

TWENTY SECOND DAY

MORNING SESSION

Senate Chamber, Olympia, Tuesday, May 17, 2011

The Senate was called to order at 10:00 a.m. by President Owen. The Secretary called the roll and announced to the President that all Senators were present with the exception of Senators Benton, Roach, Sheldon and Zarelli.

The Sergeant at Arms Color Guard consisting of Senator Steve Hobbs and Senator Curtis King, presented the Colors. Mark Boyd, Director of Youth Ministries, United Churches of Olympia offered the prayer.

MOTION

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

MOTION

On motion of Senator Eide and without objection, Senate Rule 45, part 11, was suspended to dispense with the requirement that committee reports be on the secretary's desk for one hour prior to convening of the session to allow measures on the Standing Committee Report to be immediately considered.

MOTION

There being no objection, the Senate advanced to the first order of business.

REPORTS OF STANDING COMMITTEES

May 16, 2011

SB 5931 Prime Sponsor, Senator Baumgartner: Reorganizing and streamlining central service functions, powers, and duties of state government. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5931 be substituted therefor, and the substitute bill do pass. Signed by Senators Zarelli; Parlette; Baumgartner; Baxter; Hatfield; Hewitt; Holmquist Newbry; Honeyford; Kastama; Pflug; Schoesler and Tom.

MINORITY recommendation: Do not pass. Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Brown; Conway; Fraser; Keiser; Pridemore; Regala and Rockefeller.

Passed to Committee on Rules for second reading.

May 16, 2011

EHB 1248 Prime Sponsor, Representative Hunter: Authorizing emergency rule making when necessary to implement fiscal reductions. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass. Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Zarelli; Parlette; Baumgartner; Baxter; Conway; Fraser; Hatfield; Hewitt; Holmquist Newbry; Honeyford;

Kastama; Keiser; Pridemore; Regala; Rockefeller; Schoesler and Tom.

Passed to Committee on Rules for second reading.

MOTION

On motion of Senator Eide, all measures listed on the Standing Committee report were referred to the committees as designated.

MOTION

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

INTRODUCTION AND FIRST READING

SB 5959 by Senators Tom and Zarelli

AN ACT Relating to K-12 educator employment, including compensation and building assignment; amending RCW 28A.400.201; adding new sections to chapter 28A.405 RCW; and declaring an emergency.

Referred to Committee on Ways & Means.

MOTION

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

MOTION

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

SIGNED BY THE PRESIDENT

The President signed:  
SECOND ENGROSSED SENATE BILL 5773,  
ENGROSSED SUBSTITUTE SENATE BILL 5921.

PERSONAL PRIVILEGE

Senator Eide: "Well, thank you Mr. President. Well, ladies and gentlemen of the Senate, my husband Mark and I have hit a milestone in our life this last weekend. Our daughter Joanna graduated from law school. We are very, very proud of her needless to say, even more so of course her mom and dad were bawling during the ceremony but she is one of three in her whole class of one hundred eight that received, this means a whole lot to me and I'm sharing something that's going on in my life, thank you. My daughter graduated from law school this weekend. We're extremely proud of her. She did this on her own. My husband had me with the whip, go, go and she did this on her own. She was one of only three in her whole class, there was a hundred eight in her law school class, that received a double emphasis. One in Natural Resources and Environment Law and the other one in Native American Law. She received an award for her pro bono that she had done which was only a few of them so her wore a cord around her neck. Now there's a day that you stand

up there and you think you're so darned proud you don't know how to stand it but I wanted to share it with because we've been blessed. Brought the grandparents, brought our son, Matt and it was glorious day. Thank you for letting me share."

PERSONAL PRIVILEGE

Senator Pflug: "Thank you Mr. President. I would like to congratulate the lady and I'm just also let her know that I know exactly how you feel because on Sunday we celebrated my daughter-in-laws' graduation from law school as well and it's just, it is an incredible feeling to see these kids doing so well and of course for me inspiring too. Obviously it can be done. So I told her that maybe next year we could start our own firm, you know 'Pflug and Pflug' or 'Pflug & Daughter' and she would inform me it would be Pflug & Mother.' So, anyway, thank you and congratulations."

PERSONAL PRIVILEGE

Senator Shin: "Thank you sir. Good morning to you all. I want to apologize for my absence last week from this chamber. I was invited by the both the Russian government and there were seven American Missionaries, about ten Korean Missionaries in East of Russia. I got off at Vladivostok, about six hour drive to the western part of Russia. They have agreed to lease two hundred thousand acres of virgin land, soil to farm and maybe plant green grass and some food stuff and they would market it all over the world and this would be for the people that are poor. On that two hundred thousand acres of land they raise soy beans, wheat and corn and they would distribute to the poor people and also in Africa, South America. It was an honor for me to be invited and do some mediation between Russian government and those missionaries. It's already successful, ready to plow the fields and they will start to harvest to help the poor people around the world and it was an honor to be there and come back last night. Thank you Mr. President."

PERSONAL PRIVILEGE

Senator Murray: "Thank you Mr. President. I don't do point of personal privilege so this is a first for me. But you'll remember a few years ago that we've had the privilege of having the Irish Attorney General visit us and speak to us in this chamber. Today for the first time in the history of the Irish Republic the Queen of England is visiting on a state visit. Another important step in the peace process that so tore that island apart. That's the end of my point of personal privilege."

REMARKS BY THE PRESIDENT

President Owen: "Long live the Queen."

MOTION

On motion of Senator Ericksen, Senators Benton, Parlette, Roach and Zarelli were excused.

MESSAGE FROM THE HOUSE

May 13, 2011

MR. PRESIDENT:

The House passed SENATE BILL NO. 5289 with the following amendment(s): 5289 AMH WAYS H2822.1

Strike everything after the enacting clause and insert the following:

**NEW SECTION. Sec. 1.** A new section is added to chapter 82.04 RCW to read as follows:

(1) In computing tax due under this chapter, there may be deducted from the measure of tax all amounts received by:

(a) A nonprofit property management company from the owner of property for gross wages, benefits, and payroll taxes paid to, or for, personnel performing on-site functions;

(b) A property management company from a housing authority for gross wages, benefits, and payroll taxes paid to, or for, personnel performing on-site functions; or

(c) A property management company from a limited liability company or limited partnership of which the sole managing member or sole general partner is a housing authority for gross wages, benefits, and payroll taxes paid to, or for, personnel performing on-site functions.

(2) A person claiming the deduction under this section must file a complete annual report with the department under RCW 82.32.534.

(3) The definitions in this subsection apply to this section.

(a) "Personnel performing on-site functions" means a person who meets all of the following conditions:

(i) The person works at the owner's property or centrally performs on-site functions for the property;

(ii) The person's duties include leasing property units, maintaining the property, preparing tenant income certification paperwork or other compliance documents required to lease the unit, collecting rents, recording rents, or performing similar activities; and

(iii) The property management company, for whom the personnel performing on-site functions works, operates under a written property management agreement.

(b) "Nonprofit property management company" means a property management company that:

(i) Is exempt from the tax under 26 U.S.C. Sec. 501(c) of the federal internal revenue code, as it exists on January 1, 2010, but only when such organization is providing property management services for low-income housing that has qualified for the property tax exemption under RCW 84.36.560; or

(ii) Is a public corporation established under RCW 35.21.730.

(c) "Housing authority" means a housing authority created pursuant to chapter 35.82 RCW.

(4) This section expires July 1, 2016.

**NEW SECTION. Sec. 2.** RCW 82.04.394 (Exemptions--Amounts received by property management company for on-site personnel) and 2010 1st sp.s. c 23 s 1202, 2010 c 106 s 209, & 1998 c 338 s 2 are each repealed.

**NEW SECTION. Sec. 3.** This act does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this act or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections."

Correct the title.  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Murray moved that the Senate refuse to concur in the House amendment(s) to Senate Bill No. 5289 and ask the House to recede therefrom.

The President declared the question before the Senate to be the motion by Senator Murray that the Senate refuse to concur in

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the House amendment(s) to Senate Bill No. 5289 and ask the House to recede therefrom.

The motion by Senator Murray carried and the Senate refused to concur in the House amendment(s) to Senate Bill No. 5289 and asked the House to recede therefrom by voice vote.

#### MOTION

On motion of Senator White, Senator Sheldon was excused.

#### MESSAGE FROM THE HOUSE

May 13, 2011

MR. PRESIDENT:

The House passed SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5742 with the following amendment(s): 5742-S.E2 AMH ARMS H2839.2

Beginning on page 9, line 34, strike all of section 8 and insert the following:

**"NEW SECTION. Sec. 8.** A new section is added to chapter 47.64 RCW to read as follows:

(1) Effective July 1, 2013, a captain of a Washington state ferry vessel, also known as the master of the vessel or the commanding officer, is the ultimate authority on and has responsibility for the entire vessel. The captain's responsibilities include, but are not limited to:

- (a) Ensuring the safe navigation of the vessel and its crew and passengers;
- (b) Following all applicable federal, state, and agency policies and regulations;
- (c) Supervising crew in performance, operations, training, security, and environmental protection;
- (d) Overseeing all aspects of vessel operations; and
- (e) Conforming with and ensuring that the vessel also conforms with the performance expectations set forth by the department.

(2) Effective July 1, 2013, the office of financial management, the marine employees' commission, and the exclusive bargaining representative of the captains shall meet and determine a methodology for separating the captains from other licensed deck officers currently represented by the masters, mates, and pilots bargaining unit. This process must provide for the continuation of both bargaining units by the masters, mates, and pilots bargaining unit as well as a formal recognition by the state that the terms and conditions of the current licensed deck officer collective bargaining agreement must carry forward for both bargaining units and must serve as the bases for future negotiations with these bargaining units. The separation of these bargaining units must be completed by July 1, 2013.

(3) If a new captains-only bargaining unit is created, the employer and the exclusive bargaining representative for the captains-only bargaining unit must negotiate a collective bargaining agreement exclusive to the captains-only bargaining unit. The collective bargaining agreement for the captains must include a negotiated provision that outlines the objectives and measurable performance expectations for the captains.

(4) For negotiations covering the 2013-2015 biennium, the employer and the exclusive bargaining representative of the captains-only bargaining unit must negotiate agreements that are consistent with this section.

(5) A collective bargaining agreement may not contain any provision that extends the term of an existing collective bargaining agreement or applicability of items incompatible with this section in an existing collective bargaining agreement.

On page 11, beginning on line 6, after "services" strike all material through "captain" on line 7 and insert "or is exempt"

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Beginning on page 11, line 16, strike all of section 10 and insert the following:

**"NEW SECTION. Sec. 10.** A new section is added to chapter 47.64 RCW to read as follows:

(1) Performance targets for the Washington state ferries must be established by an ad hoc committee with members from and designated by the office of the governor, which must include at least one representative from labor, by October 1, 2013. The ad hoc committee shall solicit input from the joint transportation committee. Performance targets must be reviewed and reestablished by an ad hoc committee with members from and designated by the office of the governor every six years.

(2) The ad hoc committee must consider the following performance measures to set performance targets:

- (a) Safety performance as measured by passenger and employee injuries;
- (b) On-time performance by route, excluding delays that are authorized or are outside of the control of the department;
- (c) Customer satisfaction, which may include customer surveys;
- (d) Fuel consumption; and
- (e) Terminal and vessel operating costs, not including fuel.

(3) By October 1st of each year, the department shall complete a report to assess whether the performance targets have been met for the prior fiscal year. This performance report must be reviewed by the office of financial management. Biennially, the office of financial management must integrate the performance report into the report prepared by the office of financial management pursuant to RCW 47.04.280 regarding progress towards achieving Washington state's transportation system policy goals.

(4) If the department does not meet the performance targets, it must develop an action plan to meet the performance targets within a set time frame and submit this plan to the office of financial management within thirty days of the performance report. The action plan must identify the cause and conditions that lead to nonperformance and must include recommendations to improve performance. Recommendations may include remedies that would require additional funds or legislative action. The office of financial management must also provide the action plan to the transportation committees of the legislature."

On page 13, beginning on line 1, strike all of section 12. Renumber the remaining sections consecutively and correct any internal references accordingly. and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

#### MOTION

Senator Haugen moved that the Senate refuse to concur in the House amendment(s) to Second Engrossed Substitute Senate Bill No. 5742 and request of the House a conference thereon.

The President declared the question before the Senate to be motion by Senator Haugen that the Senate refuse to concur in the House amendment(s) to Second Engrossed Substitute Senate Bill No. 5742 and request conference thereon.

The motion by Senator Haugen carried and the Senate refused to concur in the House amendment(s) to Second Engrossed Substitute Senate Bill No. 5742 and requested of the House a conference thereon by voice vote.

#### APPOINTMENT OF CONFERENCE COMMITTEE

The President appointed as members of the Conference Committee on Second Engrossed Substitute Senate Bill No. 5742

and the House amendment(s) thereto: Senators Haugen, King and Prentice.

#### MOTION

On motion of Senator Eide, the appointments to the conference committee were confirmed.

#### MOTION

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

#### THIRD READING

ENGROSSED SENATE BILL NO. 5638, by Senators Keiser, Fain, Prentice and Shin.

Concerning the exemption of flood control zone districts that are coextensive with a county from certain limitations upon regular property tax levies. (REVISED FOR ENGROSSED: Concerning the exemption of flood control zone districts that are coextensive with a county from certain limitations upon regular property tax levies while protecting other levies from prorationing.)

The bill was read on Third Reading.

#### MOTION

On motion of Senator Pflug, the rules were suspended and Engrossed Senate Bill No. 5638 was returned to second reading for the purpose of amendment.

#### SECOND READING

ENGROSSED SENATE BILL NO. 5638, by Senators Keiser, Fain, Prentice and Shin

Concerning the exemption of flood control zone districts that are coextensive with a county from certain limitations upon regular property tax levies. (REVISED FOR ENGROSSED: Concerning the exemption of flood control zone districts that are coextensive with a county from certain limitations upon regular property tax levies while protecting other levies from prorationing.)

The measure was read the second time.

#### MOTION

Senator Pflug moved that the following striking amendment by Senators Keiser, Fain and Pflug be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 84.52.010 and 2009 c 551 s 7 are each amended to read as follows:

(1) Except as is permitted under RCW 84.55.050, all taxes ~~((shall))~~ must be levied or voted in specific amounts.

(2) The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, ~~((shall))~~ must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county ~~((shall))~~

must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

(3) When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor ~~((shall))~~ must recompute and establish a consolidated levy in the following manner:

~~((4))~~ (a) The full certified rates of tax levy for state, county, county road district, and city or town purposes ~~((shall))~~ must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy ~~((shall))~~ may take precedence over all other levies and ~~((shall))~~ may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, and 84.52.140, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies ~~((shall))~~ must be reduced as follows:

~~((a))~~ (i) The portion of the levy by a metropolitan park district that has a population of less than one hundred fifty thousand and is located in a county with a population of one million five hundred thousand or more that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(ii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.140 ~~((shall))~~ must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or ~~((shall))~~ must be eliminated;

~~((b))~~ (iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district that is protected under RCW 84.52.125 ~~((shall))~~ must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or ~~((shall))~~ must be eliminated;

~~((c))~~ (iv) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

~~((d))~~ (v) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

~~((e))~~ (vi) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district with a population of one hundred fifty thousand or more that is protected under RCW 84.52.120 ~~((shall))~~ must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or ~~((shall))~~ must be eliminated;

~~((f))~~ (vii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, and any portion of the levy imposed under RCW 84.52.069 that is in excess of thirty cents per

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thousand dollars of assessed value, ~~((shall))~~ must be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or ~~((shall))~~ must be eliminated; and

~~((e))~~ (viii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 ~~((shall))~~ must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated.

~~((2))~~ (b) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property ~~((shall))~~ must be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:

~~((a))~~ (i) First, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100, and 67.38.130 ~~((shall))~~ must be reduced on a pro rata basis or eliminated;

~~((b))~~ (ii) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts ~~((shall))~~ must be reduced on a pro rata basis or eliminated;

~~((c))~~ (iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, ~~((shall))~~ must be reduced on a pro rata basis or eliminated;

~~((d))~~ (iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, ~~((shall))~~ must be reduced on a pro rata basis or eliminated;

~~((e))~~ (v) Fifth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional fire protection service authorities under RCW 52.26.140(1) (b) and (c) ~~((shall))~~ must be reduced on a pro rata basis or eliminated; and

~~((f))~~ (vi) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, ~~((shall))~~ must be reduced on a pro rata basis or eliminated.

**Sec. 2.** RCW 84.52.010 and 2011 c ... (EHB 1969) s 1 are each amended to read as follows:

(1) Except as is permitted under RCW 84.55.050, all taxes must be levied or voted in specific amounts.

(2) The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the

assessed valuation of the property of the taxing districts respectively.

(3) When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor must recompute and establish a consolidated levy in the following manner:

(a) The full certified rates of tax levy for state, county, county road district, and city or town purposes must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy takes precedence over all other levies and may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, 84.52.140, and the protected portion of the levy under RCW 86.15.160 by flood control zone districts in a county with a population of seven hundred seventy-five thousand or more that are coextensive with a county, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies must be reduced as follows:

(i) The portion of the levy by a metropolitan park district that has a population of less than one hundred fifty thousand and is located in a county with a population of one million five hundred thousand or more that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(ii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the protected portion of the levy imposed under RCW 86.15.160 by a flood control zone district in a county with a population of seven hundred seventy-five thousand or more that is coextensive with a county must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

~~((iii))~~ (iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.140 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

~~((iiii))~~ (iv) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district that is protected under RCW 84.52.125 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

~~((ivv))~~ (v) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

~~((vvi))~~ (vi) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

~~((vvi))~~ (vii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district with a population of one hundred fifty thousand or more that is protected under RCW 84.52.120 must be

reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

~~((vii))~~ (viii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, and any portion of the levy imposed under RCW 84.52.069 that is in excess of thirty cents per thousand dollars of assessed value, must be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated; and

~~((viii))~~ (ix) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated.

(b) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property must be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:

(i) First, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or eliminated;

(ii) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts ~~((that have a population of seven hundred seventy five thousand or more))~~ other than the portion of a levy protected under RCW 84.52.--- (section 4 of this act) must be reduced on a pro rata basis or eliminated;

(iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, must be reduced on a pro rata basis or eliminated;

(iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, must be reduced on a pro rata basis or eliminated;

(v) Fifth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional fire protection service authorities under RCW 52.26.140(1) (b) and (c) must be reduced on a pro rata basis or eliminated; and

(vi) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, must be reduced on a pro rata basis or eliminated.

**Sec. 3.** RCW 84.52.120 and 1995 c 99 s 1 are each amended to read as follows:

A metropolitan park district with a population of one hundred fifty thousand or more, or any metropolitan park district located in a county with a population of one million five hundred thousand or more, may submit a ballot proposition to voters of the district authorizing the protection of the district's tax levy from prorationing under RCW 84.52.010~~((2))~~ (3)(b) by imposing all or any portion of the district's twenty-five cent per thousand dollars of assessed

valuation tax levy outside of the five dollar and ninety cent per thousand dollar of assessed valuation limitation established under RCW 84.52.043(2), if those taxes otherwise would be prorated under RCW 84.52.010~~((2)(e))~~ (3)(b)(iii), for taxes imposed in any year on or before the first day of January six years after the ballot proposition is approved. A simple majority vote of voters voting on the proposition is required for approval.

**Sec. 4.** RCW 84.52.--- and 2011 c ... (EHB 1969) s 3 are each amended to read as follows:

A flood control zone district in a county with a population of seven hundred seventy-five thousand or more that is coextensive with a county may protect the levy under RCW 86.15.160(1) from prorationing under RCW 84.52.010(3)(b)(ii) by imposing up to a total of twenty-five cents per thousand dollars of assessed value of the tax levy authorized under RCW 86.15.160 outside of the five dollars and ninety cents per thousand dollars of assessed value limitation under RCW 84.52.043(2), if those taxes otherwise would be prorated under RCW 84.52.010(3)(b)(ii).

**NEW SECTION. Sec. 5.** This act applies to taxes levied for collection in 2012 through 2017.

**NEW SECTION. Sec. 6.** (1) Section 1 of this act takes effect if section 1, chapter . . . (EHB 1969), Laws of 2011 is not enacted into law.

(2) Section 2 of this act takes effect if section 1, chapter . . . (EHB 1969), Laws of 2011 is enacted into law.

**NEW SECTION. Sec. 7.** This act expires January 1, 2018."

Senator Pflug spoke in favor of adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of the striking amendment by Senators Keiser, Fain and Pflug to Engrossed Senate Bill No. 5638.

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

#### MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 1 of the title, after "exemption of" strike the remainder of the title and insert "certain taxing districts; amending RCW 84.52.010, 84.52.010, 84.52.120, and 84.52.---; creating a new section; providing contingent effective dates; and providing an expiration date."

#### MOTION

On motion of Senator Keiser, the rules were suspended, Second Engrossed Senate Bill No. 5638 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Keiser spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Second Engrossed Senate Bill No. 5638.

#### ROLL CALL

The Secretary called the roll on the final passage of Second Engrossed Senate Bill No. 5638 and the bill passed the Senate by the following vote: Yeas, 38; Nays, 7; Absent, 0; Excused, 4.

Voting yea: Senators Brown, Chase, Conway, Eide, Ericksen, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hewitt, Hill, Hobbs, Honeyford, Kastama, Keiser, Kilmer, King, Kline, Kohl-Welles, Litzow, McAuliffe, Morton, Murray, Nelson,

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Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Rockefeller, Schoesler, Shin, Swecker, Tom and White

Voting nay: Senators Baumgartner, Baxter, Becker, Carrell, Delvin, Holmquist Newbry and Stevens

Excused: Senators Benton, Roach, Sheldon and Zarelli

SECOND ENGROSSED SENATE BILL NO. 5638, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, Second Engrossed Senate Bill No. 5638 was immediately transmitted to the House of Representatives.

MOTION

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

SECOND READING

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1965, by House Committee on Ways & Means (originally sponsored by Representatives Kagi, Jinkins, Froct and Kenney)

Concerning adverse childhood experiences.

The measure was read the second time.

MOTION

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

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** The legislature finds that adverse childhood experiences are a powerful common determinant of a child's ability to be successful at school and, as an adult, to be successful at work, to avoid behavioral and chronic physical health conditions, and to build healthy relationships. The purpose of this chapter is, through a new or existing public-private partnership and in collaboration with community leadership, and state agency representatives, to identify the primary causes of adverse childhood experiences in communities and to mobilize broad public and private support to prevent harm to young children. A reduction in adverse childhood experiences is sought through a focused effort to identify and utilize innovative strategies based on evidence-based and research-based approaches and practices to prevent adverse experiences in early childhood and reduce the accumulated harm of adverse experiences throughout childhood.

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

(1) "Community public health and safety networks" or "networks" means the organizations authorized under RCW 70.190.060.

(2) "Department" means the department of social and health services.

(3) "Evidence-based" has the same meaning as in RCW 43.215.146.

(4) "Research-based" has the same meaning as in RCW 43.215.146.

(5) "Secretary" means the secretary of social and health services.

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**NEW SECTION. Sec. 3.** (1) The nongovernmental private-public partnership described in section 1 of this act shall focus on preventing and reducing the prevalence of adverse childhood experiences and their enduring effects. The private-public partnership shall support the interests of selected community-based organizations around this common goal. It is recognized that many community public health and safety networks across the state have knowledge and expertise regarding reduction of adverse childhood experiences and will provide leadership on this initiative in their communities. In addition, a broad range of community coalitions involved with early learning and other early childhood initiatives have coalesced in many communities. The intent of the private-public partnership is to coordinate and assemble the strongest components of these networks and coalitions to respond to the initiative of reducing and preventing adverse childhood experiences while providing the flexibility for communities to devise their own strategies and approaches to achieve prevention and reduction.

(2) The secretary of the department of social and health services and the director of the department of early learning shall convene a planning group to refine the purposes, goals, and structure of the private-public partnership. Membership of the planning group must be broad and shall include, but is not limited to, stakeholders in the following areas: Early learning, community public health and safety networks, organizations that work to prevent and address child abuse and neglect, tribes, public agency representatives, philanthropic organizations, and organizations focused on community mobilization. The planning group shall develop a work plan for the private-public partnership, which must be submitted to the legislature no later than December 15, 2011.

(3) The private-public partnership shall establish criteria for distributing funds to community organizations based upon research and data with demonstrated effectiveness in preventing and reducing adverse childhood experiences. When establishing criteria to distribute funds, the private-public partnership shall give consideration to community public health and safety networks that have a history of providing training and services related to adverse childhood experiences. The method for distributing funds must be based upon data indicating areas of need and the use of evidence-based and research-based strategies to address those needs.

(4) In addition to other powers granted to the secretary, the secretary may:

(a) Enter into contracts on behalf of the department to carry out the purposes of this chapter;

(b) Provide funding to the private-public partnerships; and

(c) Accept gifts, grants, or other funds for the purposes of this chapter.

**Sec. 4.** RCW 13.40.462 and 2006 c 304 s 2 are each amended to read as follows:

(1) The department of social and health services juvenile rehabilitation administration shall establish a reinvesting in youth program that awards grants to counties for implementing research-based early intervention services that target juvenile justice-involved youth and reduce crime, subject to the availability of amounts appropriated for this specific purpose.

(2) Effective July 1, 2007, any county or group of counties may apply for participation in the reinvesting in youth program.

(3) Counties that participate in the reinvesting in youth program shall have a portion of their costs of serving youth through the research-based intervention service models paid for with moneys from the reinvesting in youth account established pursuant to RCW 13.40.466.

(4) The department of social and health services juvenile rehabilitation administration shall review county applications for

funding through the reinvesting in youth program and shall select the counties that will be awarded grants with funds appropriated to implement this program. The department, in consultation with the Washington state institute for public policy, shall develop guidelines to determine which counties will be awarded funding in accordance with the reinvesting in youth program. At a minimum, counties must meet the following criteria in order to participate in the reinvesting in youth program:

(a) Counties must match state moneys awarded for research-based early intervention services with nonstate resources that are at least proportional to the expected local government share of state and local government cost avoidance that would result from the implementation of such services;

(b) Counties must demonstrate that state funds allocated pursuant to this section are used only for the intervention service models authorized pursuant to RCW 13.40.464;

(c) Counties must participate fully in the state quality assurance program established in RCW 13.40.468 to ensure fidelity of program implementation. If no state quality assurance program is in effect for a particular selected research-based service, the county must submit a quality assurance plan for state approval with its grant application. Failure to demonstrate continuing compliance with quality assurance plans shall be grounds for termination of state funding; and

(d) Counties that submit joint applications must submit for approval by the department of social and health services juvenile rehabilitation administration multicounty plans for efficient program delivery.

((5) The department of social and health services juvenile rehabilitation administration shall convene a technical advisory committee comprised of representatives from the house of representatives, the senate, the governor's office of financial management, the department of social and health services juvenile rehabilitation administration, the family policy council, the juvenile court administrator's association, and the Washington association of counties to assist in the implementation of chapter 304, Laws of 2006.))

**Sec. 5.** RCW 43.121.100 and 2011 c 171 s 9 are each amended to read as follows:

~~((The council may accept))~~ Contributions, grants, or gifts in cash or otherwise, including funds generated by the sale of "heirloom" birth certificates under chapter 70.58 RCW from persons, associations, or corporations and funds generated through the issuance of the "Keep Kids Safe" license plate under chapter 46.18 RCW~~((All moneys received by the council or any employee thereof from contributions, grants, or gifts and not through appropriation by the legislature))~~, shall be deposited in a depository approved by the state treasurer to be known as the children's trust fund. Disbursements of such funds shall be on the authorization of the ~~((council or a duly authorized representative thereof and only for the purposes stated in RCW 43.121.050))~~ director of the department of early learning beginning July 1, 2012. In order to maintain an effective expenditure and revenue control, such funds shall be subject in all respects to chapter 43.88 RCW, but no appropriation shall be required to permit expenditure of such funds.

**Sec. 6.** RCW 43.215.146 and 2007 c 466 s 2 are each amended to read as follows:

The definitions in this section apply throughout this section and RCW ((43.121.170 through)) 43.215.145, 43.215.147, and 43.121.185 unless the context clearly requires otherwise.

(1) "Evidence-based" means a program or practice that has had multiple site random controlled trials across heterogeneous populations demonstrating that the program or practice is effective for the population.

(2) "Home visitation" means providing services in the permanent or temporary residence, or in other familiar surroundings, of the family receiving such services.

(3) "Research-based" means a program or practice that has some research demonstrating effectiveness, but that does not yet meet the standard of evidence-based practices.

**Sec. 7.** RCW 43.215.147 and 2008 c 152 s 6 are each amended to read as follows:

(1) Within available funds, the ~~((council for children and families))~~ department shall fund evidence-based and research-based home visitation programs for improving parenting skills and outcomes for children. Home visitation programs must be voluntary and must address the needs of families to alleviate the effect on child development of factors such as poverty, single parenthood, parental unemployment or underemployment, parental disability, or parental lack of high school diploma, which research shows are risk factors for child abuse and neglect and poor educational outcomes. In order to maximize opportunities to obtain matching funds from private entities, general funds intended to support home visiting funding shall be appropriated to the home visiting services account established in RCW 43.215.130.

(2) The ~~((council for children and families shall develop a plan))~~ department shall work with the department of social and health services, the department of health~~((the department of early learning, and the family policy council)),~~ the private-public partnership created in RCW 43.215.070, and key partners and stakeholders to develop a plan to coordinate or consolidate home visitation services for children and families ~~((and report to the appropriate committees of the legislature by December 1, 2007, with their recommendations for implementation of the plan))~~ to the extent practicable.

**Sec. 8.** RCW 43.70.555 and 1998 c 245 s 77 are each amended to read as follows:

The department~~((in consultation with the family policy council created in chapter 70.190 RCW))~~ shall establish, by rule, standards for local health departments and networks to use in assessment, performance measurement, policy development, and assurance regarding social development to prevent health problems caused by risk factors empirically linked to: Violent criminal acts by juveniles, teen substance abuse, teen pregnancy and male parentage, teen suicide attempts, dropping out of school, child abuse or neglect, and domestic violence. The standards shall be based on the standards set forth in the public health services improvement plan as required by RCW 43.70.550.

**NEW SECTION. Sec. 9.** (1) Beginning July 1, 2011, the council for children and families and the department of early learning shall develop a plan for transitioning the work of the council for children and families, including public awareness campaigns, to the department of early learning. The council for children and families and the department of early learning shall, as appropriate, participate in the development of the private-public partnership in order to streamline efforts around the prevention of child abuse and neglect and avoid duplication of effort.

(2) The executive director of the council for children and families and the director of the department of early learning shall consult with the stakeholder group convened in section 3(2) of this act to develop strategies to maximize Washington's leverage and match of federal child abuse and neglect prevention moneys.

**Sec. 10.** RCW 74.14A.060 and 2000 c 219 s 2 are each amended to read as follows:

Within available funds, the secretary of the department of social and health services shall ~~((charge appropriated funds to))~~ support blended funding projects for youth ~~((subject to any current or future waiver the department receives to the requirements of IV-E funding))~~. To be eligible for blended funding a child must be eligible for services designed to address a behavioral, mental,

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emotional, or substance abuse issue from the department of social and health services and require services from more than one categorical service delivery system. Before any blended funding project is established by the secretary, any entity or person proposing the project shall seek input from the public health and safety network or networks established in the catchment area of the project. The network or networks shall submit recommendations on the blended funding project to the ~~((family policy council))~~ private-public partnership described in section 1 of this act. The ~~((family policy council))~~ private-public partnership shall advise the secretary whether to approve the proposed blended funding project. The network shall review the proposed blended funding project pursuant to its authority to examine the decategorization of program funds under RCW 70.190.110, within the current appropriation level. The department shall document the number of children who participate in blended funding projects, the total blended funding amounts per child, the amount charged to each appropriation by program, and services provided to each child through each blended funding project and report this information to the appropriate committees of the legislature by December 1st of each year, beginning in December 1, 2000.

**Sec. 11.** RCW 70.190.040 and 1993 c 336 s 901 are each amended to read as follows:

(1) The legislature finds that helping children to arrive at school ready to learn is an important part of improving student learning.

(2) To the extent funds are appropriated, the ~~((family policy council))~~ superintendent of public instruction shall award grants to community-based consortiums that submit comprehensive plans that include strategies to improve readiness to learn.

**NEW SECTION. Sec. 12.** The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 2012:

(1) RCW 43.121.010 (Legislative declaration, intent) and 1982 c 4 s 1;

(2) RCW 43.121.015 (Definitions) and 2008 c 152 s 8, 1988 c 278 s 4, & 1987 c 351 s 2;

(3) RCW 43.121.020 (Council established--Members, chairperson-- Appointment, qualifications, terms, vacancies) and 2008 c 152 s 7, 2007 c 144 s 1, 1996 c 10 s 1, 1994 c 48 s 1, 1989 c 304 s 4, 1987 c 351 s 3, 1984 c 261 s 1, & 1982 c 4 s 2;

(4) RCW 43.121.030 (Compensation and travel expenses of members) and 1984 c 287 s 87 & 1982 c 4 s 3;

(5) RCW 43.121.040 (Executive director, salary--Staff) and 1982 c 4 s 4;

(6) RCW 43.121.050 (Council powers and duties--Generally--Rules) and 1988 c 278 s 5, 1987 c 351 s 4, & 1982 c 4 s 5;

(7) RCW 43.121.060 (Contracts for services--Scope of programs-- Funding) and 1982 c 4 s 6;

(8) RCW 43.121.070 (Contracts for services--Factors in awarding) and 1982 c 4 s 7;

(9) RCW 43.121.080 (Contracts for services--Partial funding by administering organization, what constitutes) and 1982 c 4 s 8;

(10) RCW 43.121.110 (Parenting skills--Legislative findings) and 1988 c 278 s 1;

(11) RCW 43.121.120 (Community-based early parenting skills programs--Funding) and 1988 c 278 s 2;

(12) RCW 43.121.130 (Decreased state funding of parenting skills programs--Evaluation) and 1998 c 245 s 48 & 1988 c 278 s 3;

(13) RCW 43.121.140 (Shaken baby syndrome--Outreach campaign) and 1993 c 107 s 2;

(14) RCW 43.121.150 (Juvenile crime--Legislative findings) and 1997 c 338 s 56;

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(15) RCW 43.121.160 (Postpartum depression--Public information and communication outreach campaign) and 2005 c 347 s 2;

(16) RCW 43.121.185 (Children's trust of Washington renamed) and 2008 c 152 s 5 & 2007 c 466 s 4; and

(17) RCW 43.121.910 (Severability--1982 c 4) and 1982 c 4 s 15.

**NEW SECTION. Sec. 13.** The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 2012:

(1) RCW 70.190.005 (Purpose) and 1994 sp.s. c 7 s 301 & 1992 c 198 s 1;

(2) RCW 70.190.010 (Definitions) and 2009 c 565 s 52, 2009 c 479 s 58, 1996 c 132 s 2, 1995 c 399 s 200, & 1992 c 198 s 3;

(3) RCW 70.190.020 (Consolidate efforts of existing entities) and 1994 sp.s. c 7 s 315 & 1992 c 198 s 4;

(4) RCW 70.190.100 (Duties of council) and 2009 c 479 s 59, 1998 c 245 s 123, & 1994 sp.s. c 7 s 307;

(5) RCW 70.190.110 (Program review) and 1998 c 245 s 124 & 1994 sp.s. c 7 s 308;

(6) RCW 70.190.120 (Interagency agreement) and 1994 sp.s. c 7 s 309;

(7) RCW 70.190.130 (Comprehensive plan--Approval process--Network expenditures--Penalty for noncompliance with chapter) and 1998 c 314 s 13, 1996 c 132 s 8, & 1994 sp.s. c 7 s 310;

(8) RCW 70.190.150 (Federal restrictions on funds transfers, waivers) and 1994 sp.s. c 7 s 312; and

(9) RCW 70.190.920 (Effective date--1992 c 198) and 1992 c 198 s 21.

**NEW SECTION. Sec. 14.** RCW 74.14C.050 (Implementation and evaluation plan) and 1995 c 311 s 9 & 1992 c 214 s 6 are each repealed.

**NEW SECTION. Sec. 15.** RCW 70.190.040 is recodified as a section in chapter 28A.300 RCW.

**NEW SECTION. Sec. 16.** Sections 1 through 3 of this act constitute a new chapter in Title 70 RCW."

On page 1, line 2 of the title, after "experiences;" strike the remainder of the title and insert "amending RCW 13.40.462, 43.121.100, 43.215.146, 43.215.147, 43.70.555, 74.14A.060, and 70.190.040; adding a new section to chapter 28A.300 RCW; adding a new chapter to Title 70 RCW; creating a new section; recodifying RCW 70.190.040; repealing RCW 43.121.010, 43.121.015, 43.121.020, 43.121.030, 43.121.040, 43.121.050, 43.121.060, 43.121.070, 43.121.080, 43.121.110, 43.121.120, 43.121.130, 43.121.140, 43.121.150, 43.121.160, 43.121.185, 43.121.910, 70.190.005, 70.190.010, 70.190.020, 70.190.100, 70.190.110, 70.190.120, 70.190.130, 70.190.150, 70.190.920, and 74.14C.050; and providing effective dates."

The President declared the question before the Senate to be the motion by Senator Regala to not adopt the committee striking amendment by the Committee on Ways & Means to Engrossed Second Substitute House Bill No. 1965.

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

#### MOTION

Senator Regala moved that the following striking amendment by Senator Regala be adopted:

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** The legislature finds that adverse childhood experiences are a powerful common determinant of a child's ability to be successful at school and, as an adult, to be

successful at work, to avoid behavioral and chronic physical health conditions, and to build healthy relationships. The purpose of this chapter is to identify the primary causes of adverse childhood experiences in communities and to mobilize broad public and private support to prevent harm to young children and reduce the accumulated harm of adverse experiences throughout childhood. A focused effort is needed to 1) identify and promote the use of innovative strategies based on evidence-based and research-based approaches and practices; and 2) align public and private policies and funding with approaches and strategies which have demonstrated effectiveness.

The legislature recognizes that many community public health and safety networks across the state have knowledge and expertise regarding the reduction of adverse childhood experiences and can provide leadership on this initiative in their communities. In addition, a broad range of community coalitions involved with early learning, child abuse prevention, and community mobilization have coalesced in many communities. The adverse childhood experiences initiative should coordinate and assemble the strongest components of these networks and coalitions to effectively respond to the challenge of reducing and preventing adverse childhood experiences while providing flexibility for communities to design responses that are appropriate for their community.

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

(1) "Adverse Childhood experiences" means the following indicators of severe childhood stressors and family dysfunction that, when experienced in the first eighteen years of life and taken together, are proven by public health research to be powerful determinants of physical, mental, social, and behavioral health across the lifespan: child physical abuse; child sexual abuse; child emotional abuse; child emotional or physical neglect; alcohol or other substance abuse in the home; mental illness, depression or suicidal behaviors in the home; incarceration of a family member; witnessing intimate partner violence; and parental divorce or separation. Adverse childhood experiences have been demonstrated to affect the development of the brain and other major body systems.

(2) "Community public health and safety networks" or "networks" means the organizations authorized under RCW 70.190.060.

(3) "Department" means the department of social and health services.

(4) "Director" means the director of the department of early learning.

(5) "Evidence-based" has the same meaning as in RCW 43.215.146.

(6) "Research-based" has the same meaning as in RCW 43.215.146.

(7) "Secretary" means the secretary of social and health services.

**NEW SECTION. Sec. 3.** (1) (a) The secretary of the department of social and health services and the director of the department of early learning shall actively participate in the development of a nongovernmental private-public initiative focused on coordinating government and philanthropic organizations' investments in the positive development of children and preventing and mitigating the effects of adverse childhood experiences. The secretary and director shall convene a planning group to work with interested private partners to: (i) develop a process by which the goals identified in section 1 of this chapter shall be met and(ii) develop recommendations for inclusive and diverse governance to advance the adverse childhood experiences initiative.

(b) The secretary and director shall select no more than twelve to fifteen persons as members of the planning group. The members

selected must represent a diversity of interests including: Early learning coalitions, community public health and safety networks, organizations that work to prevent and address child abuse and neglect, tribes, representatives of public agency agencies involved with interventions in or prevention of adverse childhood experiences, philanthropic organizations, and organizations focused on community mobilization.

(c) The secretary and director shall co-chair the planning group meetings and shall convene the first meeting.

(2) The planning group shall submit a report on its progress and recommendations to the appropriate legislative committees no later than December 15, 2011.

(3) In addition to other powers granted to the secretary, the secretary may:

(a) Enter into contracts on behalf of the department to carry out the purposes of this chapter;

(b) Provide funding to communities or any governance entity that is created as a result of the partnership; ; and

(c) Accept gifts, grants, or other funds for the purposes of this chapter.

**Sec. 4.** RCW 13.40.462 and 2006 c 304 s 2 are each amended to read as follows:

(1) The department of social and health services juvenile rehabilitation administration shall establish a reinvesting in youth program that awards grants to counties for implementing research-based early intervention services that target juvenile justice-involved youth and reduce crime, subject to the availability of amounts appropriated for this specific purpose.

(2) Effective July 1, 2007, any county or group of counties may apply for participation in the reinvesting in youth program.

(3) Counties that participate in the reinvesting in youth program shall have a portion of their costs of serving youth through the research-based intervention service models paid for with moneys from the reinvesting in youth account established pursuant to RCW 13.40.466.

(4) The department of social and health services juvenile rehabilitation administration shall review county applications for funding through the reinvesting in youth program and shall select the counties that will be awarded grants with funds appropriated to implement this program. The department, in consultation with the Washington state institute for public policy, shall develop guidelines to determine which counties will be awarded funding in accordance with the reinvesting in youth program. At a minimum, counties must meet the following criteria in order to participate in the reinvesting in youth program:

(a) Counties must match state moneys awarded for research-based early intervention services with nonstate resources that are at least proportional to the expected local government share of state and local government cost avoidance that would result from the implementation of such services;

(b) Counties must demonstrate that state funds allocated pursuant to this section are used only for the intervention service models authorized pursuant to RCW 13.40.464;

(c) Counties must participate fully in the state quality assurance program established in RCW 13.40.468 to ensure fidelity of program implementation. If no state quality assurance program is in effect for a particular selected research-based service, the county must submit a quality assurance plan for state approval with its grant application. Failure to demonstrate continuing compliance with quality assurance plans shall be grounds for termination of state funding; and

(d) Counties that submit joint applications must submit for approval by the department of social and health services juvenile rehabilitation administration multicounty plans for efficient program delivery.

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((5) The department of social and health services juvenile rehabilitation administration shall convene a technical advisory committee comprised of representatives from the house of representatives, the senate, the governor's office of financial management, the department of social and health services juvenile rehabilitation administration, the family policy council, the juvenile court administrator's association, and the Washington association of counties to assist in the implementation of chapter 304, Laws of 2006.))

**Sec. 5.** RCW 43.121.100 and 2011 c 171 s 9 are each amended to read as follows:

~~((The council may accept))~~ Contributions, grants, or gifts in cash or otherwise, including funds generated by the sale of "heirloom" birth certificates under chapter 70.58 RCW from persons, associations, or corporations and funds generated through the issuance of the "Keep Kids Safe" license plate under chapter 46.18 RCW ~~((All moneys received by the council or any employee thereof from contributions, grants, or gifts and not through appropriation by the legislature))~~, shall be deposited in a depository approved by the state treasurer to be known as the children's trust fund. Disbursements of such funds shall be authorized by the ~~((council or a duly authorized representative thereof and only for the purposes stated in RCW 43.121.050))~~ director of the department of early learning beginning July 1, 2012. In order to maintain an effective expenditure and revenue control, such funds shall be subject in all respects to chapter 43.88 RCW, but no appropriation shall be required to permit expenditure of such funds.

**Sec. 6.** RCW 43.215.146 and 2007 c 466 s 2 are each amended to read as follows:

The definitions in this section apply throughout this section and RCW ((43.121.170 through)) 43.215.145, 43.215.147, and 43.121.185 unless the context clearly requires otherwise.

(1) "Evidence-based" means a program or practice that has had multiple site random controlled trials across heterogeneous populations demonstrating that the program or practice is effective for the population.

(2) "Home visitation" means providing services in the permanent or temporary residence, or in other familiar surroundings, of the family receiving such services.

(3) "Research-based" means a program or practice that has some research demonstrating effectiveness, but that does not yet meet the standard of evidence-based practices.

**Sec. 7.** RCW 43.215.147 and 2008 c 152 s 6 are each amended to read as follows:

(1) Within available funds, the ~~((council for children and families))~~ department shall fund evidence-based and research-based home visitation programs for improving parenting skills and outcomes for children. Home visitation programs must be voluntary and must address the needs of families to alleviate the effect on child development of factors such as poverty, single parenthood, parental unemployment or underemployment, parental disability, or parental lack of high school diploma, which research shows are risk factors for child abuse and neglect and poor educational outcomes. In order to maximize opportunities to obtain matching funds from private entities, general funds intended to support home visiting funding shall be appropriated to the home visiting services account established in RCW 43.215.130.

(2) The ~~((council for children and families shall develop a plan))~~ department shall work with the department of social and health services, the department of health ~~((the department of early learning, and the family policy council))~~, the private-public partnership created in RCW 43.215.070, and key partners and stakeholders to develop a plan to coordinate or consolidate home visitation services for children and families ~~((and report to the~~

~~appropriate committees of the legislature by December 1, 2007, with their recommendations for implementation of the plan)) to the extent practicable.~~

**Sec. 8.** RCW 43.70.555 and 1998 c 245 s 77 are each amended to read as follows:

The department ~~((in consultation with the family policy council created in chapter 70.190 RCW,))~~ shall establish, by rule, standards for local health departments and networks to use in assessment, performance measurement, policy development, and assurance regarding social development to prevent health problems caused by risk factors empirically linked to: Violent criminal acts by juveniles, teen substance abuse, teen pregnancy and male parentage, teen suicide attempts, dropping out of school, child abuse or neglect, and domestic violence. The standards shall be based on the standards set forth in the public health services improvement plan as required by RCW 43.70.550.

**NEW SECTION. Sec. 9.** (1) Beginning July 1, 2011, the council for children and families and the department of early learning shall develop a plan for transitioning the work of the council for children and families, including public awareness campaigns, to the department of early learning. The council for children and families and the department of early learning shall participate in the development of the private-public initiative in order to streamline efforts around the prevention of child abuse and neglect and avoid duplication of effort.

(2) The executive director of the council for children and families and the director of the department of early learning shall consult with the planning group convened in section 3 of this act to develop strategies to maximize Washington's leverage and match of federal child abuse and neglect prevention moneys.

(3) No later than January 1, 2012, the council for children and families and the department of early learning shall report to the appropriate committees of the legislature on its transition plan.

**Sec. 10.** RCW 74.14A.060 and 2000 c 219 s 2 are each amended to read as follows:

Within available funds, the secretary of the department of social and health services shall ~~((charge appropriated funds to))~~ support blended funding projects for youth ~~((subject to any current or future waiver the department receives to the requirements of IV E funding))~~. To be eligible for blended funding a child must be eligible for services designed to address a behavioral, mental, emotional, or substance abuse issue from the department of social and health services and require services from more than one categorical service delivery system. Before any blended funding project is established by the secretary, any entity or person proposing the project shall seek input from the public health and safety network or networks established in the catchment area of the project. The network or networks shall submit recommendations on the blended funding project to the ~~((family policy council))~~ private-public initiative described in section 3 of this act. The ~~((family policy council))~~ private-public initiative shall advise the secretary whether to approve the proposed blended funding project. The network shall review the proposed blended funding project pursuant to its authority to examine the decategorization of program funds under RCW 70.190.110, within the current appropriation level. The department shall document the number of children who participate in blended funding projects, the total blended funding amounts per child, the amount charged to each appropriation by program, and services provided to each child through each blended funding project and report this information to the appropriate committees of the legislature by December 1st of each year, beginning in December 1, 2000.

**Sec. 11.** RCW 70.190.040 and 1993 c 336 s 901 are each amended to read as follows:

(1) The legislature finds that helping children to arrive at school ready to learn is an important part of improving student learning.

(2) To the extent funds are appropriated, the ~~((family policy council))~~ superintendent of public instruction shall award grants to community-based consortiums that submit comprehensive plans that include strategies to improve readiness to learn.

**NEW SECTION. Sec. 12.** The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 2012:

(1) RCW 43.121.010 (Legislative declaration, intent) and 1982 c 4 s 1;

(2) RCW 43.121.015 (Definitions) and 2008 c 152 s 8, 1988 c 278 s 4, & 1987 c 351 s 2;

(3) RCW 43.121.020 (Council established--Members, chairperson--Appointment, qualifications, terms, vacancies) and 2008 c 152 s 7, 2007 c 144 s 1, 1996 c 10 s 1, 1994 c 48 s 1, 1989 c 304 s 4, 1987 c 351 s 3, 1984 c 261 s 1, & 1982 c 4 s 2;

(4) RCW 43.121.030 (Compensation and travel expenses of members) and 1984 c 287 s 87 & 1982 c 4 s 3;

(5) RCW 43.121.040 (Executive director, salary--Staff) and 1982 c 4 s 4;

(6) RCW 43.121.050 (Council powers and duties--Generally--Rules) and 1988 c 278 s 5, 1987 c 351 s 4, & 1982 c 4 s 5;

(7) RCW 43.121.060 (Contracts for services--Scope of programs--Funding) and 1982 c 4 s 6;

(8) RCW 43.121.070 (Contracts for services--Factors in awarding) and 1982 c 4 s 7;

(9) RCW 43.121.080 (Contracts for services--Partial funding by administering organization, what constitutes) and 1982 c 4 s 8;

(10) RCW 43.121.110 (Parenting skills--Legislative findings) and 1988 c 278 s 1;

(11) RCW 43.121.120 (Community-based early parenting skills programs--Funding) and 1988 c 278 s 2;

(12) RCW 43.121.130 (Decreased state funding of parenting skills programs--Evaluation) and 1998 c 245 s 48 & 1988 c 278 s 3;

(13) RCW 43.121.140 (Shaken baby syndrome--Outreach campaign) and 1993 c 107 s 2;

(14) RCW 43.121.150 (Juvenile crime--Legislative findings) and 1997 c 338 s 56;

(15) RCW 43.121.160 (Postpartum depression--Public information and communication outreach campaign) and 2005 c 347 s 2;

(16) RCW 43.121.185 (Children's trust of Washington renamed) and 2008 c 152 s 5 & 2007 c 466 s 4; and

(17) RCW 43.121.910 (Severability--1982 c 4) and 1982 c 4 s 15.

**NEW SECTION. Sec. 13.** The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 2012:

(1) RCW 70.190.005 (Purpose) and 1994 sp.s. c 7 s 301 & 1992 c 198 s 1;

(2) RCW 70.190.010 (Definitions) and 2009 c 565 s 52, 2009 c 479 s 58, 1996 c 132 s 2, 1995 c 399 s 200, & 1992 c 198 s 3;

(3) RCW 70.190.020 (Consolidate efforts of existing entities) and 1994 sp.s. c 7 s 315 & 1992 c 198 s 4;

(4) RCW 70.190.100 (Duties of council) and 2009 c 479 s 59, 1998 c 245 s 123, & 1994 sp.s. c 7 s 307;

(5) RCW 70.190.110 (Program review) and 1998 c 245 s 124 & 1994 sp.s. c 7 s 308;

(6) RCW 70.190.120 (Interagency agreement) and 1994 sp.s. c 7 s 309;

(7) RCW 70.190.130 (Comprehensive plan--Approval process--Network expenditures--Penalty for noncompliance with chapter) and 1998 c 314 s 13, 1996 c 132 s 8, & 1994 sp.s. c 7 s 310;

(8) RCW 70.190.150 (Federal restrictions on funds transfers, waivers) and 1994 sp.s. c 7 s 312; and

(9) RCW 70.190.920 (Effective date--1992 c 198) and 1992 c 198 s 21.

**NEW SECTION. Sec. 14.** RCW 74.14C.050 (Implementation and evaluation plan) and 1995 c 311 s 9 & 1992 c 214 s 6 are each repealed.

**NEW SECTION. Sec. 15.** RCW 70.190.040 is recodified as a section in chapter 28A.300 RCW.

**NEW SECTION. Sec. 16.** Sections 1 through 3 of this act constitute a new chapter in Title 70 RCW."

Correct the title.

Senator Regala spoke in favor of adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of the striking amendment by Senator Regala to Engrossed Second Substitute House Bill No. 1965.

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

#### MOTION

On motion of Senator Regala, the rules were suspended, Engrossed Second Substitute House Bill No. 1965 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1965 as amended by the Senate.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1965 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 38; Nays, 8; Absent, 0; Excused, 3.

Voting yea: Senators Baumgartner, Becker, Brown, Chase, Conway, Delvin, Eide, Fraser, Hargrove, Harper, Hatfield, Haugen, Hewitt, Hill, Hobbs, Kastama, Keiser, Kilmer, King, Kline, Kohl-Welles, Litzow, McAuliffe, Murray, Nelson, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Rockefeller, Schoesler, Shin, Swecker, Tom, White and Zarelli

Voting nay: Senators Baxter, Carrell, Eriksen, Fain, Holmquist Newbry, Honeyford, Morton and Stevens

Excused: Senators Benton, Roach and Sheldon

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1965 as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

#### MOTION

At 10:40 a.m., on motion of Senator Eide, the Senate was declared to be at ease subject to the call of the President.

The Senate was called to order at 11:57 a.m. by President Owen.

#### SECOND READING

ENGROSSED HOUSE BILL NO. 1248, by Representatives Hunter and Darneille

TWENTY SECOND DAY, MAY 17, 2011

Authorizing emergency rule making when necessary to implement fiscal reductions.

The measure was read the second time.

#### MOTION

On motion of Senator Murray, the rules were suspended, Engrossed House Bill No. 1248 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Murray spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed House Bill No. 1248.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed House Bill No. 1248 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Baumgartner, Baxter, Becker, Brown, Carrell, Chase, Conway, Delvin, Eide, Ericksen, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Kastama, Keiser, Kilmer, King, Kline, Kohl-Welles, Litzow, McAuliffe, Morton, Murray, Nelson, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, White and Zarelli

Excused: Senators Benton and Roach

ENGROSSED HOUSE BILL NO. 1248, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

#### SECOND READING

SENATE BILL NO. 5912, by Senators Keiser, Pflug, Kohl-Welles and Kline

Expanding family planning services to two hundred fifty percent of the federal poverty level.

#### MOTIONS

On motion of Senator Keiser, Substitute Senate Bill No. 5912 was substituted for Senate Bill No. 5912 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Keiser, the rules were suspended, Substitute Senate Bill No. 5912 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Keiser spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5912.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5912 and the bill passed the Senate by the following vote: Yeas, 30; Nays, 17; Absent, 0; Excused, 2.

Voting yea: Senators Brown, Chase, Conway, Eide, Fain, Fraser, Harper, Hatfield, Haugen, Hill, Hobbs, Kastama, Keiser, Kilmer, Kline, Kohl-Welles, Litzow, McAuliffe, Murray,

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Nelson, Pflug, Prentice, Pridemore, Ranker, Regala, Rockefeller, Sheldon, Shin, Tom and White

Voting nay: Senators Baumgartner, Baxter, Becker, Carrell, Delvin, Ericksen, Hargrove, Hewitt, Holmquist Newbry, Honeyford, King, Morton, Parlette, Schoesler, Stevens, Swecker and Zarelli

Excused: Senators Benton and Roach

SUBSTITUTE SENATE BILL NO. 5912, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

#### SECOND READING

SENATE BILL NO. 5542, by Senators Delvin, Prentice, Honeyford, Hatfield, Schoesler, Hobbs and Hewitt

Establishing special license endorsements for cigar lounges and retail tobacconist shops.

#### MOTION

On motion of Senator Delvin, Substitute Senate Bill No. 5542 was substituted for Senate Bill No. 5542 and the substitute bill was placed on the second reading and read the second time.

#### PARLIAMENTARY INQUIRY

Senator Tom: "Question for clarification. I thought we had a striker amendment, 434 that was to be considered first? It's in the packet."

#### REPLY BY THE PRESIDENT

President Owen: "Senator Tom, the procedure is to perfect and then to strike unless this amendment is meant for the striker but I believe it's for the substitute."

#### MOTION

Senator Tom moved that the following amendment by Senators Tom, Nelson and White be adopted:

On page 1, line 11, after "fee of" strike "seventeen thousand five hundred" and insert "forty thousand"

On page 1, line 13, after "fee of" strike "six" and insert "ten"

On page 1, line 15, after "section." insert "All fees must be paid in full within the first month of each fiscal year."

On page 6, beginning on line 4, after "exceed" strike "one hundred" and insert "fifty"

On page 6, line 6, after "exceed" strike "five hundred" and insert "two hundred"

Senator Tom spoke in favor of adoption of the amendment.

Senator Delvin spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators Tom, Nelson and White on page 1, line 11 to Substitute Senate Bill No. 5542.

The motion by Senator Tom failed and the amendment was not adopted by voice vote.

#### MOTION

Senator Keiser moved that the following amendment by Senators Keiser, Nelson and Tom be adopted:

On page 2, beginning on line 1, after "(a)" strike all material through ""physically" on line 5 and insert "(i) Is an establishment or part of an establishment specifically designated for the smoking of cigars, purchased on the premises or elsewhere, which is physically separated from any areas where smoking is prohibited under state law.

(ii) For the purposes of this subsection:

(A) "Cigar" has the same meaning as provided in RCW 82.26.010; and

(B) "Physically"

On page 2, line 8, after "cigarettes" insert "or hookah or pipe tobacco"

On page 3, line 36, after "cigarettes" insert "or hookah or pipe tobacco"

Senator Keiser spoke in favor of adoption of the amendment.  
Senator Delvin spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators Keiser, Nelson and Tom on page 2, line 1 to Substitute Senate Bill No. 5542.

The motion by Senator Keiser failed and the amendment was not adopted by voice vote.

#### MOTION

Senator White moved that the following amendment by Senator White and others be adopted:

On page 3, beginning on line 14, strike all of subsection (3)(g)

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

On page 3, line 24, after "subsection." insert "The signage must contain the following provision in bold-faced type: "WARNING: Cigar smoking causes lung cancer, heart disease, and other diseases and cancers. Cigars contain nicotine, tar, and carcinogens. Cigar smoking is not a safe alternative to cigarette smoking.""

On page 5, beginning on line 4, strike all of subsection (4)(g)

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

On page 5, line 14, after "subsection." insert "The signage must contain the following provision in bold-faced type: "WARNING: Cigar smoking causes lung cancer, heart disease, and other diseases and cancers. Cigars contain nicotine, tar, and carcinogens. Cigar smoking is not a safe alternative to cigarette smoking.""

On page 5, beginning on line 15, strike all of subsection (5)

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

Senator White spoke in favor of adoption of the amendment.  
Senator Delvin spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator White and others on page 3, line 14 to Substitute Senate Bill No. 5542.

The motion by Senator White failed and the amendment was not adopted by voice vote.

#### MOTION

Senator Nelson moved that the following amendment by Senator Nelson and others be adopted:

On page 6, after line 13, insert the following:

"(11) A person granted a special endorsement to operate a cigar lounge under this section must deposit twenty percent of the net receipts of the business into a health insurance fund to provide comprehensive health care for each employee while employed and for ten years following employment. The insurance policy

for employees must provide coverage to treat the following conditions: Asthma, bronchitis, cancer, and any other disease or ailment that is associated with tobacco smoke. Further, the insurance policy must include preventive, minor, and major medical care."

Senator Nelson spoke in favor of adoption of the amendment.

Senators Delvin and Baxter spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Nelson and others on page 6, after line 13 to Substitute Senate Bill No. 5542.

The motion by Senator Nelson failed and the amendment was not adopted by voice vote.

#### MOTION

Senator White moved that the following amendment by Senator White and others be adopted:

On page 6, beginning on line 22, after "into the" strike all material through "43.79.480" on line 23 and insert "general fund"

Senator White spoke in favor of adoption of the amendment.

Senator Delvin spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator White and others on page 6, line 22 to Engrossed Substitute Senate Bill No. 5542.

The motion by Senator White failed and the amendment was not adopted by voice vote.

#### MOTION

Senator Tom moved that the following amendment by Senators Tom and White be adopted:

On page 7, after line 3, strike all of section 4 and insert the following:

NEW SECTION. Sec. 4. The joint legislative audit and review committee, in consultation with the department of health, must conduct a study on the long-term health care costs associated with the provisions of this act. The joint legislative audit and review committee and the department of health must report the findings of the study required under this section to the appropriate committees of the legislature by January 1, 2012.

NEW SECTION. Sec. 5. Sections 1 through 3 of this act take effect January 1, 2012, if it is reported in the study required under section 4 of this act that the net present value of the long-term health care costs are less than the fee revenue generated by the provisions of this act.

NEW SECTION. Sec. 6. The joint legislative audit and review committee must provide written notice of the effective date of sections 1 through 3 of this act to affected parties, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the department."

On page 1, line 3 of the title, after "82.26 RCW;" strike the remainder of the title and insert "creating new sections; and providing a contingent effective date."

#### WITHDRAWAL OF AMENDMENT

On motion of Senator Tom, the amendment by Senators Tom and White on page 7, line 3 to Substitute Senate Bill No. 5542 was withdrawn.

#### MOTION

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Senator Haugen moved that the following amendment by Senator Haugen and others be adopted:

On page 7, beginning on line 4, strike all of section 4 Senators Haugen and Delvin spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Haugen and others on page 7, line 4 to Senate Bill No. 5542.

The motion by Senator Haugen carried and the amendment was adopted by voice vote.

#### MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 2 of the title, after "70.160.060;" strike the remainder of the title and insert "and adding new sections to chapter 82.26 RCW."

#### MOTION

Senator Tom moved that the following striking amendment by Senators Tom and White be adopted:

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** A new section is added to chapter 82.26 RCW to read as follows:

(1) A person holding a tobacco products retailer's license issued under this chapter may apply through the master license system under chapter 19.02 RCW for a special endorsement as a cigar lounge or retail tobacconist shop subject to the requirements of this section.

(2) A fee of forty thousand dollars must accompany each special license endorsement application under subsection (3) of this section and a fee of ten thousand dollars must accompany each special license endorsement application under subsection (4) of this section. All fees must be paid in full within the first month of each fiscal year.

(3) The board must issue an endorsement as a cigar lounge to a business that meets the requirements of subsections (1) and (2) of this section and that has submitted an affidavit to the board certifying that it:

(a)(i) Is an establishment or part of an establishment specifically designated for the smoking of cigars, purchased on the premises or elsewhere, which is physically separated from any areas where smoking is prohibited under state law.

(ii) For the purposes of this subsection:

(A) "Cigar" has the same meaning as provided in RCW 82.26.010; and

(B) "Physically separated" means an area that is enclosed on all sides by solid, impermeable walls or windows extending from the floor to ceiling with self-closing doors;

(b) Will not allow cigarettes or hookah or pipe tobacco to be smoked in the area designated in (a) of this subsection;

(c) Holds a valid spirits, beer, and wine license in good standing from the board;

(d) Has a valid uniform business identifier number and, if it is an established business with reportable gross receipts, has paid all applicable state business and occupation taxes in the year prior to application for endorsement;

(e) In the year immediately preceding initial application or renewal, derived at least twenty-five thousand dollars of the business' annual gross income from the combination of the sale of tobacco products, tobacco products related paraphernalia, and the rental of on-site humidior space. In the case where this is the

endorsement application, the applicant may use any year prior to the initial application to meet the requirements of this subsection or must show proof that it has purchased, at wholesale, at least twelve thousand five hundred dollars in tobacco products and tobacco products related paraphernalia;

(f) Has obtained a signed letter, on appropriate letterhead, from a heating, ventilation, and air-conditioning, and refrigeration contractor holding a valid registration with the department of labor and industries pursuant to chapter 18.27 RCW, which certifies that the ventilation and exhaust system for the area designated in (a) of this subsection:

(i) Is separate and distinct from the location's general heating, ventilation, and air-conditioning system;

(ii) Has an air flow, as calculated in cubic feet per minute, that will provide for at least thirteen or more air changes within the space served by the ventilation and exhaust system;

(iii) Uses the correct quantity of filters recommended by the manufacturer of the ventilation and exhaust system and that those filters have a minimum efficiency rating value of 14 or higher. For the purposes of this subsection, "minimum efficiency rating value" means the air-cleaning performance rating value as expressed in American society of heating, refrigerating, and air-conditioning engineers standard 52.2-2007; and

(iv) Uses a loose-fill, rechargeable-type sorbent material positioned across the airflow in such a configuration that gaseous contaminants will have a residence time of one-tenth of one second or more within the sorbent material. For the purposes of this section, "residence time" must be calculated consistent with the recommendations outlined in Chapter 45 of the 2007 American society of heating, refrigerating, and air-conditioning engineers handbook - HVAC applications entitled "Control of Gaseous Indoor Air Contaminants"; and

(g) Will post signage indicating that environmental tobacco smoke may be present in the establishment or part of the establishment. This signage must be in the form and manner provided by the board and must be placed in a conspicuous location at each entry to the area designated in (a) of this subsection. The signage must contain the following provision in bold-faced type: **"WARNING: Cigar smoking causes lung cancer, heart disease, and other diseases and cancers. Cigars contain nicotine, tar, and carcinogens. Cigar smoking is not a safe alternative to cigarette smoking."**

(4) The board must issue an endorsement as a retail tobacconist shop to a business that meets the requirements of subsections (1) and (2) of this section and that has submitted an affidavit to the board certifying that it:

(a) Is an establishment whose primary purpose is the sale of tobacco products and tobacco product related paraphernalia and that is physically separated from any adjacent location where smoking is prohibited under state law. For the purposes of this subsection, "physically separated" means an area that is enclosed on all sides by solid, impermeable walls or windows extending from the floor to ceiling with self-closing doors;

(b) Will not allow cigarettes or hookah or pipe tobacco to be smoked in the area designated in (a) of this subsection;

(c) Will prohibit entry into the area designated in subsection (4)(a) of this section to any person under the age of eighteen;

(d) Has a valid uniform business identifier number and, if an established business with reportable gross receipts, has paid all applicable state business and occupation taxes in the year prior to application for endorsement;

(e) In the year immediately preceding initial application or renewal, derived at least seventy-five percent of the business' annual gross income from the combination of the sale of tobacco products and tobacco product related paraphernalia. In the case where this is

the first endorsement application, the applicant may use any year prior to the initial application to meet the requirements of this subsection or must show proof that it has purchased, at wholesale, at least twenty-five thousand dollars in tobacco products and tobacco products related paraphernalia;

(f) Has obtained a signed letter, on appropriate letterhead, from a heating, ventilation, and air-conditioning, and refrigeration contractor holding a valid registration with the department of labor and industries pursuant to chapter 18.27 RCW, which certifies that the ventilation and exhaust system for the area designated in (a) of this subsection:

(i) Is separate and distinct from the location's general heating, ventilation, and air-conditioning system;

(ii) Has an airflow, as calculated in cubic feet per minute, that provides for at least thirteen or more air changes within the space served by the ventilation and exhaust system; and

(iii) Uses the correct quantity of filters recommended by the manufacturer of the ventilation and exhaust system and that those filters have a minimum efficiency rating value of fourteen or higher. For the purposes of this subsection, "minimum efficiency rating value" means the air-cleaning performance rating value as expressed in American society of heating, refrigerating, and air-conditioning engineers standard 52.2-2007; and

(iv) Uses a loose-fill, rechargeable-type sorbent material positioned across the airflow in such a configuration that gaseous contaminants will have a residence time of one-tenth of one second or more within the sorbent material. For the purposes of this section, "residence time" must be calculated consistent with the recommendations outlined in Chapter 45 of the 2007 American society of heating, refrigerating, and air-conditioning engineers handbook - HVAC applications entitled "Control of Gaseous Indoor Air Contaminants"; and

(g) Will post signage indicating that environmental tobacco smoke may be present in the establishment or part of the establishment. This signage must be in the form and manner provided by the board and must be placed in a conspicuous location at each entry to the area designated in (a) of this subsection. The signage must contain the following provision in bold-faced type: "WARNING: Cigar smoking causes lung cancer, heart disease, and other diseases and cancers. Cigars contain nicotine, tar, and carcinogens. Cigar smoking is not a safe alternative to cigarette smoking."

(5) The affidavits required under this section must be submitted in a form and manner as prescribed by the board to effectively administer the provisions of this chapter.

(6) The board may request additional documentation or information from an applicant in order to verify that the business meets the requirements of this section. The applicant must comply with requests from the department under this subsection or the board may withhold issuance of an endorsement.

(7) Endorsements granted under this section are effective for the same period as provided in the tobacco products retailer's license granted to the applicant under this chapter. However, the affidavit required under this section must be completed and verified each year by the board and the appropriate fee paid in full before any endorsement to a tobacco retailer license is issued or renewed.

(8) Endorsement decisions by the board must be made no later than twenty-one business days following the submittal of a completed affidavit together with the appropriate fee. Rejections of an application for an endorsement under this section may be appealed under the same process provided for other licenses issued by the board.

(9) At no point during any calendar year may the board allow the total number of cigar lounge endorsements in the state to exceed fifty or the total number of retail tobacco shop endorsements in the state to exceed two hundred. The board must administer the

distribution of cigar lounge or retail tobacco shop endorsements and must ensure that the collective number of cigar lounge or retail tobacco shop endorsements located within all counties with a population of over five hundred thousand never exceed one-half of the endorsements allowed under this subsection for each endorsement respectively. Renewing applicants must be given priority over new applicants for endorsements under these limitations.

(10) The liquor control board has sole enforcement authority regarding the designated areas that receive an endorsement under this section.

NEW SECTION. Sec. 2. A new section is added to chapter 82.26 RCW to read as follows:

(1) Up to five percent of the fees collected under section 1 of this act must be deposited into the liquor revolving fund created in RCW 66.08.170, to be used to cover the administrative costs of implementing and enforcing the endorsements created in section 1 of this act.

(2) The remaining funds collected under section 1 of this act must be deposited into the general fund solely for appropriation for tobacco usage prevention and treatment programs.

**Sec. 3.** RCW 70.160.060 and 1995 c 369 s 60 are each amended to read as follows:

(1) This chapter is not intended to;

(a) Regulate smoking in a private enclosed workplace, within a public place, even though such workplace may be visited by nonsmokers, excepting places in which smoking is prohibited by the chief of the Washington state patrol, through the director of fire protection, or by other law, ordinance, or regulation;

(b) Regulate use or smoking of tobacco products, as that term is defined under chapter 82.26 RCW, in a public place or place of employment that holds a valid endorsement to their tobacco products retailer's license under section 1 of this act.

(2) The liquor control board has sole enforcement authority regarding the designated areas that receive an endorsement under section 1 of this act.

NEW SECTION. Sec. 4. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

On page 1, line 2 of the title, after "shops;" strike the remainder of the title and insert "amending RCW 70.160.060; adding new sections to chapter 82.26 RCW; and declaring an emergency."

#### WITHDRAWAL OF AMENDMENT

On motion of Senator Tom, the striking amendment by Senators Tom and White to Engrossed Substitute Senate Bill No. 5542 was withdrawn.

#### MOTION

On motion of Senator Delvin, the rules were suspended, Engrossed Substitute Senate Bill No. 5542 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

#### PARLIAMENTARY INQUIRY

Senator Tom: "I'm asking the President to rule on the number of votes required to enact this bill. I believe that this bill requires a two-thirds vote under Initiative 1053 as codified in RCW 43.135.035 and have additional remarks that I would like to offer."

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Senator Delvin spoke against the point of parliamentary inquiry.

MOTION

On motion of Senator Eide, further consideration of Engrossed Substitute Senate Bill No. 5542 was deferred and the bill held its place on the third reading calendar.

RULING BY THE PRESIDENT

President Owen: "In ruling upon the point of order raised by Senator Tom as to the application of Initiative 1053 to Engrossed Substitute Senate Bill 5542, the President finds and rules as follows:

The bill before us imposes fees that are to be used for essentially two purposes: first, a smaller portion of the proceeds is used to administer the program; and second, the larger portion of the proceeds is directed to the Tobacco Prevention and Control Account, to be used for tobacco usage prevention and treatment programs.

There is no doubt that the use of proceeds for administrative purposes is properly characterized as a fee. The remaining question is whether there is a sufficient connection between those paying the fee and portion of the proceeds used for tobacco usage prevention and treatment. The President believes there is a sufficient nexus. While Senator Tom is correct that those seeking to use tobacco products may have no immediate interest in prevention or treatment programs, it is possible that they may utilize these programs at a later date. Moreover, it is proper to view the fee collected as being used to mitigate potential harmful effects which may result from the act contemplated. In either case, there is a clear connection between those paying and the purpose for which the fee may be used.

For these reasons, the President believes this measure will take only a simple majority vote on final passage, and Senator Tom's point is not well-taken."

The Senate resumed consideration of Engrossed Substitute Senate Bill No. 5542 which had been deferred earlier in the day.

Senators Delvin, Kline and Pridemore spoke in favor of passage of the bill.

Senators Tom, Nelson, Kline, McAuliffe and Haugen spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5542.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5542 and the bill passed the Senate by the following vote: Yeas, 26; Nays, 21; Absent, 0; Excused, 2.

Voting yea: Senators Baumgartner, Baxter, Becker, Carrell, Delvin, Eide, Ericksen, Fain, Harper, Hatfield, Hewitt, Hobbs, Honeyford, King, Kohl-Welles, Litzow, Parlette, Pflug, Prentice, Pridemore, Ranker, Schoesler, Sheldon, Stevens, Swecker and Zarelli

Voting nay: Senators Brown, Chase, Conway, Fraser, Hargrove, Haugen, Hill, Holmquist Newbry, Kastama, Keiser, Kilmer, Kline, McAuliffe, Morton, Murray, Nelson, Regala, Rockefeller, Shin, Tom and White

Excused: Senators Benton and Roach

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ENGROSSED SUBSTITUTE SENATE BILL NO. 5542, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 5931, by Senators Baumgartner and Zarelli

Reorganizing and streamlining central service functions, powers, and duties of state government.

MOTION

On motion of Senator Pridemore, Substitute Senate Bill No. 5931 was substituted for Senate Bill No. 5931 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Baumgartner moved that the following amendment by Senator Baumgartner and others be adopted:

On page 4, beginning on line 10, strike all of section 104 and insert the following:

"NEW SECTION. **Sec. 104.** A new section is added to chapter 43.19 RCW to read as follows:

(1) The executive powers and management of the department shall be administered as described in this section.

(2) The executive head and appointing authority of the department is the director. The director is appointed by the governor, subject to confirmation by the senate. The director serves at the pleasure of the governor. The director is paid a salary fixed by the governor in accordance with RCW 43.03.040. If a vacancy occurs in the position of director while the senate is not in session, the governor shall make a temporary appointment until the next meeting of the senate at which time he or she shall present to that body his or her nomination for the position.

(3) The director may employ staff members, who are exempt from chapter 41.06 RCW, and any additional staff members as are necessary to administer this chapter, and such other duties as may be authorized by law. The director may delegate any power or duty vested in him or her by this act or other law, including authority to make final decisions and enter final orders in hearings conducted under chapter 34.05 RCW.

(4) The internal affairs of the department are under the control of the director in order that the director may manage the department in a flexible and intelligent manner as dictated by changing contemporary circumstances. Unless specifically limited by law, the director has complete charge and supervisory powers over the department. The director may create the administrative structures as the director deems appropriate, except as otherwise specified by law, and the director may employ personnel as may be necessary in accordance with chapter 41.06 RCW, except as otherwise provided by law.

(5) At the beginning of each fiscal biennium, the office of financial management shall conduct a review of the programs and services that are performed by the department to determine whether the program or service may be performed by the private sector in a more cost-efficient and effective manner than being performed by the department. In conducting this review, the office of financial management shall:

(a) Examine the existing activities currently being performed by the department, including but not limited to an examination of services for their performance, staffing, capital requirements, and

mission. Programs may be broken down into discrete services or activities or reviewed as a whole; and

(b) Examine the activities to determine which specific services are available in the marketplace and what potential for efficiency gains or savings exist.

(6) The office of financial management shall select at least six activities or services that have been determined as an activity that may be provided by the private sector at an effective and cost-efficient manner, including for the 2011-2013 fiscal biennium the bulk printing services. Priority for selection shall be given to agency activities or services that are significant, ongoing functions. For each of the selected activities, the department of enterprise services shall use a request for information, request for proposal, or other procurement process to determine if a contract for the activity would result in the activity being provided at a reduced cost and with greater efficiency. The department of enterprise services may contract with one or more vendors to provide the service as a result of the procurement process.

(7) If the office of financial management determines via the procurement process that the activity cannot be provided by the private sector at a reduced cost and greater efficiency, the department of enterprise services may cancel the procurement without entering into a contract and shall promptly notify the legislative fiscal committees of such a decision.

(8) The office of financial management shall prepare a biennial report summarizing the results of the examination of the agency's programs and services. In addition to the programs and services examined and the result of the examination, the report shall provide information on any procurement process that does not result in a contract for the services. During each regular legislative session held in odd-numbered years, the legislative fiscal committees shall hold a public hearing on the report and the department's activities under subsections (5) through (7) of this section.

(9) The joint legislative and audit review committee shall conduct an audit of the implementation of subsections (5) through (7) of this section, and report to the legislature by January 1, 2018, on the results of the audit."

On page 78, line 37, after "The" strike "requirements" and insert:

"~~(requirements)~~ processes set forth in subsections (1), (4), and (5)"

On page 78, line 37, after "to" insert "(a)"

On page 79, line 1, after "74.13.031(5)" strike all material through "agency" on line 3 and insert ";

the acquisition of printing services by a state agency; the department of enterprise services; and the consolidated technology services agency"

Senator Baumgartner spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Baumgartner and others on page 4, line 10 to Substitute Senate Bill No. 5931.

The motion by Senator Baumgartner carried and the amendment was adopted by voice vote.

#### MOTION

Senator Fraser moved that the following amendment by Senators Fraser and Pridemore be adopted:

Beginning on page 232, after line 4, strike all material through page 244, line 38

On page 259, beginning on line 20, after "(cc)" strike all material through "(dd)" on line 23

On page 259, beginning on line 25, strike "including those employees represented by an exclusive bargaining representative" and insert "excluding those employees

determined by the office of financial management that will remain represented by an exclusive bargaining representative"

Beginning on page 262, line 13, strike all of section 910

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

On page 263, beginning on line 29, strike all of section 912 Renumber the remaining sections consecutively and correct any internal references accordingly.

Senators Fraser, Pridemore and Conway spoke in favor of adoption of the amendment.

Senators Hargrove and Baumgartner spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators Fraser and Pridemore on page 232, after line 4 to Substitute Senate Bill No. 5931.

The motion by Senator Fraser failed and the amendment was not adopted by a rising vote.

#### MOTION

On motion of Senator Pridemore, the rules were suspended, Engrossed Substitute Senate Bill No. 5931 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Baumgartner and Kastama spoke in favor of passage of the bill.

Senators Pridemore and Murray spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5931.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5931 and the bill passed the Senate by the following vote: Yeas, 29; Nays, 18; Absent, 0; Excused, 2.

Voting yea: Senators Baumgartner, Baxter, Becker, Carrell, Delvin, Eide, Ericksen, Fain, Hargrove, Hatfield, Haugen, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Kastama, King, Litzow, Morton, Parlette, Pflug, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom and Zarelli

Voting nay: Senators Brown, Chase, Conway, Fraser, Harper, Keiser, Kilmer, Kline, Kohl-Welles, McAuliffe, Murray, Nelson, Prentice, Pridemore, Ranker, Regala, Rockefeller and White

Excused: Senators Benton and Roach

ENGROSSED SUBSTITUTE SENATE BILL NO. 5931, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

#### MOTION

At 1:31 p.m., on motion of Senator Eide, the Senate adjourned until 10:00 a.m. Wednesday, May 18, 2011.

BRAD OWEN, President of the Senate

THOMAS HOEMANN, Secretary of the Senate





TWENTY SECOND DAY, MAY 17, 2011

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