining the value of an award for other state financial aid programs.

(6) If a student participating in a local government partner promise scholarship program transfers to an institution not eligible under the local government partner's promise scholarship program rules, the student must reapply to the broader opportunity scholarship program and meet all eligibility requirements. A local government partner may continue to provide funds to the student through its own promise scholarship program if the local government partner's program rules allow continued payment. A student may not receive funds from the broader Washington state opportunity scholarship program and the local government partner promise scholarship program at the same time.

(7) A participating student's eligibility must be reconfirmed prior to each disbursement of funds.

(8) In consultation with the local government partner, the administrator's duties include:

(a) Implementing a selection and notification process for awarding local government scholarship funds;

(b) Distributing funds to selected students; and

(c) Notifying institutions of higher education of the local government scholarship recipients who will attend their institutions of higher education and informing the institutions of the scholarship fund amounts and terms of the awards.

(9) Ten percent of the local government partner funds, excluding state matching funds, may be used for the operational costs listed in subsection (8) of this section. The local government partner may opt to have additional programmatic support from the broader Washington opportunity scholarship program, such as application or marketing support, for an additional agreed-upon fee.

(10) In the event that there are not enough funds to serve all eligible applicants, priority must be given to applicants to the broader Washington state opportunity scholarship program over applicants to a government partner promise scholarship program.

(11) For each local government partner promise scholarship program, state matching funds shall be limited to $250,000 per fiscal year.

(12) For purposes of this section, "government partner" means municipalities, counties, or federally recognized Indian tribes.

(13) To be eligible for a state match in the 2025-27 biennium, a local government partner shall submit a pledge amount to the program administrator referencing the local government partner promise scholarship program by February 1, 2025.

NEW SECTION. **Sec. 3.** A new section is added to chapter 28B.145 RCW to read as follows:

(1) All institutions of higher education that participate in the opportunity scholarship program, including a local government partner promise scholarship program pursuant to section 2 of this act, shall provide timely verification of eligibility information to the program administrator.

(2) Beginning in 2025, the education research and data center shall provide data on the outcomes of Washington state opportunity scholarship recipients and graduates by November 1st of each year.

Sec. 4. RCW 28B.145.050 and 2020 c 357 s 912 are each amended to read as follows:

(1) The opportunity scholarship match transfer account is created in the custody of the state treasurer as a nonappropriated account to be used solely and exclusively for the opportunity scholarship program created in RCW 28B.145.040 and the local government partner promise programs authorized in section 2 of this act. The purpose of the account is to provide matching funds for the opportunity scholarship program and the local government partner promise programs.

(2) Revenues to the account shall consist of appropriations by the legislature into the account and any gifts, grants, or donations received by the executive director of the council for this purpose.

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

(4) Only the executive director of the council or the executive director's designee may authorize expenditures from the opportunity scholarship match transfer account. Such authorization must be made as soon as practicable following receipt of proof as required under subsection (3) of this section.

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

(6) During the 2019-2021 fiscal biennium, expenditures from the opportunity scholarship match transfer account may be used for payment to the program administrator for administrative duties carried out under this chapter in an amount not to exceed two hundred fifty thousand dollars per fiscal year.

Sec. 5. RCW 28B.145.070 and 2018 c 254 s 8 are each amended to read as follows:

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

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

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

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

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

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

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

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

(h) For local government partners as defined in section 2 of this act:

(i) The total amount of private contributions and state match moneys received; and

(ii) The total number of students served by each local government partner.

(2) In the next succeeding legislative session following receipt of a report required under subsection (1) of this section, the appropriate committees of the legislature shall review the report and consider whether any legislative action is necessary with respect to the rural jobs program, the opportunity scholarship program, or the opportunity expansion program, including but not limited to consideration of whether any legislative

action is necessary with respect to the nature and level of focus on high employer demand fields and the number and amount of scholarships."

On page 1, line 3 of the title, after "program;" strike the remainder of the title and insert "amending RCW 28B.145.050 and 28B.145.070; adding new sections to chapter 28B.145 RCW; and creating a new section."

and the same is herewith transmitted.

Colleen Pehar, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SECOND SUBSTITUTE HOUSE BILL NO. 1587 and advanced the bill, as amended by the Senate, to final passage.

Representative Bergquist spoke in favor of the passage of the bill.

Representative Ybarra spoke against the passage of the bill.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

The Speaker (Representative Simmons presiding) stated the question before the House to be the final passage of Second Substitute House Bill No. 1587, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Second Substitute House Bill No. 1587, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 57; Nays, 36; Absent, 0; Excused, 5

Voting Yea: Representatives Berg, Bergquist, Bernbaum, Berry, Bronoske, Callan, Cortes, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Leavitt, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Barnard, Burnett, Caldier, Chase, Connors, Corry, Couture, Dent, Dufault, Dye, Engell, Graham, Griffey, Jacobsen, Keaton, Klicker, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Orcutt, Penner, Rude, Schmick, Schmidt, Steele, Stokesbary, Stuebe, Walsh, Waters and Ybarra

Excused: Representatives Eslick, Mendoza, Rule, Volz and Wylie

SECOND SUBSTITUTE HOUSE BILL NO. 1587, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

HOUSE BILL NO. 2044, by Representatives Ormsby, Parshley, Macri and Gregerson

Addressing unexcused student absences.

The bill was read the second time.

Representative Stonier moved the adoption of the striking amendment (1311):

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 28A.225.0261 and 2021 c 119 s 12 are each amended to read as follows:

(1) ((~~By requiring an initial stay of truancy petitions for diversion to community engagement boards~~))The legislature intends to eliminate the option for school districts to file a truancy petition before a child's seventh unexcused absence. Instead, the legislature intends for school districts to enter into an attendance agreement with the parent or child if age eight or above, either directly or through a community engagement board. The legislature further intends that school districts be required to file a truancy petition only if the parent or child fails to comply with the attendance agreement or if no attendance agreement is reached.

(2) With regard to the use of community engagement boards and other coordinated means of intervention, the legislature intends to achieve the following outcomes:

(a) Increased access to ((~~community engagement boards and other truancy~~)) early intervention programs for parents and children throughout the state;

(b) Increased quantity and quality of truancy intervention and prevention efforts in the community;

(c) A reduction in the number of truancy petitions that result in further proceedings by juvenile courts((~~, other than dismissal of the petition, after the initial stay and diversion to a community engagement board~~));

(d) A reduction in the number of truancy petitions that result in a civil contempt proceeding ((~~or detention order~~)); and

(e) Increased school engagement and attendance.

((~~(2) No later than January 1, 2021, the Washington state institute for public policy is directed to evaluate the effectiveness of chapter 205, Laws of 2016. An initial report scoping of the methodology to be used to review chapter 205, Laws of 2016 shall be submitted to the fiscal committees of the legislature by January 1, 2018. The initial report must identify any data gaps that could hinder the ability of the institute to conduct its review.~~))

Sec. 2. RCW 28A.225.015 and 2021 c 119 s 4 are each amended to read as follows:

(1) If a parent enrolls a child who is six or seven years of age in a ((~~public~~)) school district, the child is required to attend public school and that parent has the responsibility to ensure the child attends for the full time that school is in session. An exception ((~~shall~~))must be made to this requirement for children whose parents formally remove them from enrollment if the child is less than eight years old and a petition has not been filed against the parent under subsection (3) of this section. The requirement to attend school under this subsection does not apply to a child enrolled in a ((~~public~~)) school district part-time for the purpose of receiving ancillary services. A child required to attend school under this subsection may be

temporarily excused upon the request of his or her parent for purposes agreed upon by the school district and parent.

(2) If a six or seven year old child is required to attend public school under subsection (1) of this section and that child has unexcused absences, the ((~~public~~)) school district in which the child is enrolled shall:

(a) Inform the child's ((~~custodial~~)) parent((~~, parents, or guardian~~)) by a notice in writing or by telephone whenever the child has failed to attend school after one unexcused absence within any month during the current school year;

(b) Request a conference or conferences with the ((~~custodial~~)) parent((~~, parents, or guardian~~)) and child at a time reasonably convenient for all persons included for the purpose of analyzing the causes of the child's absences after three unexcused absences within any month during the current school year. If a regularly scheduled parent-teacher conference day is to take place within ((~~thirty~~))30 days of the third unexcused absence, then the school district may schedule this conference on that day; ((~~and~~))

(c) Take steps to eliminate or reduce the child's absences. These steps ((~~shall~~)) include, where appropriate, adjusting the child's school program or school or course assignment, providing more individualized or remedial instruction, offering assistance in enrolling the child in available alternative schools or programs, or assisting the parent or child to obtain supplementary services that may help eliminate or ameliorate the cause or causes for the absence from school; and

(d) After the child's seventh unexcused absence within any month during the current school year, either enter into an attendance agreement with the parent or refer the child to a community engagement board under RCW 28A.225.025, so that the community engagement board can enter into an attendance agreement with the parent. The intervention and prevention steps listed in (c) of this subsection may be included in an attendance agreement.

(3)(a) If a child is required to attend public school under subsection (1) of this section, ((~~after the child's seventh unexcused absence within any month during the current school year and not~~))no later than the child's 15th unexcused absence during the current school year, the school district shall file a petition and supporting affidavit for a civil action ((~~as provided in RCW 28A.225.035 against the parent of the child~~))with the juvenile court alleging a violation of RCW 28A.225.010 by the parent of the child if either:

(i) The school district or community engagement board fails to enter into an attendance agreement with the parent under subsection (2)(d) of this section within 20 days of initially meeting with the parent; or

(ii) The parent fails to comply with an attendance agreement entered into under subsection (2)(d) of this section by the deadline set by the agreement.

(b) If a child is required to attend public school under subsection (1) of this section, and the parent has complied with an attendance agreement entered into under subsection (2)(d) of this section, but the interventions and prevention efforts failed to substantially reduce the child's unexcused absences by the deadline specified in the agreement, the school district may, at its discretion, file a petition and supporting affidavit for a civil action with the juvenile court alleging a violation of RCW 28A.225.010 by the parent of the child. The petition may be filed any time after the child's 15th unexcused absence during the current school year.

(c) A petition filed under this subsection (3) must meet the requirements of RCW 28A.225.030(1)(c). The provisions of RCW 28A.225.030 (2) through (5) apply to this subsection (3).

(4) This section does not require a six or seven year old child to enroll in a public or private school or to receive home-based instruction. This section only applies to six or seven year old children whose parents enroll them full time in ((~~public~~))a school district and do not formally remove them from enrollment as provided in subsection (1) of this section.

Sec. 3. RCW 28A.225.020 and 2021 c 119 s 9 are each amended to read as follows:

(1) If a child required to attend school under RCW 28A.225.010 fails to attend school without valid justification, the ((~~public~~)) school district in which the child is enrolled shall:

(a) Inform the child's parent by a notice in writing or by telephone whenever the child has failed to attend school after one unexcused absence within any month during the current school year. School officials shall inform the parent of the potential consequences of additional unexcused absences. If the parent is not fluent in English, the school must make reasonable efforts to provide this information in a language in which the parent is fluent;

(b) Schedule a conference or conferences with the parent and child at a time reasonably convenient for all persons included for the purpose of analyzing the causes of the child's absences after three unexcused absences within any month during the current school year. If a regularly scheduled parent-teacher conference day is to take place within ((~~thirty~~))30 days of the third unexcused absence, then the school district may schedule this conference on that day. If the child's parent does not attend the scheduled conference, the conference may be conducted with the ((~~student~~))child and school official. However, the parent ((~~shall~~))must be notified of the steps to be taken to eliminate or reduce the child's absence; ((~~and~~))

(c) At some point after the second and before the seventh unexcused absence during the current school year, take data-informed steps to eliminate or reduce the child's absences. These steps must include:

(i) In middle school and high school, ((~~these steps must include~~)) application of the Washington assessment of the risks and needs of students (WARNS) or other

assessment by a school district's designee identified under RCW 28A.225.026((.));

(ii) For any child with an existing individualized education ((plan))program or section 504 plan, ((these steps must include)) the convening of the child's individualized education ((plan))program or section 504 plan team, including a behavior specialist or mental health specialist where appropriate, to consider the reasons for the absences. If necessary, and if consent from the parent is given, a functional behavioral assessment to explore the function of the absence behavior ((shall))must be conducted and a detailed behavioral intervention plan completed. Time should be allowed for the behavioral intervention plan to be initiated and data tracked to determine progress((.));

(iii) With respect to any child((,)) without an existing individualized education ((plan))program or section 504 plan((,)) reasonably believed to have a ((mental or physical)) disability ((or impairment, these steps must include)), informing the child's parent of the right to ((obtain))request an appropriate evaluation through the school district at no cost to the parent to determine whether the child has a disability ((or impairment)) and needs accommodations, related services, or special education services. ((This includes children with suspected emotional or behavioral disabilities as defined in WAC 392-172A-01035. If the school obtains consent to conduct an evaluation, time should be allowed for the evaluation to be completed, and if the child is found to be eligible for special education services, accommodations, or related services, a plan developed to address the child's needs.))If the school district decides to conduct an evaluation and obtains consent to evaluate, time should be allowed for the evaluation to be completed. If the child is found to have an eligible disability, an individualized education program or a section 504 plan must be developed to address the child's needs; and

(iv) ((These steps must include, where))Where appropriate, providing an available approved best practice or research-based intervention, or both, consistent with the WARNS profile or other assessment, if an assessment was applied, adjusting the child's school program or school or course assignment, providing more individualized or remedial instruction, providing appropriate vocational courses or work experience, ((referring the child to a community engagement board,)) requiring the child to attend an alternative school or program, or assisting the parent or child to obtain supplementary services that might eliminate or ameliorate the cause or causes for the absence from school; and

(d) After the child's seventh unexcused absence within any month during the current school year, either enter into an attendance agreement with the child and parent or refer the child to a community engagement board under RCW 28A.225.025, so that the community engagement board can enter into an attendance agreement with the child and parent. The intervention and prevention efforts listed in (c)(iv) of this subsection may be included in an attendance agreement.

(2) For purposes of this chapter, an "unexcused absence" means that a child:

(a)(i) Has failed to attend the majority of hours or periods in an average school day or has failed to comply with a more restrictive school district policy; and

(ii) Has failed to meet the school district's policy for excused absences; or

(b) Has failed to comply with alternative learning experience program attendance requirements as described by the superintendent of public instruction.

(3) If a child transfers from one school district to another school district during the school year, the receiving ((school or)) school district shall include the unexcused absences accumulated at ((the previous school or from)) the previous school district for purposes of this section((,))and RCW 28A.225.030((,)) and 28A.225.015. The sending school district shall provide this information to the receiving school district, together with a copy of any previous assessment as required under subsection (1)(c) of this section, history of any best practices or researched-based intervention previously provided to the child by the child's sending school district, any attendance agreement entered into as required under subsection (1)(d) of this section, and a copy of the most recent truancy information including any online or written acknowledgment by the parent and child, as provided for in RCW 28A.225.005. All school districts must use the standard choice transfer form for releasing a ((student))child to a nonresident school district for the purposes of accessing an alternative learning experience program.

Sec. 4. RCW 28A.225.025 and 2021 c 119 s 10 are each amended to read as follows:

(1)(a) For purposes of this chapter, "community engagement board" means a board established pursuant to a memorandum of understanding between a juvenile court and a school district and composed of members of the local community in which the child attends school.

(b) Community engagement boards must include members who receive training regarding the identification of barriers to school attendance, the use of the Washington assessment of the risks and needs of students (WARNS) or other assessment tools to identify the specific needs of individual children, cultural responsive interactions, trauma-informed approaches to discipline, evidence-based treatments that have been found effective in supporting at-risk youth and their families, and the specific services and treatment available in the particular school, court, community, and elsewhere.

(c) Duties of a community engagement board ((shall)) include, but ((not be))are not limited to: Identifying barriers to school attendance((,)); recommending methods for improving attendance, such as connecting ((students))children and their families with community services, culturally appropriate promising practices, and evidence-based services, such as functional family therapy((,)); suggesting to the school district that the child enroll in another

school, an alternative education program, an education center, a skill center, a dropout prevention program, or another public or private educational program((~~,~~));; or recommending ((~~to the juvenile court~~)) that a juvenile be offered the opportunity for placement in a HOPE center or crisis residential center, if appropriate.

(d)(i) Except as provided in (d)(ii) of this subsection, within 20 days of referral, the community engagement board must meet with the child, a parent, and a representative of the school district. At the meeting, the community engagement board must enter into an attendance agreement with either the child and the parent, or the child and the school district.

(ii) When a referral is made under RCW 28A.225.015, the six or seven year old child must not be required to attend the meeting, rather the community engagement board must enter into the attendance agreement with the parent and the school district.

(iii) An attendance agreement entered into under this subsection (1)(d) must: (A) Describe the intervention and prevention efforts that will be made available to the child and the parent; (B) set forth the expectations for substantially reducing the child's unexcused absences; and (C) establish a deadline for compliance.

(2) The legislature finds that utilization of community engagement boards is the preferred means of intervention when preliminary methods to eliminate or reduce unexcused absences as required by RCW 28A.225.015 and 28A.225.020 have not been effective in securing the child's attendance at school. The legislature intends to encourage and support the development and expansion of community engagement boards. Operation of a ((~~school truancy~~))community engagement board does not excuse a school district from the obligation of filing a petition within the requirements of RCW 28A.225.015(3)(a) or 28A.225.030(1)(a).

Sec. 5. RCW 28A.225.030 and 2021 c 119 s 7 are each amended to read as follows:

(1)(a) If a child under the age of ((~~seventeen~~))17 is required to attend school under RCW 28A.225.010 ((~~and if the actions taken by a school district under RCW 28A.225.020 are not successful in substantially reducing an enrolled student's absences from public school, after the child's seventh unexcused absence within any month during the current school year and not later than the~~)), no later than the child's 15th unexcused absence during the current school year the school district shall file a petition and supporting affidavit for a civil action with the juvenile court alleging a violation of RCW 28A.225.010((~~: (a) By~~))by the parent((~~; (b) by~~)), the child((~~; or (c) by~~)), or both the parent and the child if either:

(i) The school district or community engagement board fails to enter into an attendance agreement with the child and parent under RCW 28A.225.020(1)(d) within 20 days of initially meeting with the parent or the child; or

(ii) The parent or the child fails to comply with an attendance agreement entered into under RCW 28A.225.020(1)(d) by the deadline set by the agreement.

(b) If a child under the age of 17 is required to attend school under RCW 28A.225.010, and the parent or child, or both, has complied with an attendance agreement entered into under RCW 28A.225.020(1)(d), but the interventions and prevention efforts fail to substantially reduce the child's unexcused absences by the deadline specified in the agreement, the school district may, at its discretion, file a petition and supporting affidavit for a civil action with the juvenile court alleging a violation of RCW 28A.225.010 by the parent, the child, or both the parent and the child. The petition may be filed any time after the child's 15th unexcused absence during the current school year.

(c) The petition must include a list of all interventions that have been attempted as set forth in RCW 28A.225.020, include a copy of any attendance agreement entered into under RCW 28A.225.020(1)(d), include a copy of any previous truancy assessment completed by the child's current school district, the history of approved best practices intervention or research-based intervention previously provided to the child by the child's current school district, and a copy of the most recent truancy information document provided to the parent, pursuant to RCW 28A.225.005. Except as provided in this subsection, no additional documents need be filed with the petition.

(2) Nothing in this ((~~subsection~~))section requires court jurisdiction to terminate when a child turns ((~~seventeen~~))17 or precludes a school district from filing a petition for a child that is ((~~seventeen~~))17 years of age.

((~~(2) The district shall not later than the seventh unexcused absence in a month:~~

~~(a) Enter into an agreement with a student and parent that establishes school attendance requirements;~~

~~(b) Refer a student to a community engagement board as defined in RCW 28A.225.025. The community engagement board shall enter into an agreement with the student and parent that establishes school attendance requirements and take other appropriate actions to reduce the child's absences; or~~

~~(c) File a petition under subsection (1) of this section.~~))

(3) The petition may be filed by a school district employee who is not an attorney.

(4) If the school district fails to file a petition under this section, the parent of a child with seven or more unexcused absences in any month during the current school year or upon the 15th unexcused absence during the current school year may file a petition with the juvenile court alleging a violation of RCW 28A.225.010.

(5) Petitions filed under this section may be served by certified mail, return receipt requested. If such service is unsuccessful, or the return receipt is not signed by the addressee, personal service is required.

Sec. 6. RCW 28A.225.035 and 2021 c 119 s 14 are each amended to read as follows:

(1) A petition for a civil action under RCW 28A.225.030 or 28A.225.015 ((~~shall~~))must consist of a written notification to the court alleging that:

(a) The child has unexcused absences ((~~as described in RCW 28A.225.030(1)~~))exceeding seven in any month during the current school year;

(b) Actions taken by the school district have not been successful in substantially reducing the child's unexcused absences from school; and

(c) Court intervention and supervision are necessary to assist the school district or parent to reduce the child's unexcused absences from school.

(2) The petition ((~~shall~~))must set forth the name, date of birth, school, address, gender, race, and ethnicity of the child and the names and addresses of the child's parents, and ((~~shall~~))must set forth the languages in which the child and parent are fluent, whether there is an existing individualized education program, and the child's current academic status in school.

(3) The petition ((~~shall~~))must set forth facts that support the allegations in this section and ((~~shall~~))must generally request relief available under this chapter and provide information about what the court might order under RCW 28A.225.090.

(4)(a) ((~~When a petition is filed under RCW 28A.225.030 or 28A.225.015, it shall initially be stayed by the juvenile court, and the child and the child's parent must be referred to a community engagement board or other coordinated means of intervention as set forth in the memorandum of understanding under RCW 28A.225.026. The community engagement board must provide to the court a description of the intervention and prevention efforts to be employed to substantially reduce the child's unexcused absences, along with a timeline for completion.~~

~~(b) If a community engagement board or other coordinated means of intervention is not in place as required by RCW 28A.225.026, the juvenile court shall schedule a hearing at which the court shall consider the petition.~~

~~(5) When a referral is made to a community engagement board, the community engagement board must meet with the child, a parent, and the school district representative and enter into an agreement with the petitioner and respondent regarding expectations and any actions necessary to address the child's truancy within twenty days of the referral. If the petition is based on RCW 28A.225.015, the child shall not be required to attend and the agreement under this subsection shall be between the community engagement board, the school district, and the child's parent. The court may permit the community engagement board or truancy prevention counselor to provide continued supervision over the student, or parent if the petition is based on RCW 28A.225.015.~~

~~(6) If the community engagement board fails to reach an agreement, or the parent or student does not comply with the agreement within the timeline for completion set by the community engagement board, the community engagement board shall return the case to the juvenile court. The stay of the petition shall be lifted, and the juvenile court shall schedule a hearing at which the court shall consider the petition.~~

~~(7)(a) Notwithstanding the provisions in subsection (4)(a) of this section, a hearing shall not be~~))A hearing is not required if other actions by the court would substantially reduce the child's unexcused absences. Such actions may include referral to an existing community engagement board or other coordinated means of intervention established under RCW 28A.225.026, use of the Washington assessment of risks and needs of students (WARNS) or other assessment tools to identify the specific needs of individual children, the provision of community-based services, and the provision of evidence-based treatments that have been found to be effective in supporting at-risk youth and their families.

(b) When a juvenile court hearing is held, the court shall:

(i) Separately notify the child, the parent of the child, and the school district of the hearing. If the parent is not fluent in English, notice should be provided in a language in which the parent is fluent as indicated on the petition pursuant to RCW 28A.225.015(3)(a) or 28A.225.030(1)(a);

(ii) Notify the parent and the child of their rights to present evidence at the hearing; and

(iii) Notify the parent and the child of the options and rights available under chapter 13.32A RCW.

((~~(b)~~))(c) If the child is not provided with counsel, the advisement of rights must take place in court by means of a colloquy between the court, the child if eight years old or older, and the parent.

((~~(8)~~))(5)(a) The court may require the attendance of the child if eight years old or older, the parents, and the school district at any hearing on a petition filed under RCW 28A.225.030.

(b) The court may not issue a bench warrant for a child for failure to appear at a hearing on an initial truancy petition filed under RCW 28A.225.030. If there has been proper service, the court may instead enter a default order assuming jurisdiction under the terms specified in subsection ((~~(12)~~))(9) of this section.

((~~(9)~~))(6) A school district is responsible for determining who shall represent the school district at hearings on a petition filed under RCW 28A.225.030 or 28A.225.015.

((~~(10)~~))(7) The court may permit the first hearing to be held without requiring that either party be represented by legal counsel, and to be held without a guardian ad litem for the child under RCW 4.08.050. At the request of the school district, the court shall permit a school district representative who is not an attorney to represent the school district at any future hearings.

((~~(11)~~))(8) If the child is in a special education program or has a diagnosed mental or emotional disorder, the court shall inquire as to what efforts the school

district has made to assist the child in attending school.

((~~(12)~~))(9) If the allegations in the petition are established by a preponderance of the evidence, the court shall grant the petition and enter an order assuming jurisdiction to intervene for the period of time determined by the court, after considering the facts alleged in the petition and the circumstances of the ((~~juvenile~~))child, to most likely cause the ((~~juvenile~~))child to return to and remain in school while the ((~~juvenile~~))child is subject to this chapter. In no case may the order expire before the end of the school year in which it is entered.

((~~(13)~~))(10)(a) If the court assumes jurisdiction, the school district shall periodically report to the court any additional unexcused absences by the child, actions taken by the school district, and an update on the child's academic status in school at a schedule specified by the court.

(b) The first report under this subsection ((~~(13)~~))(10) must be received no later than three months from the date that the court assumes jurisdiction.

((~~(14)~~))(11) Community engagement boards and the courts shall coordinate, to the extent possible, proceedings and actions pertaining to children who are subject to truancy petitions and at-risk youth petitions in RCW 13.32A.191 or child in need of services petitions in RCW 13.32A.140.

((~~(15)~~))(12) If after a juvenile court assumes jurisdiction in one county the child relocates to another county, the juvenile court in the receiving county shall, upon the request of a school district or parent, assume jurisdiction of the petition filed in the previous county.

Sec. 7. RCW 28A.225.151 and 2021 c 119 s 8 are each amended to read as follows:

(1) As required under subsection (2) of this section, the office of superintendent of public instruction shall collect and school districts shall submit student-level truancy data in order to allow a better understanding of actions taken under RCW ((~~28A.225.030~~))28A.225.015, 28A.225.020, and 28A.225.030, and sections 10 and 11 of this act. The office shall prepare an annual report to the legislature by December 15th of each year, which must be submitted in compliance with RCW 43.01.036.

(2) The reports under subsection (1) of this section ((~~shall~~))must include, disaggregated by student group:

(a) The number of enrolled students and the number of unexcused absences;

(b) The number of enrolled students with 15 or more unexcused absences in a school year or seven or more unexcused absences in a month during a school year;

(c) A description of any programs or schools developed to serve students who have had seven or more unexcused absences in a month ((~~or 15 in a~~))during a school year or 15 or more unexcused absences in a school year including information about the number of students in the program or school and the number of unexcused absences of students during and after participation in the program. The school district shall also describe any placements in an approved private nonsectarian school or program or certified program under an attendance agreement entered into under RCW 28A.225.015(2)(d) or 28A.225.020(1)(d) or a court order under RCW 28A.225.090;

(d)(i) The number of attendance agreements entered into directly with a student and parent;

(ii) The number of students referred to a community engagement board;

(iii) The number of attendance agreements entered into by a community engagement board and a student or the parent;

(e) The number of truancy petitions filed ((~~by a school district~~)) with the juvenile court and((~~, beginning in the 2018-19 school year,~~)) whether the petition results in:

(i) Referral to a community engagement board;

(ii) Other coordinated means of intervention;

(iii) A hearing in the juvenile court; or

(iv) Other less restrictive disposition (e.g., change of placement, home school, alternative learning experience, residential treatment); and

((~~(e)~~))(f) Each instance of imposition of detention for failure to comply with a court order under RCW 28A.225.090, with a statement of the reasons for each instance of detention.

(3) To the extent that the office identifies disparities between students or schools with differing characteristics, the data specified under subsection (2) of this section in the reports under subsection (1) of this section must be disaggregated by: Grade band; gender; race and ethnicity as described in RCW 28A.300.042(1); school district, charter school, or state-tribal education compact school of last enrollment; educational service district or other applicable geographical region; family income level; disability status, if any; and any other relevant student or school characteristics.

(4) A report required under this section ((~~shall~~))may not disclose the name or other identification of a child or parent.

((~~(4)~~))(5) The K-12 data governance group shall develop the data protocols and guidance for school districts in the collection of data to provide a clearer understanding of actions taken under RCW ((~~28A.225.030~~))28A.225.015, 28A.225.020, and 28A.225.030, and sections 10 and 11 of this act.

Sec. 8. RCW 2.56.140 and 1996 c 134 s 8 are each amended to read as follows:

The administrator for the courts shall prepare a report for each school year to be submitted to the legislature, in compliance with RCW 43.01.036, no later than December 15th of each year that summarizes the disposition of petitions filed with the juvenile court under RCW 28A.225.015 and 28A.225.030. The report must describe and categorize the court's orders and any penalties imposed for failure to comply with the orders, including the number of contempt orders issued to enforce a court's order ((~~under RCW 28A.225.030~~)).

Sec. 9. RCW 28A.225.900 and 2021 c 119 s 3 are each amended to read as follows:

The superintendent of public instruction may adopt rules necessary to carry out the purposes of this chapter and sections 10 and 11 of this act.

NEW SECTION. **Sec. 10.** A new section is added to chapter 28A.710 RCW to read as follows:

RCW 28A.225.005, 28A.225.010 through 28A.225.030, 28A.225.035, 28A.225.060, and 28A.225.151 govern school operation and management under RCW 28A.710.040 and apply to charter schools established under this chapter to the same extent as it applies to school districts.

NEW SECTION. **Sec. 11.** A new section is added to chapter 28A.715 RCW to read as follows:

RCW 28A.225.005, 28A.225.010 through 28A.225.030, 28A.225.035, 28A.225.060, and 28A.225.151 govern school operation and management under RCW 28A.715.020 and apply to state-tribal education compact schools subject to this chapter to the same extent as it applies to school districts."

Correct the title.

Representative Keaton moved the adoption of amendment (1320) to the striking amendment (1311):

On page 1, after line 2 of the striking amendment, insert the following:

"NEW SECTION. **Sec.** (1) The legislature finds that, more than 20 years ago, the Washington legislature enacted the Becca bill in response to the tragic death of 12-year-old Becca Hedman, whose chronic truancy and running away from home contributed to her murder. The law was intended to unite schools, courts, communities, and families to address barriers to school attendance and ensure the safety and well-being of youth.

(2) The legislature acknowledges that this purpose remains vital today. The legislature find that chronic absenteeism is closely linked to negative educational outcomes, including lower reading proficiency and reduced graduation rates. The legislature also finds that students who miss 10 percent or more of the school year for any reason are significantly less likely to read at grade level or complete high school. The legislature acknowledges that these consequences fall most heavily on Washington's most vulnerable students.

(3) Since 2019, the legislature has reduced accountability measures for truant youth. The legislature acknowledges that extended school closures and related disruptions during the COVID-19 pandemic further minimized the emphasis on regular attendance. The combination of these factors has significantly worsened attendance rates across the state with a chronic absenteeism rate increase of 12.2 percent since the 2018-19 school year.

(4) The legislature acknowledges that the threshold for filing a truancy petition is relatively high under current law, requiring multiple unexcused absences and prior school-based intervention efforts. Despite this, data from the office of the superintendent of public instruction shows that the percentage of students meeting the threshold for a truancy petition has nearly doubled since the 2010-11 school year with 9.6% of students meeting the threshold in the 2023-24 school year, which is an increase of 8.7% compared to the prior year. However, only 5.4% of students in the 2023-24 school year had a truancy petition filed, a decrease from the previous year. The legislature therefore finds that the requirement for truancy petitions is already being treated as optional in practice.

(5) The House proposed 2025-27 biennial budget assumes savings from removing the truancy petition filing mandate. Without removing the mandate, the legislature acknowledges that those savings are unlikely to materialize. The legislature also finds that continued funding is essential to support truancy-related efforts and interventions that help keep students in school and connected to critical supports.

(6) Therefore, it is the intent of the legislature to maintain funding at the 2023-25 biennial level for truancy-related activities, including those associated with truancy petition hearings and court-ordered interventions such as community restitution, wraparound services, mentoring, and other supports that promote attendance, academic success, and youth safety."

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

Representatives Keaton, Davis and Walsh spoke in favor of the adoption of the amendment to the striking amendment.

Representative Stonier spoke against the adoption of the amendment to the striking amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Simmons presiding) divided the House. The result was 37 - YEAS; 49 - NAYS.

Amendment (1320) to the striking amendment (1311) was not adopted.

Representative Griffey moved the adoption of amendment (1322) to the striking amendment (1311):

On page 1, line 8 of the striking amendment, after "child's" strike "seventh" and insert "fifth"

On page 3, line 6 of the striking amendment, after "child's" strike "seventh" and insert "fifth"

On page 4, line 33 of the striking amendment, after "before the" strike "seventh" and insert "((~~seventh~~)) fifth"

On page 6, line 4 of the striking amendment, after "child's" strike "seventh" and insert "fifth"

On page 9, line 32 of the striking amendment, after "with" strike "seven" and insert "((~~seven~~)) five"

On page 10, line 7 of the striking amendment, after "exceeding" strike "seven" and insert "five"

On page 13, line 26 of the striking amendment, after "year or" strike "seven" and insert "((~~seven~~)) five"

On page 13, line 29 of the striking amendment, after "had" strike "seven" and insert "((~~seven~~)) five"

Representatives Griffey and Stonier spoke in favor of the adoption of the amendment to the striking amendment.

Amendment (1322) to the striking amendment (1311) was adopted.

Representative Burnett moved the adoption of amendment (1321) to the striking amendment (1311):

On page 1, beginning on line 30 of the striking amendment, beginning with "((~~(2)~~" strike all material through "~~review.~~))" on page 2, line 4 and insert "((~~(2) No later than January 1, 2021, the~~)) (3) The Washington state institute for public policy is directed to evaluate the effectiveness of ((~~chapter 205, Laws of 2016. An initial report scoping of the methodology to be used to review chapter 205, Laws of 2016 shall be submitted to the fiscal committees of the legislature by January 1, 2018.~~)) this act and report to the appropriate committees of the legislature in accordance with RCW 43.01.036. An initial report must be submitted by December 15, 2026. The initial report must identify any data gaps that could hinder the ability of the institute to conduct its review. A final report must be submitted by December 15, 2030."

On page 14, line 13 of the striking amendment, after "treatment);" strike "and" and insert "((~~and~~))"

On page 14, line 16 of the striking amendment, after "detention" insert ";

(g) A list of school districts, charter schools, and state-tribal education compact schools that failed to file a truancy petition in compliance with RCW 28A.225.015(3)(a), 28A.225.030(1)(a), or sections 10 or 11 of this act"

On page 14, after line 32 of the striking amendment, insert the following:

"(6)(a) To ensure the requirements of RCW 28A.225.015, 28A.225.020, 28A.225.030, and sections 10 and 11 of this act are met, the office of the superintendent of public instruction shall monitor the student-level truancy data submitted under (1) of this section. Among other things, in its review, the office of the superintendent of public instruction shall examine whether, to what extent, and why truancy petitions are not filed as required under RCW 28A.225.015(3)(a) and 28A.225.030(1)(a).

(b) The program review and monitoring under this subsection must be conducted concurrently with other program reviews and monitoring conducted by the office of the superintendent of public instruction.

(c) The reports under subsection (1) of this section must describe the results of any annual program reviews, including identifying any school district, charter school, or state-tribal education compact school that is out of compliance with any of RCW 28A.225.015, 28A.225.020, 28A.225.030, or sections 10 or 11 of this act."

Representative Burnett spoke in favor of the adoption of the amendment to the striking amendment.

Representative Stonier spoke against the adoption of the amendment to the striking amendment.

Amendment (1321) to the striking amendment (1311) was not adopted.

Representative Griffey moved the adoption of amendment (1323) to the striking amendment (1311):

On page 3, line 2 of the striking amendment, after "programs" insert "such as the Washington national guard youth challenge program"

On page 6, line 1 of the striking amendment, after "program," insert "offering assistance in enrolling the child in the Washington national guard youth challenge program,"

On page 7, line 23 of the striking amendment, after "program" insert "such as the Washington national guard youth challenge program"

On page 13, after line 10 of the striking amendment, insert the following:

"**Sec. 7.** RCW 28A.225.090 and 2021 c 119 s 15 are each amended to read as follows:

(1) A court may order a child subject to a petition under RCW 28A.225.035 to do one or more of the following:

(a) Attend the child's current school, and set forth minimum attendance requirements, which shall not consider a suspension day as an unexcused absence;

(b) If there is space available and the program can provide educational services appropriate for the child, order the child to attend another public school, an alternative education program, center, a skill center, dropout prevention program, the Washington national guard youth challenge program, or another public educational program;

(c) Attend a private nonsectarian school or program including an education center. Before ordering a child to attend an approved or certified private nonsectarian school or program, the court shall:

(i) Consider the public and private programs available; (ii) find that placement is in the best interest of the child; and (iii) find that the private school or program is willing to accept the child and will not charge any fees in addition to those established by contract with the student's school district. If the court orders the child to enroll in a private school or program, the child's school district shall contract with the school or program to provide educational services for the child. The school district shall not be required to contract for a weekly rate that exceeds the state general apportionment dollars calculated on a weekly basis

generated by the child and received by the district. A school district shall not be required to enter into a contract that is longer than the remainder of the school year. A school district shall not be required to enter into or continue a contract if the child is no longer enrolled in the district;

(d) Submit to a substance abuse assessment if the court finds on the record that such assessment is appropriate to the circumstances and behavior of the child and will facilitate the child's compliance with the mandatory attendance law and, if any assessment, including a urinalysis test ordered under this subsection indicates the use of controlled substances or alcohol, order the minor to abstain from the unlawful consumption of controlled substances or alcohol and adhere to the recommendations of the substance abuse assessment at no expense to the school; or

(e) Submit to a mental health evaluation or other diagnostic evaluation and adhere to the recommendations of the drug assessment, at no expense to the school, if the court finds on the court records that such evaluation is appropriate to the circumstances and behavior of the child, and will facilitate the child's compliance with the mandatory attendance law.

(2) If the child fails to comply with the court order, the court may impose:

(a) Community restitution;

(b) Nonresidential programs with intensive wraparound services;

(c) A requirement that the child meet with a mentor for a specified number of times; or

(d) Other services and interventions that the court deems appropriate.

(3) Any parent violating any of the provisions of either RCW 28A.225.010, 28A.225.015, or 28A.225.080 shall be fined not more than twenty-five dollars for each day of unexcused absence from school. The court shall remit fifty percent of the fine collected under this section to the child's school district. It shall be a defense for a parent charged with violating RCW 28A.225.010 to show that he or she exercised reasonable diligence in attempting to cause a child in his or her custody to attend school or that the child's school did not perform its duties as required in RCW 28A.225.020. The court may order the parent to provide community restitution instead of imposing a fine. Any fine imposed pursuant to this section may be suspended upon the condition that a parent charged with violating RCW 28A.225.010 shall participate with the school and the child in a supervised plan for the child's attendance at school or upon condition that the parent attend a conference or conferences scheduled by a school for the purpose of analyzing the causes of a child's absence.

(4) If a child continues to be truant after entering into a court-approved order with the community engagement board under RCW 28A.225.035, the juvenile court shall find the child in contempt, and the court may impose alternatives to detention consistent with best practice models for reengagement with school.

(5) Nothing in this section shall be construed to limit the court's inherent contempt power or curtail its exercise.

(6) Subsections (1), (2), and (4) of this section shall not apply to a six or seven year old child required to attend public school under RCW 28A.225.015."

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

Representatives Griffey and Stonier spoke in favor of the adoption of the amendment to the striking amendment.

Amendment (1323) to the striking amendment (1311) was adopted.

Representative Abell moved the adoption of amendment (1324) to the striking amendment (1311):

On page 15, after line 21 of the striking amendment, insert the following:

"NEW SECTION. **Sec. 12.** This act takes effect July 1, 2027."

With the consent of the House, Representative Abell withdrew amendment (1324).

Representatives Stonier and Griffey spoke in favor of the adoption of the striking amendment as amended.

The striking amendment (1311), as amended, was adopted.

The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representative Stonier spoke in favor of the passage of the bill.

Representatives Barkis, Griffey, Keaton, Graham and Burnett spoke against the passage of the bill.

The Speaker (Representative Simmons presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 2044.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 2044, and the bill passed the House by the following vote: Yeas, 55; Nays, 38; Absent, 0; Excused, 5

Voting Yea: Representatives Berg, Bergquist, Berry, Bronoske, Callan, Cortes, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Hackney, Hill, Hunt, Kloba, Leavitt, Lekanoff, Macri, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Thomas, Timmons, Walen, Zahn and Mme. Speaker

Voting Nay: Representatives Abbarno, Abell, Barkis, Barnard, Bernbaum, Burnett, Caldier, Chase, Connors, Corry, Couture, Davis, Dent, Dufault, Dye, Engell, Graham, Griffey, Jacobsen, Keaton, Klicker, Ley, Low, Manjarrez, Marshall, McClintock, McEntire, Orcutt, Penner, Rude, Schmick, Schmidt, Steele, Stokesbary, Stuebe, Walsh, Waters and Ybarra

Excused: Representatives Eslick, Mendoza, Rule, Volz and Wylie

ENGROSSED HOUSE BILL NO. 2044, having received the necessary constitutional majority, was declared passed.

There being no objection, the House adjourned until 10:30 a.m., Monday, April 21, 2025, the 99th Day of the 2025 Regular Session.

LAURIE JINKINS, Speaker

BERNARD DEAN, Chief Clerk