

## SIXTY NINTH LEGISLATURE - REGULAR SESSION

## SIXTY SEVENTH DAY

House Chamber, Olympia, Thursday, March 20, 2025

The House was called to order at 10:30 a.m. by the Speaker (Representative Stearns presiding). The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Cooper VanderMeulen and Kaiya Ryun. The Speaker (Representative Stearns presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Ken Ramey, Former Pastor of Summit View Community Church, Kirkland.

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

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

**INTRODUCTION & FIRST READING**

HB 2041 by Representatives Macri, Gregerson and Parshley

AN ACT Relating to postpartum coverage; and amending RCW 74.09.830.

Referred to Committee on Appropriations.

There being no objection, the bill listed on the day's introduction sheet under the fourth order of business was referred to the committee so designated.

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

**REPORTS OF STANDING COMMITTEES**

March 18, 2025

SB 5051 Prime Sponsor, Senator Bateman: Consolidating regulatory authority for nursing assistants. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass. Signed by Representatives Bronoske, Chair; Rule, Vice Chair; Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Marshall, Assistant Ranking Minority Member; Davis; Engell; Low; Macri; Manjarrez; Obras; Parshley; Shavers; Stonier; Stuebe; Thai and Tharinger.

Referred to Committee on Rules for second reading

March 18, 2025

SB 5084 Prime Sponsor, Senator Robinson: Concerning health carrier reporting. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass. Signed by Representatives Bronoske, Chair; Rule, Vice Chair; Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Marshall, Assistant Ranking Minority Member; Davis; Engell; Low; Macri; Manjarrez; Obras; Parshley; Shavers; Stonier; Stuebe; Thai and Tharinger.

Referred to Committee on Rules for second reading

March 18, 2025

SB 5108

Prime Sponsor, Senator Kauffman: Regulating service contracts and protection product guarantees. Reported by Committee on Consumer Protection & Business

MAJORITY recommendation: Do pass. Signed by Representatives Walen, Chair; McClintock, Ranking Minority Member; Dufault, Assistant Ranking Minority Member; Abbarno; Berry; Corry; Donaghy; Fosse; Kloba; Morgan; Reeves; Ryu; Santos and Steele.

Referred to Committee on Rules for second reading

March 19, 2025

SB 5122

Prime Sponsor, Senator Trudeau: Enacting the uniform antitrust premerger notification act. Reported by Committee on Civil Rights & Judiciary

MAJORITY recommendation: Do pass. Signed by Representatives Taylor, Chair; Farivar, Vice Chair; Entenman; Goodman; Peterson; Salahuddin; Thai and Walen.

MINORITY recommendation: Do not pass. Signed by Representatives Walsh, Ranking Minority Member; Abell, Assistant Ranking Minority Member; Burnett; Graham; and Jacobsen.

Referred to Committee on Rules for second reading

March 18, 2025

SB 5141

Prime Sponsor, Senator Cortes: Requiring that experience-rated group disability income insurers include all applicable rating factors and credibility formulas in rate manual filings with the insurance commissioner. Reported by Committee on Consumer Protection & Business

MAJORITY recommendation: Do pass. Signed by Representatives Walen, Chair; McClintock, Ranking Minority Member; Dufault, Assistant Ranking Minority Member; Abbarno; Berry; Corry; Donaghy; Fosse; Kloba; Morgan; Reeves; Ryu; Santos and Steele.

Referred to Committee on Rules for second reading

March 18, 2025

SB 5244

Prime Sponsor, Senator Riccelli: Providing an exemption for women, infants, and children program staff to perform hematological screening tests. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass. Signed by Representatives Bronoske, Chair; Rule, Vice Chair; Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Marshall, Assistant Ranking Minority Member; Davis; Engell; Low; Macri; Manjarrez; Obras; Parshley; Shavers; Stonier; Stuebe; Thai and Tharinger.

Referred to Committee on Rules for second reading

March 18, 2025

SSB 5494

Prime Sponsor, Ways & Means: Protecting Washington communities from lead-based paint. Reported by Committee on Environment & Energy

MAJORITY recommendation: Do pass. Signed by Representatives Doglio, Chair; Hunt, Vice Chair; Barnard; Berry; Duerr; Fitzgibbon; Kloba; Ley; Mena; Ramel; Stearns; Street and Wylie.

MINORITY recommendation: Without recommendation. Signed by Representatives Dye, Ranking Minority Member; Klicker, Assistant Ranking Member; Abell; Mendoza; Stuebe; and Ybarra.

Referred to Committee on Appropriations

March 19, 2025

SJM 8006

Prime Sponsor, Senator Torres: Concerning the limited license legal technician program. Reported by Committee on Civil Rights & Judiciary

MAJORITY recommendation: Do pass. Signed by Representatives Taylor, Chair; Farivar, Vice Chair; Walsh, Ranking Minority Member; Burnett; Entenman; Jacobsen; Peterson; Salahuddin; Thai and Walen.

MINORITY recommendation: Do not pass. Signed by Representatives Abell, Assistant Ranking Minority Member; Goodman; and Graham.

Referred to Committee on Rules for second reading

There being no objection, the bills and memorial listed on the day's committee reports under the fifth order of business were referred to the committees so designated.

### MOTIONS

On motion of Representative Leavitt, Representatives Hackney, Thomas and Stonier were excused.

On motion of Representative Griffey, Representative Eslick was excused.

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

### SECOND READING

**HOUSE BILL NO. 1355**, by Representatives Berg, Ryu, Lekanoff, Peterson, Cortes, Stearns, Ortiz-Self, Fosse, Pollet, Wylie, Hill and Ormsby

**Modifying retail taxes compacts between the state of Washington and federally recognized tribes located in Washington state by increasing the revenue-sharing percentages when a compacting tribe has completed a qualified capital investment.**

The bill was read the second time.

Representative Orcutt moved the adoption of amendment (896):

On page 2, line 28, after "investment" insert "until January 1, 2038, or when the associated qualified capital project is paid for, whichever is later. After that, sixty

percent of any amount over the cap described in (b) of this subsection (2)."

On page 2, line 38, after "investment" insert "until January 1, 2038, or when the associated qualified capital project is paid for, whichever is later. After that, fifty percent of any amount over the cap described in (b) of this subsection (2)."

Representative Orcutt spoke in favor of the adoption of the amendment.

Representative Berg spoke against the adoption of the amendment.

Amendment (896) was not adopted.

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

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

Representative Orcutt spoke against the passage of the bill.

The Speaker (Representative Stearns presiding) stated the question before the House to be the final passage of House Bill No. 1355.

### ROLL CALL

The Clerk called the roll on the final passage of House Bill No. 1355, and the bill passed the House by the following vote: Yeas, 71; Nays, 24; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Barkis, Berg, Bergquist, Bernbaum, Berry, Bronoske, Caldier, Callan, Chase, Cortes, Couture, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Griffey, Hill, Hunt, Klicker, Kloba, Leavitt, Lekanoff, Ley, Macri, Marshall, McEntire, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Rule, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Springer, Stearns, Stonier, Street, Taylor, Thai, Tharinger, Timmons, Walen, Walsh, Waters, Wylie, Ybarra, Zahn and Mme. Speaker

Voting Nay: Representatives Abell, Barnard, Burnett, Connors, Corry, Dent, Dufault, Dye, Engell, Graham, Jacobsen, Keaton, Low, Manjarrez, McClintock, Mendoza, Orcutt, Penner, Schmick, Schmidt, Steele, Stokesbary, Stuebe and Volz

Excused: Representatives Eslick, Hackney and Thomas

HOUSE BILL NO. 1355, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 1392**, by Representatives Macri, Leavitt, Simmons, Davis, Berry, Ryu, Callan, Rule, Stearns, Peterson, Taylor, Reed, Ramel, Alvarado, Doglio, Tharinger, Fey, Salahuddin, Bernbaum, Fosse, Pollet, Street, Scott and Santos

**Creating the medicaid access program.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 1392 was substituted for House Bill No. 1392 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1392 was read the second time.

Representative Schmick moved the adoption of amendment (561):

On page 2, line 35, after "of" strike "\$0.50" and insert "\$0.05"

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

Representative Schmick spoke in favor of the adoption of the amendment.

Representative Macri spoke against the adoption of the amendment.

Amendment (561) was not adopted.

Representative Schmick moved the adoption of amendment (894):

On page 5, line 26, after "process;" insert "and"

On page 5, beginning on line 27, after "(c)" strike all material through "(f)" on line 33

On page 6, beginning on line 5, after "both" strike all material through "services" on line 9

Representative Schmick spoke in favor of the adoption of the amendment.

Representative Macri spoke against the adoption of the amendment.

Amendment (894) was not adopted.

Representative Schmick moved the adoption of amendment (895):

On page 6, beginning on line 24, after "services." strike all material through "subsection." on line 28

Representative Schmick spoke in favor of the adoption of the amendment.

Representative Macri spoke against the adoption of the amendment.

Amendment (895) was not adopted.

Representative Schmick moved the adoption of the striking amendment (159):

Strike everything after the enacting clause and insert the following:

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

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

(2) "Covered lives" means all persons residing in Washington state who are covered by a medicaid managed care organization.

(3) "Medicaid managed care organization" means a managed health care system under contract with the state of Washington to provide services to medicaid enrollees under RCW 74.09.522.

**NEW SECTION. Sec. 2.** (1) By September 1, 2025, the authority shall submit any state plan amendments or waiver requests to the centers for medicare and medicaid services that are necessary to implement the medicaid access program established in section 5 of this act.

(2) The assessment, collection, and disbursement of funds for this program shall be conditional upon:

(a) Final approval by the centers for medicare and medicaid services of any state plan amendments or waiver requests that are necessary in order to implement the applicable sections of this chapter including, if necessary, waiver of the broad-based or uniformity requirements as specified under section 1903(w)(3)(E) of the federal social security act and 42 C.F.R. Sec. 433.68(e);

(b) To the extent necessary, amendment of contracts between the authority and managed care organizations to implement this chapter; and

(c) Certification by the office of financial management that appropriations have been adopted that fully support the rates established in section 3 of this act for the upcoming fiscal year.

**NEW SECTION. Sec. 3.** (1) All medicaid managed care organizations shall pay an annual covered lives assessment beginning January 1st of the plan year following the approval in section 2(2)(a) of this act as follows:

(a) For assessments due the first plan year, the authority shall assess a per member per month assessment of \$18 per covered life for medicaid managed care organizations.

(b) On or before May 15th of the first plan year of assessments due and on or before May 15th of each subsequent year, the authority shall determine the covered lives assessment at the rate necessary to fund the professional services rate increases in section 5 of this act.

(2) The assessments as applied in subsection (1) of this section are limited to the first 3,000,000 member months of fully insured lives per medicaid managed care organization on a per medicaid managed care organization basis.

(3) If an assessment against a medicaid managed care organization is prohibited by court order, the assessment for the remaining medicaid managed care organizations may be adjusted in a manner consistent with subsection (1) of this section to ensure that the assessment amount calculated in subsection (1)(b) of this section will be collected.

(4) The authority shall annually notify, in writing, each medicaid managed care organization of the estimated total assessment and its payment obligation for the upcoming year. The authority shall determine a payment schedule for receipt of assessments under this section in accordance with the medicaid access program rules as defined by the authority. Payment collections may be made no more frequently than quarterly.

(5) Payments from managed care organizations are due to the authority within 45 days of the payment schedule determined under subsection (4) of this section. The authority shall charge interest as defined by RCW 43.17.240, which begins to accrue on the 46th day, on amounts received after the 45-day period. The authority may allow each managed care organization in arrears to submit a payment plan, subject to approval by the authority and initial payment under an approved payment plan.

(6) The authority may abate or defer, in whole or in part, the assessment of a managed care organization if, in the opinion of the authority, payment of the assessment would endanger the ability of the managed care organization to fulfill its contractual obligations under chapter 74.09 RCW. If an assessment against a managed care organization is abated or deferred in whole or in part, the amount by which such assessment is abated or deferred may be assessed against the other managed care organizations in a manner consistent with the basis for assessments in subsection (1) of this section. The managed care organization receiving such abatement or deferment remains liable to the program for the deficiency plus interest the rate established in RCW 43.17.240. Upon receipt of payment of any abatement or deferment by a managed care organization, the authority shall adjust future assessments made against other managed care organizations under this subsection to reflect receipt of the payment.

(7) The authority shall deposit annual assessments and interest collected under this section with the state treasurer to the credit of the medicaid access program account created in section 4 of this act.

(8) Managed care organizations shall submit any annual statements or other reports deemed necessary by the authority to calculate the assessment under this section in a manner consistent with the schedule and procedures in accordance with the medicaid access program rules as defined by the authority.

**NEW SECTION. Sec. 4.** (1) The medicaid access program account is created in the state treasury. All receipts from the assessments, interest, and penalties collected by the authority under section 3 of this act must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the administration and implementation of the medicaid access program as established in section 5 of this act.

(2) Disbursements from the account may be made only:

(a) To make payments to health care providers and managed care organizations;

(b) To medicaid managed care organizations to fund the nonfederal share of increased capitation payments based on their projected assessment obligation established by the medicaid access program and the medicaid managed care rate setting process;

(c) To refund erroneous or excessive payments made by medicaid managed care organizations;

(d) To pay for administrative expenses incurred by the authority in performing the activities authorized by this chapter;

(e) To be used in lieu of state general fund payments for medicaid services in the amount of \$35,991,000 in fiscal year 2027;

(f) To repay the federal government for any excess payments made to health care providers from the account if the assessments or payment increases set forth by the medicaid access program are deemed out of compliance with federal statutes and regulations in a final determination by a court of competent jurisdiction with all appeals exhausted. In such a case, the authority may require health care providers receiving excess payments to refund the payments in question to the account. The state in turn shall return funds to the federal government in the same proportion as the original financing. If a health care provider is unable to refund payments, the state shall develop either a payment plan, deduct moneys from future medicaid payments, or both; and

(g) To pay for administrative and service-related costs to expand medicaid access in schools by maximizing medicaid funding opportunities to support the school-based health services program, school-based health clinics, and on-site behavioral health services.

**NEW SECTION. Sec. 5.** (1) The purpose of the medicaid access program is to increase, beginning January 1st of the second plan year after the conditions of section 2 of this act are met, subject to available funds and appropriations from the medicaid access program account, professional services rates covered by medicaid including fee-for-service and managed care up to the corresponding medicare rates as of December 31, 2024, for the same service and site of service. Rates for subsequent years shall be annually adjusted based on the inflation factor using the medicare economic index.

(2) The service categories for the professional services rate increases must include anesthesia, diagnostics, intense outpatient, opioid treatment programs, emergency room, inpatient and outpatient surgery, inpatient visits, low-level behavioral health, maternity services, office and home visits, consults, office administered drugs, and other physician services. If sufficient funds are not available to increase medicaid rates to corresponding medicare rates, the authority may increase medicaid rates to a percentage of corresponding medicare rates, applied uniformly across professional service categories included in this subsection.

(3) (a) Beginning January 1st of the third plan year after the conditions of section 2 of this act are met and by January 1st in each of the two subsequent plan years, the authority shall study the impact of the professional services rate increases described in this section on medicaid access. The authority shall provide

information to fiscal and health committees of the legislature whether these rate increases have increased access for medicaid enrollees, using metrics including but not limited to:

- (i) Increases in utilization of services from licensed health care providers;
  - (ii) Number of contracts with identifiable provider types enrolled to provide services to medicaid enrollees;
  - (iii) Patient access measures in the CAHPS health plan surveys of managed care organizations; and
  - (iv) Other external quality review metrics.
- (b) The authority shall provide the information in a fashion that disaggregates managed care organizations and fee-for-service.

**NEW SECTION. Sec. 6.** Nothing in this act shall be construed to alter the requirements: (1) Under 42 C.F.R. Sec. 438.4 that the rates paid by the state to managed care organizations be actuarially sound; and (2) that the state develop the rates in compliance with standards under 42 C.F.R. Sec. 438.5.

**NEW SECTION. Sec. 7.** The authority may adopt rules and undertake actions necessary to carry out sections 2, 3, and 5 of this act including, but not limited to, rules prescribing the medicaid access program plan of operations, measures to enforce reporting of covered lives, audits of covered lives reporting, and payment of applicable assessments.

**NEW SECTION. Sec. 8.** The medicaid access program and medicaid managed care organizations assessed by the program, the authority, and employees of the authority are not civilly or criminally liable and may not have any penalty or cause of action of any nature arise against them for any action or inaction, including any discretionary decision or failure to make a discretionary decision, when the action or inaction is done in good faith and in the performance of the powers and duties assigned to the program. This section does not prohibit legal actions against the program to enforce the program's statutory or contractual duties or obligations.

**Sec. 9.** RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required

under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the ambulance transport fund, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the early learning facilities

development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the medicaid access program account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state hazard mitigation revolving loan

account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the JUDY transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be

allocated earnings without the specific affirmative directive of this section.

**Sec. 10.** RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river

basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the medicaid access program account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account, the

public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the JUDY transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated

plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

**NEW SECTION. Sec. 11.** Sections 1 through 8 of this act constitute a new chapter in Title 74 RCW.

**NEW SECTION. Sec. 12.** The provisions of this act are not severable. In the event that any portion of this act shall have been validly implemented and the entire act is later rendered ineffective, prior assessments and payments under the validly implemented portions shall not be affected.

**NEW SECTION. Sec. 13.** Sections 1 through 9, 11, 12, 14, 15, and 17 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

**NEW SECTION. Sec. 14.** (1) This act expires if by January 1, 2027, the federal centers for medicare and medicaid services does not provide final approval of the state plan amendment or waiver requests under section 2 of this act.

(2) The authority must provide written notice of the expiration date in subsection (1) of this section to affected parties, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and other as deemed appropriate by the authority.

**NEW SECTION. Sec. 15.** Section 9 of this act expires July 1, 2028.

**NEW SECTION. Sec. 16.** Section 10 of this act takes effect July 1, 2028.

**NEW SECTION. Sec. 17.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void."

Correct the title.



With the consent of the House, Representative Schmick withdrew amendment (159).

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

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

Representatives Schmick, Orcutt and Walsh spoke against the passage of the bill.

The Speaker (Representative Stearns presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1392.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1392, and the bill passed the House by the following vote: Yeas, 56; Nays, 39; Absent, 0; Excused, 3

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

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

Excused: Representatives Eslick, Hackney and Thomas

SUBSTITUTE HOUSE BILL NO. 1392, having received the necessary constitutional majority, was declared passed.

### RECONSIDERATION

There being no objection, the House immediately reconsidered the vote by which HOUSE BILL NO. 1355 passed the House.

The Speaker (Representative Stearns presiding) stated the question before the House to be the final passage of House Bill No. 1355, on reconsideration.

### ROLL CALL

The Clerk called the roll on the final passage of House Bill No. 1355, on reconsideration, and the bill passed the House by the following vote: Yeas, 72; Nays, 23; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Barkis, Berg, Bergquist, Bernbaum, Berry, Bronoske, Caldier, Callan, Chase, Cortes, Couture, Davis, Doglio, Donaghy, Duerr, Entenman, Farivar, Fey, Fitzgibbon, Fosse, Goodman, Gregerson, Griffey, Hill, Hunt, Klicker, Kloba, Leavitt, Lekanoff, Ley, Macri, Marshall, McEntire, Mena, Morgan, Nance, Obras, Ormsby, Ortiz-Self, Parshley, Paul, Peterson, Pollet, Ramel, Reed, Reeves, Richards, Rude, Rule, Ryu, Salahuddin, Santos, Scott, Shavers, Simmons, Springer, Stearns, Stokesbary, Stonier, Street, Taylor, Thai, Tharinger, Timmons, Walen, Walsh, Waters, Wylie, Ybarra, Zahn and Mme. Speaker

Voting Nay: Representatives Abell, Barnard, Burnett, Connors, Corry, Dent, Dufault, Dye, Engell, Graham, Jacobsen, Keaton, Low, Manjarrez, McClintock, Mendoza, Orcutt, Penner, Schmick, Schmidt, Steele, Stuebe and Volz

Excused: Representatives Eslick, Hackney and Thomas

HOUSE BILL NO. 1355, on reconsideration, having received the necessary constitutional majority, was declared passed.

There being no objection, the House adjourned until 9:55 a.m., Friday, March 21, 2025, the 68th Day of the 2025 Regular Session.

LAURIE JINKINS, Speaker

BERNARD DEAN, Chief Clerk

1355	Second Reading .....	2
	Amendment Offered .....	2
	Third Reading Final Passage .....	2
	Other Action .....	9
1392	Second Reading .....	2
1392-S	Second Reading .....	2
	Amendment Offered .....	2, 3
	Third Reading Final Passage .....	9
2041	Introduction & 1st Reading .....	1
5051	Committee Report .....	1
5084	Committee Report .....	1
5108	Committee Report .....	1
5122	Committee Report .....	1
5141	Committee Report .....	1
5244	Committee Report .....	1
5494-S	Committee Report .....	2
8006	Committee Report .....	2