

ONE HUNDRED SECOND DAY

AFTERNOON SESSION

Senate Chamber, Olympia
Thursday, April 22, 2021

The Senate was called to order at 1:01 p.m. by the President of the Senate, Lt. Governor Heck presiding. The Secretary called the roll and announced to the President that all Senators were present.

The Washington State Patrol Honor Guard presented the Colors.

Washington State History students from Mr. Babcock's class from Harrison Middle School, Sunnyside. They are guests of Senator Honeyford.

Dr. Sanjay Shastri of Sanatan Dharm Mandir, Kent offered the prayer. Dr. Shastri was a guest of Senator Das.

MOTIONS

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

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

MESSAGES FROM THE HOUSE

April 21, 2021

MR. PRESIDENT:

The Speaker has signed:

SECOND SUBSTITUTE HOUSE BILL NO. 1028,
and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

April 21, 2021

MR. PRESIDENT:

The House grants the request for a conference on SUBSTITUTE SENATE BILL NO. 5165. The Speaker has appointed the following members as Conferees: Representatives Barkis, Fey, Wylie

and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

MOTION

At 1:06 p.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President.

Senator Hasegawa announced a meeting of the Democratic Caucus.

Senator Rivers announced a meeting of the Republican Caucus.

The Senate was called to order at 2:23 p.m. by President Heck.

MESSAGE FROM THE HOUSE

April 21, 2021

MR. PRESIDENT:

The House passed ENGROSSED SUBSTITUTE SENATE BILL NO. 5096 with the following amendment(s): 5096-S.E AMH ENGR H1547.E

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. INTENT. The legislature finds that it is the paramount duty of the state to amply provide every child in the state with an education, creating the opportunity for the child to succeed in school and thrive in life. The legislature further finds that high quality early learning and child care is critical to a child's success in school and life, as it supports the development of the child's social-emotional, physical, cognitive, and language skills. Therefore, the legislature will invest in the ongoing support of K-12 education and early learning and child care by dedicating revenues from this act to the education legacy trust account.

The legislature intends to levy a seven percent tax on the privilege of voluntarily selling or exchanging stocks, bonds, and other capital assets where the profit is in excess of \$250,000 annually to fund K-12 education, early learning, and child care, and advance our paramount duty to amply provide an education to every child in the state.

The legislature further intends to exempt certain assets from the tax including, but not limited to, qualified family-owned small businesses, all residential and other real property, and retirement accounts.

NEW SECTION. Sec. 2. REVENUES DEPOSITED INTO EDUCATION LEGACY TRUST ACCOUNT. All taxes, interest, and penalties collected under this chapter must be deposited into the education legacy trust account created in RCW 83.100.230.

Sec. 3. RCW 83.100.230 and 2019 c 415 s 990 are each amended to read as follows:

The education legacy trust account is created in the state treasury. Money in the account may be spent only after appropriation. Expenditures from the account may be used only for support of the common schools, and for expanding access to higher education through funding for new enrollments and financial aid, early learning and child care programs, and other educational improvement efforts. ~~((During the 2015-2017, 2017-2019, and 2019-2021 fiscal biennia appropriations from the account may be made for support of early learning programs. It is the intent of the legislature that this policy will be continued in subsequent fiscal biennia.))~~

NEW SECTION. Sec. 4. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Adjusted capital gain" means federal net long-term capital gain:

(a) Plus any amount of long-term capital loss from a sale or exchange that is exempt from the tax imposed in this chapter, to the extent such loss was included in calculating federal net long-term capital gain;

(b) Plus any amount of long-term capital loss from a sale or exchange that is not allocated to Washington under section 10 of this act, to the extent such loss was included in calculating federal net long-term capital gain;

(c) Plus any amount of loss carryforward from a sale or exchange that is not allocated to Washington under section 10 of this act, to the extent such loss was included in calculating federal net long-term capital gain;

(d) Less any amount of long-term capital gain from a sale or exchange that is not allocated to Washington under section 10 of this act, to the extent such gain was included in calculating federal net long-term capital gain; and

(e) Less any amount of long-term capital gain from a sale or

exchange that is exempt from the tax imposed in this chapter, to the extent such gain was included in calculating federal net long-term capital gain.

(2) "Capital asset" has the same meaning as provided by Title 26 U.S.C. Sec. 1221 of the internal revenue code and also includes any other property if the sale or exchange of the property results in a gain that is treated as a long-term capital gain under Title 26 U.S.C. Sec. 1231 or any other provision of the internal revenue code.

(3) "Federal net long-term capital gain" means the net long-term capital gain reportable for federal income tax purposes determined as if Title 26 U.S.C. Secs. 55 through 59, 1400Z-1, and 1400Z-2 of the internal revenue code did not exist.

(4) "Individual" means a natural person.

(5) "Internal revenue code" means the United States internal revenue code of 1986, as amended, as of the effective date of this section, or such subsequent date as the department may provide by rule consistent with the purpose of this chapter.

(6) "Long-term capital asset" means a capital asset that is held for more than one year.

(7) "Long-term capital gain" means gain from the sale or exchange of a long-term capital asset.

(8) "Long-term capital loss" means a loss from the sale or exchange of a long-term capital asset.

(9) "Real estate" means land and fixtures affixed to land. "Real estate" also includes used mobile homes, used park model trailers, used floating homes, and improvements constructed upon leased land.

(10)(a) "Resident" means an individual:

(i) Who is domiciled in this state during the taxable year, unless the individual (A) maintained no permanent place of abode in this state during the entire taxable year, (B) maintained a permanent place of abode outside of this state during the entire taxable year, and (C) spent in the aggregate not more than 30 days of the taxable year in this state; or

(ii) Who is not domiciled in this state during the taxable year, but maintained a place of abode and was physically present in this state for more than 183 days during the taxable year.

(b) For purposes of this subsection, "day" means a calendar day or any portion of a calendar day.

(c) An individual who is a resident under (a) of this subsection is a resident for that portion of a taxable year in which the individual was domiciled in this state or maintained a place of abode in this state.

(11) "Taxable year" means the taxpayer's taxable year as determined under the internal revenue code.

(12) "Taxpayer" means an individual subject to tax under this chapter.

(13) "Washington capital gains" means an individual's adjusted capital gain less \$250,000, as provided in section 7 of this act and adjusted annually under section 16 of this act, for each return filed under this chapter.

NEW SECTION. Sec. 5. TAX IMPOSED. (1) Beginning January 1, 2022, an excise tax is imposed on the sale or exchange of long-term capital assets. Only individuals are subject to payment of the tax, which equals seven percent multiplied by an individual's Washington capital gains.

(2) The tax levied in subsection (1) of this section is necessary for the support of the state government and its existing public institutions.

(3) If an individual's Washington capital gains are less than zero for a taxable year, no tax is due under this section and no such amount is allowed as a carryover for use in the calculation of that individual's adjusted capital gain, as defined in section 4(1) of this act, for any taxable year. To the extent that a loss carryforward is included in the calculation of an individual's

federal net long-term capital gain and that loss carryforward is directly attributable to losses from sales or exchanges allocated to this state under section 10 of this act, the loss carryforward is included in the calculation of that individual's adjusted capital gain for the purposes of this chapter. An individual may not include any losses carried back for federal income tax purposes in the calculation of that individual's adjusted capital gain for any taxable year.

(4)(a) The tax imposed in this section applies to the sale or exchange of long-term capital assets owned by the taxpayer, whether the taxpayer was the legal or beneficial owner of such assets at the time of the sale or exchange. The tax applies when the Washington capital gains are recognized by the taxpayer in accordance with this chapter.

(b) For purposes of this chapter:

(i) An individual is considered to be a beneficial owner of long-term capital assets held by an entity that is a pass-through or disregarded entity for federal tax purposes, such as a partnership, limited liability company, S corporation, or grantor trust, to the extent of the individual's ownership interest in the entity as reported for federal income tax purposes.

(ii) A nongrantor trust is deemed to be a grantor trust if the trust does not qualify as a grantor trust for federal tax purposes, and the grantor's transfer of assets to the trust is treated as an incomplete gift under Title 26 U.S.C. Sec. 2511 of the internal revenue code and its accompanying regulations. A grantor of such trust is considered the beneficial owner of the capital assets of the trust for purposes of the tax imposed in this section and must include any long-term capital gain or loss from the sale or exchange of a capital asset by the trust in the calculation of that individual's adjusted capital gain, if such gain or loss is allocated to this state under section 10 of this act.

NEW SECTION. Sec. 6. EXEMPTIONS. This chapter does not apply to the sale or exchange of:

(1) All real estate transferred by deed, real estate contract, judgment, or other lawful instruments that transfer title to real property and are filed as a public record with the counties where real property is located;

(2)(a) An interest in a privately held entity only to the extent that any long-term capital gain or loss from such sale or exchange is directly attributable to the real estate owned directly by such entity.

(b)(i) Except as provided in (b)(ii) and (iii) of this subsection, the value of the exemption under this subsection is equal to the fair market value of the real estate owned directly by the entity less its basis, at the time that the sale or exchange of the individual's interest occurs, multiplied by the percentage of the ownership interest in the entity which is sold or exchanged by the individual.

(ii) If a sale or exchange of an interest in an entity results in an amount directly attributable to real property and that is considered as an amount realized from the sale or exchange of property other than a capital asset under Title 26 U.S.C. Sec. 751 of the internal revenue code, such amount must not be considered in the calculation of an individual's exemption amount under (b)(i) of this subsection (2).

(iii) Real estate not owned directly by the entity in which an individual is selling or exchanging the individual's interest must not be considered in the calculation of an individual's exemption amount under (b)(i) of this subsection (2).

(c) Fair market value of real estate may be established by a fair market appraisal of the real estate or an allocation of assets by the seller and the buyer made under Title 26 U.S.C. Sec. 1060 of the internal revenue code, as amended. However, the department is not bound by the parties' agreement as to the allocation of assets, allocation of consideration, or fair market value, if such

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allocations or fair market value do not reflect the fair market value of the real estate. The assessed value of the real estate for property tax purposes may be used to determine the fair market value of the real estate, if the assessed value is current as of the date of the sale or exchange of the ownership interest in the entity owning the real estate and the department determines that this method is reasonable under the circumstances.

(d) The value of the exemption under this subsection (2) may not exceed the individual's long-term capital gain or loss from the sale or exchange of an interest in an entity for which the individual is claiming this exemption;

(3) Assets held under a retirement savings account under Title 26 U.S.C. Sec. 401(k) of the internal revenue code, a tax-sheltered annuity or custodial account described in Title 26 U.S.C. Sec. 403(b) of the internal revenue code, a deferred compensation plan under Title 26 U.S.C. Sec. 457(b) of the internal revenue code, an individual retirement account or individual retirement annuity described in Title 26 U.S.C. Sec. 408 of the internal revenue code, a Roth individual retirement account described in Title 26 U.S.C. Sec. 408A of the internal revenue code, an employee defined contribution program, an employee defined benefit plan, or a similar retirement savings vehicle;

(4) Assets pursuant to, or under imminent threat of, condemnation proceedings by the United States, the state or any of its political subdivisions, or a municipal corporation;

(5) Cattle, horses, or breeding livestock if for the taxable year of the sale or exchange, more than 50 percent of the taxpayer's gross income for the taxable year, including from the sale or exchange of capital assets, is from farming or ranching;

(6) Property depreciable under Title 26 U.S.C. Sec. 167(a)(1) of the internal revenue code, or that qualifies for expensing under Title 26 U.S.C. Sec. 179 of the internal revenue code;

(7) Timber, timberland, or the receipt of Washington capital gains as dividends and distributions from real estate investment trusts derived from gains from the sale or exchange of timber and timberland. "Timber" means forest trees, standing or down, on privately or publicly owned land, and includes Christmas trees and short-rotation hardwoods. The sale or exchange of timber includes the cutting or disposal of timber qualifying for capital gains treatment under Title 26 U.S.C. Sec. 631(a) or (b) of the internal revenue code;

(8)(a) Commercial fishing privileges.

(b) For the purposes of this subsection (8), "commercial fishing privilege" means a right, held by a seafood harvester or processor, to participate in a limited access fishery. "Commercial fishing privilege" includes and is limited to:

(i) In the case of federally managed fisheries, quota and access to fisheries assigned pursuant to individual fishing quota programs, limited entry and catch share programs, cooperative fishing management agreements, or similar arrangements; and

(ii) In the case of state-managed fisheries, quota and access to fisheries assigned under fishery permits, limited entry and catch share programs, or similar arrangements; and

(9) Goodwill received from the sale of an auto dealership licensed under chapter 46.70 RCW whose activities are subject to chapter 46.96 RCW.

NEW SECTION. Sec. 7. DEDUCTIONS. In computing tax, there may be deducted from the measure of tax:

(1) A standard deduction of \$250,000 per individual, or in the case of spouses or domestic partners, their combined standard deduction is limited to \$250,000, regardless of whether they file joint or separate returns. The amount of the standard deduction shall be adjusted pursuant to section 16 of this act;

(2) Amounts that the state is prohibited from taxing under the Constitution of this state or the Constitution or laws of the United

States; and

(3) The amount of adjusted capital gain derived from the sale or transfer of the taxpayer's interest in a qualified family-owned small business pursuant to section 8 of this act.

NEW SECTION. Sec. 8. QUALIFIED FAMILY-OWNED SMALL BUSINESS DEDUCTION. (1) In computing tax under this chapter for a taxable year, a taxpayer may deduct from the measure of tax the amount of adjusted capital gain derived in the taxable year from the sale of substantially all of the fair market value of the assets of, or the transfer of substantially all of the taxpayer's interest in, a qualified family-owned small business, to the extent that such adjusted capital gain would otherwise be included in the taxpayer's Washington capital gains.

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

(a) "Assets" means real property and personal property, including tangible personal property and intangible property.

(b) "Family" means the same as "member of the family" in RCW 83.100.046.

(c)(i) "Materially participated" means an individual was involved in the operation of a business on a basis that is regular, continuous, and substantial.

(ii) The term "materially participated" must be interpreted consistently with the applicable treasury regulations for Title 26 U.S.C. Sec. 469 of the internal revenue code, to the extent that such interpretation does not conflict with any provision of this section.

(d) "Qualified family-owned small business" means a business:

(i) In which the taxpayer held a qualifying interest for at least five years immediately preceding the sale or transfer described in subsection (1) of this section;

(ii) In which either the taxpayer or members of the taxpayer's family, or both, materially participated in operating the business for at least five of the 10 years immediately preceding the sale or transfer described in subsection (1) of this section, unless such sale or transfer was to a qualified heir; and

(iii) That had worldwide gross revenue of \$10,000,000 or less in the 12-month period immediately preceding the sale or transfer described in subsection (1) of this section. The worldwide gross revenue amount under this subsection (2)(d)(iii) shall be adjusted annually as provided in section 16 of this act.

(e) "Qualified heir" means a member of the taxpayer's family.

(f) "Qualifying interest" means:

(i) An interest as a proprietor in a business carried on as a sole proprietorship; or

(ii) An interest in a business if at least:

(A) Fifty percent of the business is owned, directly or indirectly, by any combination of the taxpayer or members of the taxpayer's family, or both;

(B) Thirty percent of the business is owned, directly or indirectly, by any combination of the taxpayer or members of the taxpayer's family, or both, and at least:

(I) Seventy percent of the business is owned, directly or indirectly, by members of two families; or

(II) Ninety percent of the business is owned, directly or indirectly, by members of three families.

(g) "Substantially all" means at least 90 percent.

NEW SECTION. Sec. 9. OTHER TAXES. The tax imposed under this chapter is in addition to any other taxes imposed by the state or any of its political subdivisions, or a municipal corporation, with respect to the same sale or exchange, including the taxes imposed in, or under the authority of, chapter 82.04, 82.08, 82.12, 82.14, 82.45, or 82.46 RCW.

NEW SECTION. Sec. 10. ALLOCATION OF GAINS AND LOSSES. (1) For purposes of the tax imposed under this

chapter, long-term capital gains and losses are allocated to Washington as follows:

(a) Long-term capital gains or losses from the sale or exchange of tangible personal property are allocated to this state if the property was located in this state at the time of the sale or exchange. Long-term capital gains or losses from the sale or exchange of tangible personal property are also allocated to this state even though the property was not located in this state at the time of the sale or exchange if:

(i) The property was located in the state at any time during the taxable year in which the sale or exchange occurred or the immediately preceding taxable year;

(ii) The taxpayer was a resident at the time the sale or exchange occurred; and

(iii) The taxpayer is not subject to the payment of an income or excise tax legally imposed on the long-term capital gains or losses by another taxing jurisdiction.

(b) Long-term capital gains or losses derived from intangible personal property are allocated to this state if the taxpayer was domiciled in this state at the time the sale or exchange occurred.

(2)(a) A credit is allowed against the tax imposed in section 5 of this act equal to the amount of any legally imposed income or excise tax paid by the taxpayer to another taxing jurisdiction on capital gains derived from capital assets within the other taxing jurisdiction to the extent such capital gains are included in the taxpayer's Washington capital gains. The amount of credit under this subsection may not exceed the total amount of tax due under this chapter, and there is no carryback or carryforward of any unused credits.

(b) As used in this section, "taxing jurisdiction" means a state of the United States other than the state of Washington, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any foreign country or political subdivision of a foreign country.

NEW SECTION. Sec. 11. FILING OF RETURNS. (1)(a) Except as otherwise provided in this section or RCW 82.32.080, taxpayers owing tax under this chapter must file, on forms prescribed by the department, a return with the department on or before the date the taxpayer's federal income tax return for the taxable year is required to be filed.

(b)(i) Except as provided in (b)(ii) of this subsection (1), returns and all supporting documents must be filed electronically using the department's online tax filing service or other method of electronic reporting as the department may authorize.

(ii) The department may waive the electronic filing requirement in this subsection for good cause as provided in RCW 82.32.080.

(2) In addition to the Washington return required to be filed under subsection (1) of this section, taxpayers owing tax under this chapter must file with the department on or before the date the federal return is required to be filed a copy of the federal income tax return along with all schedules and supporting documentation.

(3) Each taxpayer required to file a return under this section must, without assessment, notice, or demand, pay any tax due thereon to the department on or before the date fixed for the filing of the return, regardless of any filing extension. The tax must be paid by electronic funds transfer as defined in RCW 82.32.085 or by other forms of electronic payment as may be authorized by the department. The department may waive the electronic payment requirement for good cause as provided in RCW 82.32.080. If any tax due under this chapter is not paid by the due date, interest and penalties as provided in chapter 82.32 RCW apply to the deficiency.

(4)(a) In addition to the Washington return required to be filed under subsection (1) of this section, an individual claiming an

exemption under section 6(2) of this act must file documentation substantiating the following:

(i) The fair market value and basis of the real estate held directly by the entity in which the interest was sold or exchanged;

(ii) The percentage of the ownership interest sold or exchanged in the entity owning real estate; and

(iii) The methodology, if any, established by the entity in which the interest was sold or exchanged, for allocating gains or losses to the owners, partners, or shareholders of the entity from the sale of real estate.

(b) The department may by rule prescribe additional filing requirements to substantiate an individual's claim for an exemption under section 6(2) of this act. Prior to adopting any rule under this subsection (4)(b), the department must allow for an opportunity for participation by interested parties in the rule-making process in accordance with the administrative procedure act, chapter 34.05 RCW.

(5) If a taxpayer has obtained an extension of time for filing the federal income tax return for the taxable year, the taxpayer is entitled to the same extension of time for filing the return required under this section if the taxpayer provides the department, before the due date provided in subsection (1) of this section, the extension confirmation number or other evidence satisfactory to the department confirming the federal extension. An extension under this subsection for the filing of a return under this chapter is not an extension of time to pay the tax due under this chapter.

(6)(a) If any return due under subsection (1) of this section, along with a copy of the federal income tax return, is not filed with the department by the due date or any extension granted by the department, the department must assess a penalty in the amount of five percent of the tax due for the taxable year covered by the return for each month or portion of a month that the return remains unfiled. The total penalty assessed under this subsection may not exceed 25 percent of the tax due for the taxable year covered by the delinquent return. The penalty under this subsection is in addition to any penalties assessed for the late payment of any tax due on the return.

(b) The department must waive or cancel the penalty imposed under this subsection if:

(i) The department is persuaded that the taxpayer's failure to file the return by the due date was due to circumstances beyond the taxpayer's control; or

(ii) The taxpayer has not been delinquent in filing any return due under this section during the preceding five calendar years.

NEW SECTION. Sec. 12. JOINT FILERS. (1) If the federal income tax liabilities of both spouses are determined on a joint federal return for the taxable year, they must file a joint return under this chapter.

(2) Except as otherwise provided in this subsection, if the federal income tax liability of either spouse is determined on a separate federal return for the taxable year, they must file separate returns under this chapter. State registered domestic partners may file a joint return under this chapter even if they filed separate federal returns for the taxable year.

(3) The liability for tax due under this chapter of each spouse or state registered domestic partner is joint and several, unless:

(a) The spouse is relieved of liability for federal tax purposes as provided under Title 26 U.S.C. Sec. 6015 of the internal revenue code; or

(b) The department determines that the domestic partner qualifies for relief as provided by rule of the department. Such rule, to the extent possible without being inconsistent with this chapter, must follow Title 26 U.S.C. Sec. 6015.

NEW SECTION. Sec. 13. ADMINISTRATION OF TAXES. Except as otherwise provided by law and to the extent not inconsistent with the provisions of this chapter, chapter 82.32

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RCW applies to the administration of taxes imposed under this chapter.

NEW SECTION. Sec. 14. CRIMINAL ACTIONS. (1) Any taxpayer who knowingly attempts to evade payment of the tax imposed under this chapter is guilty of a class C felony as provided in chapter 9A.20 RCW.

(2) Any taxpayer who knowingly fails to pay tax, make returns, keep records, or supply information, as required under this title, is guilty of a gross misdemeanor as provided in chapter 9A.20 RCW.

NEW SECTION. Sec. 15. A new section is added to chapter 82.04 RCW to read as follows:

BUSINESS AND OCCUPATION TAX CREDIT.

(1) To avoid taxing the same sale or exchange under both the business and occupation tax and capital gains tax, a credit is allowed against taxes due under this chapter on a sale or exchange that is also subject to the tax imposed under section 5 of this act. The credit is equal to the amount of tax imposed under this chapter on such sale or exchange.

(2) The credit may be used against any tax due under this chapter.

(3) The credit under this section is earned in regards to a sale or exchange, and may be claimed against taxes due under this chapter, for the tax reporting period in which the sale or exchange occurred. The credit claimed for a tax reporting period may not exceed the tax otherwise due under this chapter for that tax reporting period. Unused credit may not be carried forward or backward to another tax reporting period. No refunds may be granted for unused credit under this section.

(4) The department must apply the credit first to taxes deposited into the general fund. If any remaining credit reduces the amount of taxes deposited into the workforce education investment account established in RCW 43.79.195, the department must notify the state treasurer of such amounts monthly, and the state treasurer must transfer those amounts from the general fund to the workforce education investment account.

NEW SECTION. Sec. 16. ANNUAL ADJUSTMENTS. (1) Beginning December 2023 and each December thereafter, the department must adjust the applicable amounts by multiplying the current applicable amounts by one plus the percentage by which the most current consumer price index available on December 1st of the current year exceeds the consumer price index for the prior 12-month period, and rounding the result to the nearest \$1,000. If an adjustment under this subsection (1) would reduce the applicable amounts, the department must not adjust the applicable amounts for use in the following year. The department must publish the adjusted applicable amounts on its public website by December 31st. The adjusted applicable amounts calculated under this subsection (1) take effect for taxes due and distributions made, as the case may be, in the following calendar year.

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

(a) "Applicable amounts" means:

(i) The standard deduction amount in sections 4(13) and 7(1) of this act; and

(ii) The worldwide gross revenue amount under section 8 of this act.

(b) "Consumer price index" means the consumer price index for all urban consumers, all items, for the Seattle area as calculated by the United States bureau of labor statistics or its successor agency.

(c) "Seattle area" means the geographic area sample that includes Seattle and surrounding areas.

NEW SECTION. Sec. 17. The provisions of RCW

82.32.805 and 82.32.808 do not apply to this act.

NEW SECTION. Sec. 18. Sections 1, 2, 4 through 14, and 16 of this act constitute a new chapter in Title 82 RCW.

NEW SECTION. Sec. 19. (1) If a court of competent jurisdiction, in a final judgment not subject to appeal, adjudges section 5 of this act unconstitutional, or otherwise invalid, in its entirety, section 15 of this act is null and void in its entirety. Any credits previously claimed under section 15 of this act must be repaid within 30 days of the department of revenue's notice to the taxpayer of the amount due.

(2) If the taxpayer fails to repay the credit by the due date, interest and penalties as provided in chapter 82.32 RCW apply to the deficiency.

NEW SECTION. Sec. 20. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected."

Correct the title.

and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

MOTION

Senator Liias moved that the Senate refuse to concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5096 and request of the House a conference thereon.

Senator Robinson spoke in favor of the motion.

Senator Braun spoke on the motion.

The President declared the question before the Senate to be motion by Senator Liias that the Senate refuse to concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5096 and request a conference thereon.

The motion by Senator Liias carried and the Senate refused to concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5096 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 Engrossed Substitute Senate Bill No. 5096 and the House amendment(s) thereto: Senators Pedersen, Robinson and Wilson, L.

MOTION

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

MESSAGE FROM THE HOUSE

April 21, 2021

MR. PRESIDENT:

The House passed SECOND SUBSTITUTE SENATE BILL NO. 5192 with the following amendment(s): 5192-S2 AMH APP H1579.1

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 19.94.010 and 2019 c 96 s 1 are each amended to read as follows:

(1) The definitions in this section apply throughout this chapter and to any rules adopted pursuant to this chapter unless the context clearly requires otherwise.

(a) "City" means a first-class city or a code city, as defined in

RCW 35A.01.035, with a population of over fifty thousand persons.

(b) "City sealer" means the person duly authorized by a city to enforce and administer the weights and measures program within such city and any duly appointed deputy sealer acting under the instructions and at the direction of the city sealer.

(c) "Commodity in package form" means a commodity put up or packaged in any manner in advance of sale in units suitable for either wholesale or retail sale, exclusive, however, of an auxiliary shipping container enclosing packages that individually conform to the requirements of this chapter. An individual item or lot of any commodity not in packaged form, but on which there is marked a selling price based on established price per unit of weight or of measure, shall be construed to be a commodity in package form.

(d) "Consumer package" or "package of consumer commodity" means a commodity in package form that is customarily produced or distributed for sale through retail sales agencies or instrumentalities for consumption by persons, or used by persons for the purpose of personal care or in the performance of services ordinarily rendered in or about a household or in connection with personal possessions.

(e) "Cord" means the measurement of wood intended for fuel or pulp purposes that is contained in a space of one hundred twenty-eight cubic feet, when the wood is ranked and well stowed.

(f) "Department" means the department of agriculture of the state of Washington.

(g) "Director" means the director of the department or duly authorized representative acting under the instructions and at the direction of the director.

(h) "Fish" means any waterbreathing animal, including shellfish, such as, but not limited to, lobster, clam, crab, or other mollusca that is prepared, processed, sold, or intended for sale.

(i) "Net weight" means the weight of a commodity excluding any materials, substances, or items not considered to be part of such commodity. Materials, substances, or items not considered to be part of a commodity shall include, but are not limited to, containers, conveyances, bags, wrappers, packaging materials, labels, individual piece coverings, decorative accompaniments, and coupons.

(j) "Nonconsumer package" or "package of nonconsumer commodity" means a commodity in package form other than a consumer package and particularly a package designed solely for industrial or institutional use or for wholesale distribution only.

(k) "Meat" means and shall include all animal flesh, carcasses, or parts of animals, and shall also include fish, shellfish, game, poultry, and meat food products of every kind and character, whether fresh, frozen, cooked, cured, or processed.

(l) "Official seal of approval" means the seal or certificate issued by the director or city sealer which indicates that a secondary weights and measures standard or a weighing or measuring instrument or device conforms with the specifications, tolerances, and other technical requirements adopted in RCW 19.94.190.

(m) "Person" means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, business trust, corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise.

(n) "Poultry" means all fowl, domestic or wild, that is prepared, processed, sold, or intended or offered for sale.

(o) "Service agent" means a person who for hire, award, commission, or any other payment of any kind, installs, tests, inspects, checks, adjusts, repairs, reconditions, or systematically

standardizes the graduations of a weighing or measuring instrument or device.

(p) "Ton" means a unit of two thousand pounds avoirdupois weight.

(q) "Weighing or measuring instrument or device" means any equipment or apparatus used commercially to establish the size, quantity, capacity, count, extent, area, heaviness, or measurement of quantities, things, produce, or articles for distribution or consumption, that are purchased, offered or submitted for sale, hire, or award on the basis of weight, measure or count, including any accessory attached to or used in connection with a weighing or measuring instrument or device when such accessory is so designed or installed that its operation affects, or may effect, the accuracy or indication of the device. This definition shall be strictly limited to those weighing or measuring instruments or devices governed by Handbook 44 as adopted under RCW 19.94.190.

(r) "Weight" means net weight as defined in this section.

(s) "Weights and measures" means the recognized standards or units of measure used to indicate the size, quantity, capacity, count, extent, area, heaviness, or measurement of any consumable commodity.

(t) "Secondary weights and measures standard" means the physical standards that are traceable to the primary standards through comparisons, used by the director, a city sealer, or a service agent that under specified conditions defines or represents a recognized weight or measure during the inspection, adjustment, testing, or systematic standardization of the graduations of any weighing or measuring instrument or device.

(u) "Charging session" means an event starting when a user or a vehicle initiates a refueling event and stops when a user or a vehicle ends a refueling event.

(v) "Clearly marked" means, at a minimum, a sign, sticker, plaque, or any other visible marker that is readable.

(w) "Common interest community" has the same meaning as defined in RCW 64.90.010.

(x) "Direct current fast charger" means electric vehicle supply equipment capable of supplying direct current electricity to a vehicle fitted with the appropriate connection to support refueling the vehicle's energy storage battery.

(y) "Electric vehicle service provider" means the entity responsible for operating one or more networked or nonnetworked electric vehicle supply equipment. Operating includes, but is not limited to: Sending commands or messages to a networked electric vehicle supply equipment; receiving commands or messages from a networked electric vehicle supply equipment; or providing billing, maintenance, reservations, or other services to a nonnetworked or networked electric vehicle supply equipment. An electric vehicle service provider may designate another entity to act as the electric vehicle service provider for purposes of this chapter. A state agency, an electric utility as defined in RCW 19.405.020, or a municipal corporation as defined in RCW 39.69.010 is considered an electric vehicle service provider when responsible for operating one or more publicly available electric vehicle supply equipment.

(z) "Electric vehicle supply equipment" means the unit controlling the power supply to one or more vehicles during a charging session including, but not limited to, level 2 electric vehicle supply equipment and direct current fast chargers.

(aa) "Installed" means operational and made available for a charging session.

(bb) "Kiosk" means a stand-alone physical unit that allows users to pay for and initiate a charging session at one or more electric vehicle supply equipment located at the same site as the kiosk.

(cc) "Level 2 electric vehicle supply equipment" means electric

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vehicle supply equipment capable of supplying 208 to 240 volt alternating current.

(dd) "Networked electric vehicle supply equipment" means electric vehicle supply equipment capable of receiving and sending commands or messages remotely from an electric vehicle service provider, including electric vehicle supply equipment with secondary systems that provide remote communication capabilities that have been installed.

(ee) "Nonnetworked electric vehicle supply equipment" means electric vehicle supply equipment incapable of receiving and sending commands or messages remotely from an electric vehicle service provider, including electric vehicle supply equipment with remote communication capabilities that have been disabled.

(ff) "Publicly available electric vehicle supply equipment" means electric vehicle supply equipment and associated parking space or spaces designated by a property owner or lessee to be available to, and accessible by, the public.

(2) The director shall prescribe by rule other definitions as may be necessary for the implementation of this chapter.

NEW SECTION. Sec. 2. A new section is added to chapter 19.94 RCW to read as follows:

(1) In addition to the definition of publicly available electric vehicle supply equipment provided in RCW 19.94.010 and except for the applicable exemptions in section 3 of this act, electric vehicle supply equipment is considered publicly available and is subject to the requirements of this chapter if:

(a) A lessee, electric vehicle service provider, or a property owner designates electric vehicle supply equipment to be available only to customers or visitors of a business or charging network;

(b) Any member of the public can obtain vehicular access to electric vehicle supply equipment and associated parking spaces for free or through payment of a fee, including electric vehicle supply equipment located in a parking garage or gated facility; or

(c) The electric vehicle supply equipment and associated parking spaces are made available to the public for only limited time periods, then the electric vehicle supply equipment and associated parking spaces are considered publicly available electric vehicle supply equipment during those limited time periods only.

(2) The director may by rule subject additional types of electric vehicle supply equipment to the requirements of this chapter to benefit the public and provide protections to consumers.

NEW SECTION. Sec. 3. A new section is added to chapter 19.94 RCW to read as follows:

(1) Publicly available electric vehicle supply equipment is exempt from compliance with the requirements of sections 4 through 6 of this act if:

(a) Members of the public may use the electric vehicle supply equipment at no cost, including no charges, fees, memberships, minimum balance on an account, and other cost at all times; and

(b) It is clearly marked that the electric vehicle supply equipment is available for use at no cost at all times.

(2) Sections 4 through 7 of this act do not apply to:

(a) Workplace electric vehicle supply equipment and its associated parking spaces if it is clearly marked and operated as available exclusively to employees or contracted drivers, regardless of the physical accessibility of the electric vehicle supply equipment to the public;

(b) Electric vehicle supply equipment and associated parking spaces reserved exclusively for residents, tenants, visitors, or employees of a private residence or common interest community; or a residential building adjacent to a private residence;

(c) Level 2 electric vehicle supply equipment located on or near the curb of a residential electric utility customer's property,

directly connected to that residential electric utility customer's meter, and intended to serve only that residential electric utility customer;

(d) Electric vehicle supply equipment and associated parking spaces provided by a vehicle dealer licensed under chapter 46.70 RCW at its established place of business.

(3) The director may by rule provide exemptions from compliance with some or all requirements of this chapter to benefit the public and provide protections to consumers, including electric vehicle supply equipment that is not available or intended for use by the public but where charges, fees, or other costs are required to initiate a charging session.

NEW SECTION. Sec. 4. A new section is added to chapter 19.94 RCW to read as follows:

(1) By January 1, 2023, the electric vehicle service provider must ensure all publicly available electric vehicle supply equipment is clearly marked and discloses all charges, fees, and costs associated with a charging session at the point of sale and prior to a user or a vehicle initiating a charging session. At a minimum, the electric vehicle service provider must disclose to the user the following information at the point of sale, if applicable:

(a) A fee for use of the parking space;

(b) A nonmember plug-in fee from the electric vehicle service provider;

(c) Price to refuel in United States dollars per kilowatt-hour or megajoule;

(d) Any potential changes in the price to refuel, in United States dollars per kilowatt-hour or megajoule, due to variable pricing; and

(e) Any other fees charged for a charging session.

(2) If the charging session or portion of a charging session is offered at no cost, it must be disclosed at the location where the charging session is initiated and prior to a user or a vehicle initiating a charging session.

(3) For the purpose of this section, "point of sale" means the location where the charging session and associated commercial transaction is initiated including, but not limited to, electric vehicle supply equipment or kiosk used to service that electric vehicle supply equipment.

NEW SECTION. Sec. 5. A new section is added to chapter 19.94 RCW to read as follows:

(1) By January 1, 2023, the department, in consultation with the department of commerce and the Washington utilities and transportation commission, must adopt rules requiring all electric vehicle service providers make available multiple payment methods at all publicly available level 2 electric vehicle supply equipment or direct current fast charger electric vehicle supply equipment installed in Washington and may review and, if necessary, amend the rules every two years, to maintain consistency with evolving technology. At a minimum, the rules must include:

(a) Deadlines for electric vehicle service provider compliance for publicly available direct current fast charger electric vehicle supply equipment installed prior to a specific date;

(b) Deadlines for electric vehicle service provider compliance for publicly available level 2 electric vehicle supply equipment installed prior to a specific date;

(c) Deadlines for electric vehicle service provider compliance for publicly available direct current fast charger electric vehicle supply equipment installed on or after a specific date;

(d) Deadlines for electric vehicle service provider compliance for publicly available level 2 electric vehicle supply equipment installed on or after a specific date;

(e) Minimum required payment methods that are convenient

and reasonably support access for all current and future users at publicly available level 2 electric vehicle supply equipment and direct current fast charger electric vehicle supply equipment installed in Washington. Payment methods may include, but are not limited to:

- (i) A credit card reader device physically located on or in either the electric vehicle supply equipment unit or a kiosk used to service that electric vehicle supply equipment. Contactless credit card reader devices may be used as an option to meet the requirements of this subsection;
- (ii) A toll-free number on each electric vehicle supply equipment and kiosk used to service that electric vehicle supply equipment that provides the user with the option to initiate a charging session and submit payment at any time that the electric vehicle supply equipment is operational and publicly available;
- (iii) A mobile payment option used to initiate a charging session;
- (f) Means for conducting a charging session in languages other than English;
- (g) Means for facilitating charging sessions for consumers who are unbanked, underbanked, or low-moderate income, such as accepting prepaid cards through a card reader device. Methods established in (e) of this subsection may be used to meet this requirement if they adequately facilitate charging sessions for these consumers.

(2) In adopting the rules required under subsection (1) of this section, the department must seek to minimize costs and maximize benefits to the public.

(3) The electric vehicle service provider may not require a subscription, membership, or account or a minimum balance on an account in order to initiate a charging session at electric vehicle supply equipment subject to this section.

(4) For the purpose of this section, "mobile payment" means an electronic fund transfer initiated through a mobile phone or device.

NEW SECTION. Sec. 6. A new section is added to chapter 19.94 RCW to read as follows:

(1) Interoperability standards provide safeguards to consumers and support access to electric vehicle supply equipment. In order for Washington to have reliable, accessible, and competitive markets for electric vehicle supply equipment that are necessary for the movement of goods and people by electric vehicles, interoperability standards that align with national and international best practices or standards are necessary.

(2) By January 1, 2023, the department, in consultation with the department of commerce and the Washington utilities and transportation commission, must adopt rules establishing requirements for all electric vehicle service providers to, at a minimum, meet and maintain nonproprietary interoperability standards for publicly available level 2 electric vehicle supply equipment and direct current fast charger electric vehicle supply equipment and may review and, if necessary, amend the rules every two years, to maintain consistency with evolving technology. The requirements shall not provide that any charging provider must purchase or license proprietary technology or software from any other company, and shall not require that companies maintain interoperability agreements with other companies.

(3) For the purpose of this section, "interoperability" means the ability of hardware, software, or a communications network provided by one party, vendor, or service provider to interact with or exchange and make use of information, including payment information, between hardware, software, or a communications network provided by a different party, vendor, or service provider.

(4) The requirements of this section shall not apply to publicly

available electric vehicle supply equipment provided by a manufacturer of electric vehicles for the exclusive use by vehicles it manufactures.

NEW SECTION. Sec. 7. A new section is added to chapter 19.94 RCW to read as follows:

(1) This section applies to all electric vehicle service providers operating one or more publicly available level 2 electric vehicle supply equipment or direct current fast charger electric vehicle supply equipment installed in Washington. If an electric vehicle service provider also operates electric vehicle supply equipment that is not available to the public, the requirements of this section apply only to that electric vehicle service provider's publicly available level 2 electric vehicle supply equipment or direct current fast charger electric vehicle supply equipment installed in Washington.

(2) By January 1, 2023, electric vehicle service providers must report inventory and payment method information to the national renewable energy laboratory, alternative fuels data center. The information must be reported, at a minimum, annually and must include, but is not limited to:

- (a) Electric vehicle service provider information;
- (b) Electric vehicle supply equipment inventory for both active and retired, decommissioned, or removed electric vehicle supply equipment in Washington;
- (c) Electric vehicle supply equipment payment method information.

(3) The department may adopt additional reporting requirements to support compliance with this act.

Sec. 8. RCW 19.94.175 and 2019 c 96 s 3 are each amended to read as follows:

(1) Pursuant to RCW 19.94.015, the following annual registration fees shall be charged for each weighing or measuring instrument or device used for commercial purposes in this state:

(a)	Weighing devices:		
(i)	Small scales "zero to four hundred pounds capacity"	\$	16.00
(ii)	Intermediate scales "four hundred one pounds to five thousand pounds capacity" ...	\$	60.00
(iii)	Large scales "over five thousand pounds capacity" ...	\$	120.00
(iv)	Railroad track scales	\$	1,200.00
(b)	Liquid fuel metering devices:		
(i)	Motor fuel meters with flows of twenty gallons or less per minute	\$	16.00
(ii)	Motor fuel meters with flows of more than twenty but not more than one hundred fifty gallons per minute	\$	50.00
(iii)	Motor fuel meters with flows over one hundred fifty gallons per minute	\$	75.00
(c)	Liquid petroleum gas meters:		
(i)	With one inch diameter or smaller dispensers	\$	40.00
(ii)	With greater than one inch diameter dispensers	\$	80.00
(d)	Fabric meters	\$	15.00
(e)	Cordage meters	\$	15.00
(f)	Mass flow meters	\$	300.00
(g)	Taxi meters	\$	40.00
(h)	Level 2 electric vehicle supply equipment port	\$	20.00
(i)	Direct current fast charger electric vehicle supply	\$	40.00

equipment port

(2) Pursuant to RCW 19.94.015, a reasonable registration fee for electric vehicle supply equipment, in addition to the fees established in subsection (1) of this section, may be established through rule making to cover the remaining costs associated with enforcing this chapter on electric vehicle supply equipment. The department may consider differential fees to reduce the potential burden of the registration fee for electric vehicle service providers operating less than 25 publicly available electric vehicle supply equipment in Washington.

(3) With the exception of subsection ((3)) (4) of this section, no person shall be required to pay more than the annual registration fee for any weighing or measuring instrument or device in any one year.

((3)) (4) The department or a city sealer may establish reasonable inspection and testing fees for each type or class of weighing or measuring instrument or device specially requested to be inspected or tested by the device owner. These inspection and testing fees shall be limited to those amounts necessary for the department or city sealer to cover the direct costs associated with such inspection and testing. The fees shall not be set so as to compete with service agents normally engaged in such services.

((4)) (5) The weights and measures advisory group within the department must review the fees in subsection (1) of this section and report to stakeholders on the financial status of the program supported by the fees by September 1, 2024, and September 1st every five years thereafter.

Sec. 9. RCW 19.94.190 and 2019 c 96 s 4 are each amended to read as follows:

(1) The director and duly appointed city sealers must enforce the provisions of this chapter.

(2) The department's enforcement proceedings under this chapter are subject to the requirement to provide technical assistance in chapter 43.05 RCW and the administrative procedure act, chapter 34.05 RCW. City sealers undertaking enforcement actions must provide equivalent procedures.

(3) In assessing the amount of a civil penalty, the department or city must give due consideration to the gravity of the violation and history of previous violations.

(4) The director must adopt rules for enforcing and carrying out the purposes of this chapter including but not limited to the following:

(a) Establishing state standards of weight, measure, or count, and reasonable standards of fill for any commodity in package form;

(b) The establishment of technical test procedures to be followed, any necessary report and record forms, and marks of rejection to be used by the director and city sealers in the discharge of their official duties as required by this chapter;

(c) The establishment of technical test procedures, reporting procedures, and any necessary record and reporting forms to be used by service agents when testing and inspecting instruments or devices under RCW 19.94.255(3) or when otherwise installing, repairing, inspecting, or standardizing the graduations of any weighing or measuring instruments or devices;

(d) The establishment of exemptions from the marking or tagging requirements of RCW 19.94.250 with respect to weighing or measuring instruments or devices of such a character or size that the marking or tagging would be inappropriate, impracticable, or damaging to the apparatus in question;

(e) The establishment of exemptions from the inspection and testing requirements of RCW 19.94.163 with respect to classes of weighing or measuring instruments or devices found to be of such a character that periodic inspection and testing is unnecessary to ensure continued accuracy;

(f) The establishment of inspection and approval techniques, if any, to be used with respect to classes of weighing or measuring instruments or devices that are designed specifically to be used commercially only once and then discarded, or are uniformly mass-produced by means of a mold or die and are not individually adjustable;

(g) The establishment of inspection and testing procedures to be used for classes of weighing or measuring instruments or devices found to be few in number, highly complex, and of such character that differential or special inspection and testing is necessary, including railroad track scales. The department's procedures shall include requirements for the provision, maintenance, and transport of any weight or measure necessary for the inspection and testing at no expense to the state;

(h) Specifications, tolerances, and other technical requirements for commercial weighing and measuring instruments or devices that must be consistent with the most recent edition of the national institute of standards and technology handbook 44 except where modified to achieve state objectives; and

(i) Packaging, labeling, and method of sale of commodities that must be consistent with the most recent edition of the national institute of standards and technology handbook 44 and 130 (for legal metrology and engine fuel quality) except where modified to achieve state objectives.

(5) Rules adopted under this section must also include specifications and tolerances for the acceptable range of accuracy required of weighing or measuring instruments or devices and must be designed to eliminate from use, without prejudice to weighing or measuring instruments or devices that conform as closely as practicable to official specifications and tolerances, those that: (a) Are of such construction that they are faulty, that is, that are not reasonably permanent in their adjustment or will not repeat their indications correctly; or (b) facilitate the perpetration of fraud.

(6) Rules adopted by the director related to the sale of electricity sold as a vehicle fuel and electric vehicle fueling systems may take effect no earlier than January 1, 2024, and may be modified to achieve state objectives, reviewed, and, if necessary, amended, to maintain consistency with evolving technology. To ensure existing infrastructure may continue operating without substantial equipment replacement or alteration, electric vehicle supply equipment installed and placed into service before January 1, 2024, is exempt from the rules of this section until January 1, 2034. Electric vehicle supply equipment that is replaced or retrofitted with new hardware after January 1, 2024, must be considered as having been installed and placed into service after January 1, 2024.

(a) Exempt electric vehicle supply equipment installed and placed into service before January 1, 2024, must:

(i) Comply with RCW 19.94.175; and

(ii) Be clearly marked, identifying the date of installation.

(b) For the purpose of this subsection (6), "retrofitted" means a substantial modification outside of normal wear and tear maintenance.

Sec. 10. RCW 19.94.517 and 2019 c 96 s 19 are each amended to read as follows:

(1) Whenever the department or a city sealer tests or inspects a weighing or measuring instrument or device and finds the instrument or device to be incorrect to the economic benefit of the owner/operator of the weighing or measuring instrument or device and to the economic detriment of the customer, the owner of the weighing or measuring instrument or device is subject to the following civil penalties:

Device deviations outside the tolerances stated in Handbook 44.

	Penalty
Small weighing or measuring instruments or devices:	
First violation	\$ 200.00
Second or subsequent violation within one year of first violation	\$ 500.00
Medium weighing or measuring instruments or devices:	
First violation	\$ 400.00
Second or subsequent violation within one year of first violation	\$ 1,000.00
Large weighing or measuring instruments or devices:	
First violation	\$ 500.00
Second or subsequent violation within one year of first violation	\$ 2,000.00
<u>Electric vehicle fuel measuring instruments or devices:</u>	
<u>First violation</u>	<u>\$ 200.00</u>
<u>Second or subsequent violation within one year of first violation</u>	<u>\$ 500.00</u>

(2) For the purposes of this section:

(a) The following are small weighing or measuring instruments or devices: Scales of zero to four hundred pounds capacity, liquid fuel metering devices with flows of not more than twenty gallons per minute, liquid petroleum gas meters with one inch in diameter or smaller dispensers, fabric meters, cordage meters, and taxi meters.

(b) The following are medium weighing or measuring instruments or devices: Scales of four hundred one to five thousand pounds capacity, liquid fuel metering devices with flows of more than twenty but not more than one hundred fifty gallons per minute, and mass flow meters.

(c) The following are large weighing or measuring instruments or devices: Liquid petroleum gas meters with greater than one inch diameter dispensers, liquid fuel metering devices with flows over one hundred fifty gallons per minute, and scales of more than five thousand pounds capacity and scales of more than five thousand pounds capacity with supplemental devices.

(3) The weighing or measuring instrument or device owner may appeal the civil penalty.

NEW SECTION. Sec. 11. A new section is added to chapter 19.94 RCW to read as follows:

(1) An electric vehicle service provider that fails to meet the requirements established under sections 4 through 6 of this act, or any rule adopted pursuant to the authority granted to the department under sections 4 through 6 of this act, is subject to a civil penalty of \$200 per electric vehicle supply equipment for the first violation and \$500 per electric vehicle supply equipment for each subsequent violation within one year of the first violation.

(2) Moneys collected under this section must first be used to cover the department's costs to enforce this section. Any remaining moneys must be deposited into the electric vehicle account created in RCW 82.44.200.

Sec. 12. RCW 46.08.185 and 2013 c 60 s 1 are each amended to read as follows:

(1) ~~((An))~~ Publicly available electric vehicle ~~((charging station))~~ supply equipment must be indicated by vertical signage identifying the station as ~~((an))~~ publicly available electric vehicle ~~((charging station))~~ supply equipment and indicating that it is only for electric vehicle charging. The signage must be consistent with the manual on uniform traffic control devices, as adopted by the department of transportation under RCW 47.36.030, and contain the information required in section 4 of this act. ~~((Additionally, the electric vehicle charging station must be~~

~~indicated by green pavement markings.))~~ Supplementary signage may be posted to provide additional information including, but not limited to, the amount of the monetary penalty under subsection (2) of this section for parking in the station while not connected to the charging equipment.

(2) It is a parking infraction, with a monetary penalty of one hundred twenty-four dollars, for any person to park a vehicle in ~~((an electric vehicle charging station provided on public or private property))~~ a parking space served by publicly available electric vehicle supply equipment if the vehicle is not connected to the charging equipment. The parking infraction must be processed as prescribed under RCW 3.50.100, 35.20.220, 46.16A.120, and 46.20.270~~((3))~~ (2).

(3) For purposes of this section, "publicly available electric vehicle ((charging station" means a public or private parking space that is served by charging equipment that has as its primary purpose the transfer of electric energy to a battery or other energy storage device in an electric vehicle)) supply equipment" has the same meaning as provided in RCW 19.94.010 and described in sections 2 and 3 of this act.

NEW SECTION. Sec. 13. A new section is added to chapter 19.94 RCW to read as follows:

If an electric vehicle service provider sells or intends to sell consumer data collected during or associated with a charging session, the electric vehicle service provider shall disclose all types of data collected to the consumer.

NEW SECTION. Sec. 14. Section 13 of this act takes effect only if chapter . . . (Substitute Senate Bill No. 5062), Laws of 2021 is not enacted by June 30, 2021."

Correct the title.

and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

MOTION

Senator Das moved that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5192.

Senators Das and King spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Das that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5192.

The motion by Senator Das carried and the Senate concurred in the House amendment(s) to Second Substitute Senate Bill No. 5192 by voice vote.

MOTION

On motion of Senator Wagoner, Senator Wilson, J. was excused.

The President declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 5192, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 5192, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 30; Nays, 19; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, Lovelett, Mullet, Nguyen, Nobles, Pedersen, Randall, Robinson, Rolfes, Saldaña, Salomon, Sheldon, Stanford,

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Van De Wege, Wellman, Wilson, C. and Wilson, J.

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

SECOND SUBSTITUTE SENATE BILL NO. 5192, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 21, 2021

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5317 with the following amendment(s): 5317-S AMH APP H1386.2

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 15.58.070 and 2008 c 285 s 15 are each amended to read as follows:

(1) All registrations issued by the department expire December 31st of the following year except that registrations issued by the department to a registrant who is applying to register an additional pesticide during the second year of the registrant's registration period shall expire December 31st of that year.

(2) An application for registration must be accompanied by a fee of ~~((three))~~ six hundred ~~((ninety))~~ fifty dollars for each pesticide, except that a registrant who is applying to register an additional pesticide during the year the registrant's registration expires shall pay a fee of ~~((one))~~ three hundred ~~((ninety-five))~~ twenty-five dollars for each additional pesticide.

(3) Fees must be deposited in the agricultural local fund to support the activities of the pesticide program within the department.

(4) Any registration approved by the director and in effect on the last day of the registration period, for which a renewal application has been made and the proper fee paid, continues in full force and effect until the director notifies the applicant that the registration has been renewed, or otherwise denied in accord with the provision of RCW 15.58.110.

(5) The department must complete and post on its website a timeline for processing completed pesticide registrations.

Sec. 2. RCW 15.58.180 and 2013 c 144 s 10 are each amended to read as follows:

(1) Except as provided in subsections (4) and (5) of this section, it is unlawful for any person to act in the capacity of a pesticide dealer or advertise as or assume to act as a pesticide dealer without first having obtained an annual license from the director. The license expires on the business license expiration date. A license is required for each location or outlet located within this state from which pesticides are distributed. A manufacturer, registrant, or distributor who has no pesticide dealer outlet licensed within this state and who distributes pesticides directly into this state must obtain a pesticide dealer license for his or her principal out-of-state location or outlet, but such a licensed out-of-state pesticide dealer is exempt from the pesticide dealer manager requirements.

(2) Application for a license must be accompanied by a fee of ~~((sixty-seven))~~ eighty-eight dollars and must be made through the business licensing system and must include the full name of the person applying for the license and the name of the individual within the state designated as the pesticide dealer manager. If the applicant is a partnership, association, corporation, or organized group of persons, the full name of each member of the firm or

partnership or the names of the officers of the association or corporation must be given on the application. The application must state the principal business address of the applicant in the state and elsewhere, the name of a person domiciled in this state authorized to receive and accept service of summons of legal notices of all kinds for the applicant, and any other necessary information prescribed by the director.

(3) It is unlawful for any licensed dealer outlet to operate without a pesticide dealer manager who has a license of qualification.

(4) This section does not apply to (a) a licensed pesticide applicator who sells pesticides only as an integral part of the applicator's pesticide application service when pesticides are dispensed only through apparatuses used for pesticide application, or (b) any federal, state, county, or municipal agency that provides pesticides only for its own programs.

(5) A user of a pesticide may distribute a properly labeled pesticide to another user who is legally entitled to use that pesticide without obtaining a pesticide dealer's license if the exclusive purpose of distributing the pesticide is keeping it from becoming a hazardous waste as defined in chapter ~~((70-105))~~ 70A.300 RCW.

Sec. 3. RCW 15.58.200 and 2008 c 285 s 17 are each amended to read as follows:

The director shall require each pesticide dealer manager to demonstrate to the director knowledge of pesticide laws and rules; pesticide hazards; and the safe distribution, use and application, and disposal of pesticides by satisfactorily passing a written examination after which the director shall issue a license of qualification. Application for a license must be accompanied by a fee of ~~((thirty-three))~~ thirty-eight dollars. The pesticide dealer manager license expires annually on a date set by rule by the director.

Sec. 4. RCW 15.58.205 and 2008 c 285 s 18 are each amended to read as follows:

(1) No individual may perform services as a structural pest inspector or advertise that they perform services of a structural pest inspector without obtaining a structural pest inspector license from the director. The license expires annually on a date set by rule by the director. Application for a license must be on a form prescribed by the director and must be accompanied by a fee of ~~((sixty))~~ seventy-eight dollars.

(2) The following are exempt from the application fee requirement of this section when acting within the authorities of their existing licenses issued under this chapter or chapter 17.21 RCW: Licensed pest control consultants; licensed commercial pesticide applicators and operators; licensed private-commercial applicators; and licensed demonstration and research applicators.

(3) The following are exempt from the structural pest inspector licensing requirement: Individuals inspecting for damage caused by wood destroying organisms if the inspections are solely for the purpose of: (a) Repairing or making specific recommendations for the repair of the damage, or (b) assessing a monetary value for the structure inspected. Individuals performing wood destroying organism inspections that incorporate but are not limited to the activities described in (a) or (b) of this subsection are not exempt from the structural pest inspector licensing requirement.

(4) A structural pest inspector license is not valid for conducting a complete wood destroying organism inspection unless the inspector owns or is employed by a business with a structural pest inspection company license.

Sec. 5. RCW 15.58.210 and 2008 c 285 s 19 are each amended to read as follows:

(1) No individual may perform services as a pest control consultant without obtaining a license from the director. The

license expires annually on a date set by rule by the director. Application for a license must be on a form prescribed by the director and must be accompanied by a fee of ~~((sixty))~~ sixty-eight dollars.

(2) The following are exempt from the licensing requirements of this section when acting within the authorities of their existing licenses issued under chapter 17.21 RCW: Licensed commercial pesticide applicators and operators; licensed private-commercial applicators; and licensed demonstration and research applicators. The following are also exempt from the licensing requirements of this section: Employees of federal, state, county, or municipal agencies when acting in their official governmental capacities; and pesticide dealer managers and employees working under the direct supervision of the pesticide dealer manager and only at a licensed pesticide dealer's outlet.

Sec. 6. RCW 15.58.220 and 2008 c 285 s 20 are each amended to read as follows:

For the purpose of this section public pest control consultant means any individual who is employed by a governmental agency or unit to act as a pest control consultant. No person may act as a public pest control consultant without first obtaining a license from the director. The license expires annually on a date set by rule by the director. Application for a license must be on a form prescribed by the director and must be accompanied by a fee of ~~((thirty-three))~~ forty-three dollars. Federal and state employees whose principal responsibilities are in pesticide research, the jurisdictional health officer or a duly authorized representative, public pest control consultants licensed and working in the health vector field, and public operators licensed under RCW 17.21.220 shall be exempt from this licensing provision.

Sec. 7. RCW 15.58.411 and 1997 c 242 s 8 are each amended to read as follows:

~~((A))~~ (1) Except as otherwise provided in this section, all license fees collected under this chapter shall be paid to the director for use exclusively in the enforcement of this chapter.

(2) In addition to any other fees the department may collect under this chapter, the department shall collect a fee of seven dollars for each license issued by the department under this chapter. The department shall transmit the seven dollar fee required by this subsection to Washington State University for the purpose of providing a pesticide safety education program to educate and train pesticide licensees and prospective licensees.

(3) The department shall engage with the regulated community on the status of license fees established in this chapter, including consideration of future increases, in coordination with a stakeholder work group.

(4) All moneys collected for civil penalties levied under this chapter shall be deposited in the state general fund.

Sec. 8. RCW 17.21.070 and 2008 c 285 s 21 are each amended to read as follows:

It is unlawful for any person to engage in the business of applying pesticides to the land of another without a commercial pesticide applicator license. Application for a commercial applicator license must be accompanied by a fee of two hundred ~~((fifteen))~~ forty-three dollars and in addition a fee of twenty-seven dollars for each apparatus, exclusive of one, used by the applicant in the application of pesticides.

Sec. 9. RCW 17.21.110 and 2008 c 285 s 22 are each amended to read as follows:

It is unlawful for any person to act as an employee of a commercial pesticide applicator and apply pesticides manually or as the operator directly in charge of any apparatus which is licensed or should be licensed under this chapter for the application of any pesticide, without having obtained a commercial pesticide operator license from the director. The commercial pesticide operator license is in addition to any other

license or permit required by law for the operation or use of any such apparatus. Application for a commercial operator license must be accompanied by a fee of ~~((sixty-seven))~~ seventy-eight dollars. This section does not apply to any individual who is a licensed commercial pesticide applicator.

Sec. 10. RCW 17.21.122 and 2008 c 285 s 23 are each amended to read as follows:

It is unlawful for any person to act as a private-commercial pesticide applicator without having obtained a private-commercial pesticide applicator license from the director. Application for a private-commercial pesticide applicator license must be accompanied by a fee of ~~((thirty-three))~~ thirty-eight dollars.

Sec. 11. RCW 17.21.126 and 2008 c 285 s 24 are each amended to read as follows:

It is unlawful for any person to act as a private applicator, limited private applicator, or rancher private applicator without first complying with requirements determined by the director as necessary to prevent unreasonable adverse effects on the environment, including injury to the pesticide applicator or other persons, for each specific pesticide use.

(1) Certification standards to determine the individual's competency with respect to the use and handling of the pesticide or class of pesticides for which the private applicator, limited private applicator, or rancher private applicator is certified must be relative to hazards of the particular type of application, class of pesticides, or handling procedure. In determining these standards the director must take into consideration standards of the EPA and is authorized to adopt these standards by rule.

(2) Application for a private applicator ~~((or a limited private applicator))~~ license must be accompanied by a fee of ~~((thirty-three))~~ thirty-eight dollars. Application for a limited private applicator license must be accompanied by a fee of thirty-three dollars. Application for a rancher private applicator license must be accompanied by a fee of one hundred three dollars. Individuals with a valid certified applicator license, pest control consultant license, or dealer manager license who qualify in the appropriate statewide or agricultural license categories are exempt from the private applicator, limited private applicator, or rancher private applicator fee requirements. However, licensed public pesticide operators, otherwise exempted from the public pesticide operator license fee requirement, are not also exempted from the fee requirements under this subsection.

Sec. 12. RCW 17.21.129 and 2008 c 285 s 25 are each amended to read as follows:

Except as provided in RCW 17.21.203, it is unlawful for a person to use or supervise the use of any experimental use pesticide or any restricted use pesticide on small experimental plots for research purposes when no charge is made for the pesticide and its application without a demonstration and research applicator's license.

(1) Application for a demonstration and research license must be accompanied by a fee of ~~((thirty-three))~~ forty-three dollars.

(2) Persons licensed under this section are exempt from the requirements of RCW 17.21.160, 17.21.170, and 17.21.180.

Sec. 13. RCW 17.21.220 and 2008 c 285 s 26 are each amended to read as follows:

(1) All state agencies, municipal corporations, and public utilities or any other governmental agencies are subject to this chapter and its rules.

(2) It is unlawful for any employee of a state agency, municipal corporation, public utility, or any other government agency to use or to supervise the use of any restricted use pesticide, or any pesticide by means of an apparatus, without having obtained a public operator license from the director. Application for a public operator license must be accompanied by a fee of ~~((thirty-three))~~

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forty-three dollars. The fee does not apply to public operators licensed and working in the health vector field. The public operator license is valid only when the operator is acting as an employee of a government agency.

(3) The jurisdictional health officer or his or her duly authorized representative is exempt from this licensing provision when applying pesticides that are not restricted use pesticides to control pests other than weeds.

(4) Agencies, municipal corporations, and public utilities are subject to legal recourse by any person damaged by such application of any pesticide, and action may be brought in the county where the damage or some part of the damage occurred.

Sec. 14. RCW 17.21.280 and 1997 c 242 s 18 are each amended to read as follows:

(1) Except as provided in subsections (2) and (4) of this section, all moneys collected under the provisions of this chapter shall be paid to the director and deposited in the agricultural local fund, RCW 43.23.230, for use exclusively in the enforcement of this chapter.

(2) In addition to any other fees the department may collect under this chapter, the department shall collect a fee of seven dollars for each license issued by the department under this chapter. The department shall transmit the seven dollar fee required by this subsection to Washington State University for the purpose of providing a pesticide safety education program to educate and train pesticide licensees and prospective licensees.

(3) The department shall engage with the regulated community on the status of license fees established in this chapter, including consideration of future increases, in coordination with a stakeholder work group.

(4) All moneys collected for civil penalties levied under RCW 17.21.315 shall be deposited in the state general fund. All fees, fines, forfeitures and penalties collected or assessed by a district court because of the violation of a state law shall be remitted as provided in chapter 3.62 RCW.

NEW SECTION. Sec. 15. By December 31, 2022, the department of agriculture shall report to the legislature, in accordance with RCW 43.01.036, on the status of the fee structure for pesticide licenses. At a minimum, the report must include an outlook for potential future fee needs and describe how the department of agriculture has engaged with the regulated community on the topic of pesticide license fees in coordination with a stakeholder work group.

NEW SECTION. Sec. 16. This act takes effect November 1, 2021. All new or renewal applications for licensure, certification, or registration under chapter 17.21 or 15.58 RCW received on or after the effective date of this section are subject to the provisions of this act, including all fees required by this act."

Correct the title.

and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

MOTION

Senator Warnick moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5317.

Senator Warnick spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Warnick that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5317.

The motion by Senator Warnick carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill

No. 5317 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5317, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5317, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 30; Nays, 19; Absent, 0; Excused, 0.

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

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

SUBSTITUTE SENATE BILL NO. 5317, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 21, 2021

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5318 with the following amendment(s): 5318-S AMH APP H1487.1

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 15.54.275 and 2013 c 144 s 8 are each amended to read as follows:

(1) No person may distribute a bulk fertilizer in this state until a license to distribute has been obtained by that person. An annual license is required for each out-of-state or in-state location that distributes bulk fertilizer in Washington state. An application for each location must be filed on forms provided by the business licensing system established under chapter 19.02 RCW and must be accompanied by an annual fee of ~~((twenty-five))~~ fifty dollars per location. The license expires on the business license expiration date.

(2) An application for license must include the following:

(a) The name and address of licensee.

(b) Any other information required by the department by rule.

(3) The name and address shown on the license must be shown on all labels, pertinent invoices, and storage facilities for fertilizer distributed by the licensee in this state.

(4) If an application for license renewal provided for in this section is not filed prior to the business license expiration date, a delinquency fee of ~~((twenty-five))~~ fifty dollars must be assessed and added to the original fee and must be paid by the applicant before the renewal license is issued. The assessment of this delinquency fee does not prevent the department from taking any other action as provided for in this chapter. ~~The penalty does not apply if the applicant furnishes an affidavit that he or she has not distributed this commercial fertilizer subsequent to the expiration of his or her prior license.)~~

Sec. 2. RCW 15.54.325 and 2020 c 20 s 1002 are each amended to read as follows:

(1) No person may distribute in this state a commercial

fertilizer until it has been registered with the department by the producer, importer, or packager of that product.

(2) An application for registration must be made on a form furnished by the department and must include the following:

- (a) The product name;
- (b) The brand and grade;
- (c) The guaranteed analysis;
- (d) Name, address, and phone number of the registrant;
- (e) A label for each product being registered;
- (f) Identification of those products that are (i) waste-derived fertilizers, (ii) micronutrient fertilizers, or (iii) fertilizer materials containing phosphate;

(g) The concentration of each metal, for which standards are established under RCW 15.54.800, in each product being registered, unless the product is (i) anhydrous ammonia or a solution derived solely from dissolving anhydrous ammonia in water, (ii) a customer-formula fertilizer containing only registered commercial fertilizers, or (iii) a packaged commercial fertilizer whose plant nutrient content is present in the form of a single chemical compound which is registered in compliance with this chapter and the product is not blended with any other material. The provisions of (g)(i) of this subsection do not apply if the anhydrous ammonia is derived in whole or in part from waste such that the fertilizer is a "waste-derived fertilizer" as defined in RCW 15.54.270. Verification of a registration relied on by an applicant under (g)(iii) of this subsection must be submitted with the application;

(h) If a waste-derived fertilizer or micronutrient fertilizer, information to ensure the product complies with chapter 70A.300 RCW and the resource conservation and recovery act, 42 U.S.C. Sec. 6901 et seq.; and

(i) Any other information required by the department by rule.

(3) All companies planning to mix customer-formula fertilizers shall include the statement "customer-formula grade mixes" under the column headed "product name" on the product registration application form. All customer-formula fertilizers sold under one brand name shall be considered one product.

(4) Registrations are issued by the department for a two-year period beginning on July 1st of a given year and ending twenty-four months later on July 1st, except that registrations issued to a registrant who applies to register an additional product during the last twelve months of the registrant's period expire on the next July 1st.

(5) An application for a new registration must be accompanied by a fee of one hundred fifty dollars for each product.

(6) Application for renewal of registration is due July 1st of each registration period and must be accompanied by a renewal fee of one hundred twenty dollars for each product. If an application for renewal is not received by the department by the due date, a late fee of ~~((ten))~~ fifty dollars per product is added to the original fee and must be paid by the applicant before the renewal registration may be issued. ~~((A late fee does not apply if the applicant furnishes an affidavit that he or she has not distributed this commercial fertilizer subsequent to the expiration of the prior registration.))~~ Payment of a late fee does not prevent the department from taking any action authorized by this chapter for the violation.

Sec. 3. RCW 15.54.350 and 1993 c 183 s 6 are each amended to read as follows:

(1) There shall be paid to the department for all commercial fertilizers distributed in this state to nonregistrants or nonlicensees an inspection fee of ~~((fifteen))~~ twenty cents per ton of lime and ~~((thirty))~~ thirty-five cents per ton of all other commercial fertilizer distributed during the year beginning July 1st and ending June 30th.

(2) Distribution of commercial fertilizers for shipment to points

outside this state may be excluded.

(3) When more than one distributor is involved in the distribution of a commercial fertilizer, the last registrant or licensee who distributes to a nonregistrant or nonlicensee is responsible for paying the inspection fee, unless the payment of fees has been made by a prior distributor of the fertilizer.

Sec. 4. RCW 15.54.362 and 2008 c 292 s 3 are each amended to read as follows:

(1) Every registrant or licensee who distributes commercial fertilizer in this state must file a semiannual report on forms provided by the department stating the number of net tons of each commercial fertilizer distributed in this state.

(a) For the period January 1st through June 30th of each year, the report is due on July 31st of that year; and

(b) For the period July 1st through December 31st of each year, the report is due on January 31st of the following year.

(2) Upon permission of the department, a person distributing in the state less than one hundred tons for each six-month period during any annual reporting period of July 1st through June 30th may submit an annual report on a form provided by the department that is due on the July 31st following the period. The department may accept sales records or other records accurately reflecting the tonnage sold and verifying such reports.

~~((2))~~ (3) Each person responsible for the payment of inspection fees for commercial fertilizer distributed in this state must include the inspection fees with each semiannual or annual report. If in an annual reporting period a registrant or licensee distributes less than ~~((eighty-three))~~ one hundred forty-three tons of commercial fertilizer or less than ~~((one hundred sixty-seven))~~ two hundred fifty tons of commercial lime or equivalent combination of the two, the registrant or licensee must pay the minimum inspection fee of ~~((twenty-five))~~ fifty dollars.

~~((3))~~ (4) The department may, upon request, require registrants or licensees to furnish information setting forth the net tons of commercial fertilizer distributed to each location in this state.

~~((4))~~ (5) If the semiannual or annual report indicates that zero tons of commercial fertilizer were distributed during the reporting period, the person responsible for completing the report must pay a filing fee of twelve dollars and fifty cents for a semiannual report or twenty-five dollars for an annual report.

(6)(a) If a complete report is not received by the due date, the person responsible for filing the report must pay a late fee of ~~((twenty-five))~~ fifty dollars.

(b) If the appropriate inspection fees are not received by the due date, the person responsible for paying the inspection fee must pay a late fee equal to ten percent of the inspection fee owed or ~~((twenty-five))~~ fifty dollars, whichever is greater.

~~((e) Payment of a late fee does not prevent the department from taking any other action authorized by this chapter for the violation.~~

~~((5))~~ (7) It is a misdemeanor for any person to divulge any information provided under this section that would reveal the business operation of the person making the report. However, nothing contained in this subsection may be construed to prevent or make unlawful the use of information concerning the business operations of a person in any action, suit, or proceeding instituted under the authority of this chapter, including any civil action for the collection of unpaid inspection fees, which action is authorized and which shall be as an action at law in the name of the director of the department.

(8) Payment of late fees or filing fees provided for under this section does not prevent the department from taking any other action authorized by this chapter for the violation.

NEW SECTION. **Sec. 5.** All new or renewal applications for registration under this act received on or after the effective

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date of this section are subject to the provisions of this act, including all fees required by this act.

MOTION

NEW SECTION. Sec. 6. 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 June 1, 2021."

Correct the title.

and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

MOTION

Senator Warnick moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5318.

Senator Warnick spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Warnick that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5318.

The motion by Senator Warnick carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5318 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5318, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5318, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 31; Nays, 18; Absent, 0; Excused, 0.

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

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

SUBSTITUTE SENATE BILL NO. 5318, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SIGNED BY THE PRESIDENT

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 1(5), the President announced the signing of and thereupon did sign in open session:

SECOND SUBSTITUTE HOUSE BILL NO. 1028.

MESSAGE FROM THE HOUSE

April 21, 2021

MR. PRESIDENT:

The House refuses to concur in the Senate amendment(s) to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1365 and asks the Senate to recede therefrom.

and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

Senator Wellman moved that the Senate recede from its position on the Senate amendments to Engrossed Second Substitute House Bill No. 1365.

Senators Wellman and Hawkins spoke in favor of passage of the motion.

The President declared the question before the Senate to be motion by Senator Wellman that the Senate recede from its position on the Senate amendments to Engrossed Second Substitute House Bill No. 1365.

The motion by Senator Wellman carried and the Senate receded from its amendments to Engrossed Second Substitute House Bill No. 1365.

MOTION

On motion of Senator Wellman, the rules were suspended and Engrossed Second Substitute House Bill No. 1365 was returned to second reading for the purposes of amendment.

SECOND READING

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1365, by House Committee on Appropriations (originally sponsored by Gregerson, Stonier, Ramos, Callan, Simmons, J. Johnson, Taylor, Lovick, Leavitt, Ortiz-Self, Berg, Fitzgibbon, Ryu, Morgan, Wicks, Tharinger, Duerr, Ormsby, Hansen, Berry, Dolan, Valdez, Cody, Bronoske, Senn, Bateman, Bergquist, Kloba, Riccelli, Davis, Macri, Ramel, Harris-Talley, Pollet and Sells)

Procuring and supporting appropriate computers and devices for public school students and instructional staff.

MOTION

Senator Wellman moved that the following striking floor amendment no. 918 by Senator Wellman be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature recognizes that the COVID-19 pandemic exposed the importance of internet-accessible learning devices for the ability of students to receive a modern education. When Washington schools closed in March 2020, schools and school districts shifted quickly to offering education in an online environment. Teachers adapted their lessons for videoconferencing platforms and arranged for students to submit homework via email. However, limited opportunities for in-person instruction amplified digital deserts and disparities among students that are likely to continue to grow for the foreseeable future.

(2) The legislature finds that students from low-income families face disproportionate barriers to accessing learning over the internet in their homes, partly because they do not have internet-accessible devices appropriate for learning. The legislature also recognizes that accessing learning over the internet requires more than just an internet-accessible device appropriate for learning. For students and their families to be truly connected, they need the digital literacy, digital skills, and digital support to use internet-accessible devices and to navigate the web in support of student learning.

(3) Therefore, the purposes of this act are to: (a) Accelerate student access to learning devices and related goods and services;

(b) expand training programs and technical assistance on using technology to support student learning; and (c) build the capacity of schools and districts to support digital navigation services for students and their families.

Sec. 2. RCW 28A.650.010 and 2017 c 90 s 1 are each amended to read as follows:

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

(1) "Digital citizenship" includes the norms of appropriate, responsible, and healthy behavior related to current technology use, including digital and media literacy, ethics, etiquette, and security. The term also includes the ability to access, analyze, evaluate, develop, produce, and interpret media, as well as internet safety and cyberbullying prevention and response.

(2) (~~"Education technology" or "technology" means the effective use of electronic and optical tools, including telephones, and electronic and optical pathways in helping students learn.~~

(3) ~~"Network" means integrated linking of education technology systems in schools for transmission of voice, data, video, or imaging, or a combination of these.)~~ "Learning device" means an internet-accessible computer, tablet, or other device, with an appropriate operating system, software applications, and data security, that can be used to access curricula, educational web applications and websites, and learning management systems, and with telecommunications capabilities sufficient for videoconferencing.

NEW SECTION. Sec. 3. A new section is added to chapter 28A.650 RCW to read as follows:

(1) Each educational service district shall provide technology consultation, procurement, and training, in consultation with teacher-librarians through school library information and technology programs as defined in RCW 28A.320.240, and as described in this section. An educational service district may meet the requirements of this section in cooperation with one or more other educational service districts.

(2) Technology consultation involves providing technical assistance and guidance to local school districts related to technology needs and financing, and may include consultation with other entities.

(3)(a) Technology procurement involves negotiating for local school district purchasing and leasing of learning devices and peripheral devices, learning management systems, cybersecurity protection, device insurance, and other technology-related goods and services.

(b) When selecting goods and services for procurement, the educational service district must consider a variety of student needs, as well as accessibility, age appropriateness, privacy and security, data storage and transfer capacity, and telecommunications capability.

(c) Technology procurement may be performed in consultation and contract with the department of enterprise services under chapter 39.26 RCW.

(4) Technology training involves developing and offering direct services to local school districts related to staff development and capacity building to provide digital navigation services to students and their families. The educational service districts must seek to consult teacher-librarians and other relevant information technology programs to determine where there is a need and focus for this training. These services may be provided on a fee-for-service basis.

(5) Technology consultation, procurement, and training under this section must be provided to local public schools, as defined in RCW 28A.150.010, the Washington center for deaf and hard of hearing youth, and the school for the blind, in addition to local school districts. Technology training under this section may also be offered to child care providers.

(6) The educational service districts must cooperate with the office of the superintendent of public instruction to provide the data required under section 5(1) of this act.

NEW SECTION. Sec. 4. A new section is added to chapter 28A.650 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction shall develop and administer a technology grant program, as described in this section, to advance the following objectives:

(a) Attain a universal 1:1 student to learning device ratio;

(b) Expand technical support and training of school and district staff in using technology to support student learning; and

(c) Develop district-based and school-based capacity to assist students and their families in accessing and using technology to support student learning.

(2) The following entities, individually or in cooperation, may apply to the office of the superintendent of public instruction for a grant under this section: A public school as defined in RCW 28A.150.010; a school district; an educational service district; the Washington center for deaf and hard of hearing youth; and the state school for the blind.

(3) At a minimum, grant applications must include:

(a) The applicant's technology plan for accomplishing the goals of the grant program, the applicant's student demographics, including the percent of students eligible for free and reduced-price meals, and any specialized technology needs of the applicant's students, such as students with disabilities and English learners who may need adaptive or assistive technologies; and

(b) A description of preexisting programs and funding sources used by the applicant to provide learning devices to students, staff, or both.

(4) When ranking and selecting applicants, the office of the superintendent of public instruction must prioritize both of the following:

(a) Applicants without preexisting programs to provide a device for every student and that have 30 percent or more students eligible for free and reduced-price meals; and

(b) Applicants with students who have specialized technology needs.

NEW SECTION. Sec. 5. A new section is added to chapter 28A.650 RCW to read as follows:

(1) The office of the superintendent of public instruction shall collect and analyze the following data:

(a) Demographic, distribution, and other data related to technology initiatives; and

(b) Biennial survey data on school and school district progress to accomplish the objectives listed in section 4(1) of this act.

(2) By November 1, 2022, and by November 1st every even year thereafter, the office of the superintendent of public instruction shall provide a report to the appropriate policy and fiscal committees of the legislature, in accordance with RCW 43.01.036, with:

(a) A summary of the technology initiatives data collected under subsection (1) of this section;

(b) The status of the state's progress in accomplishing the following: (i) Accelerate student access to learning devices and related goods and services; (ii) expand training programs and technical assistance on using technology to support student learning; and (iii) build the capacity of schools and districts to support digital navigation services for students and their families;

(c) Recommendations for improving the administration and oversight of the technology initiatives; and

(d) An update on innovative and collaborative activities occurring in communities across the state to support widespread public technology literacy and fluency, as well as student

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universal access to learning devices.

(3) By November 1, 2022, the office of the superintendent of public instruction shall survey districts, collect data, and provide a report to the appropriate policy and fiscal committees of the legislature that contains, at a minimum, the following:

- (a) A list of districts that have a separate technology levy;
- (b) The total amount of funding generated by the technology levies; and
- (c) A detailed breakdown on how the funds generated by the technology levies are being used, including, but not limited to, the number of technology devices being purchased with those funds, personnel costs related to servicing and maintaining those devices covered by those funds, and any training or professional development for use of technology provided with those funds.

(4) For the purposes of this section, "technology initiatives" means the technology grants awarded by the office of the superintendent of public instruction under section 4 of this act, and the provision of technology consultation, procurement, and training by educational service districts under section 3 of this act.

NEW SECTION. Sec. 6. A new section is added to chapter 28A.300 RCW to read as follows:

(1)(a) The office of the superintendent of public instruction shall establish a grant program for the purposes of supporting media literacy and digital citizenship through school district leadership teams. The office of the superintendent of public instruction shall establish and publish criteria for the grant program, and may accept gifts, grants, or endowments from public or private sources for the grant program.

(b) A school district that receives a grant under this section is not prohibited from receiving a grant in subsequent grant cycles.

(2)(a) For a school district to qualify for a grant under this section, the grant proposal must provide that the grantee create a district leadership team that develops a curriculum unit on media literacy or digital citizenship, or both, that may be integrated into one of the following areas:

- (i) Social studies;
- (ii) English language arts; or
- (iii) Health.

(b) School districts selected under the grant program are expected to evaluate the curriculum unit they develop under this subsection (2).

(c) In developing their curriculum unit, school districts selected under the grant program are encouraged to work with school district teacher-librarians or a school district library information technology program, if applicable.

(3) The establishment of the grant program under this section is subject to the availability of amounts appropriated for this specific purpose.

(4) The curriculum unit developed under this section must be made available as an open educational resource.

(5)(a) Up to 10 grants a year awarded under this section must be for establishing media literacy professional learning communities with the purpose of sharing best practices in the subject of media literacy.

(b)(i) Grant recipients under this subsection (5) are required to develop an online presence for their community to model new strategies and to share ideas, challenges, and successful practices.

(ii) Grant recipients shall attend the group meetings created by the office of the superintendent of public instruction under (c) of this subsection (5).

(c) The office of the superintendent of public instruction shall convene group meetings for the purpose of sharing best practices and strategies in media literacy education.

(d) Additional activities permitted for the use of these grants include, but are not limited to:

(i) Organizing teachers from across a school district to develop new instructional strategies and to share successful strategies;

(ii) Sharing successful practices across a group of school districts; and

(iii) Facilitating coordination between educational service districts and school districts to provide training.

(6)(a) At least one grant awarded in each award cycle must be for developing and using a curriculum that contains a focus on synthetic media as a major component.

(b) For the purposes of this section, "synthetic media" means an image, an audio recording, or a video recording of an individual's appearance, speech, or conduct that has been intentionally manipulated with the use of digital technology in a manner to create a realistic but false image, audio, or video.

(7) This section expires July 31, 2031.

NEW SECTION. Sec. 7. A new section is added to chapter 28A.300 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction shall convene two regional conferences on the subject of media literacy and digital citizenship.

(2) The conferences in this section should highlight the work performed by the recipients of the grant program established under section 6 of this act, as well as best practices in media literacy and digital citizenship.

(3) The locations for conferences convened under this section must include one site in western Washington and one site in eastern Washington.

(4) This section expires July 31, 2031.

NEW SECTION. Sec. 8. The following acts or parts of acts are each repealed:

(1)RCW 28A.650.005 (Findings—Intent) and 1993 c 336 s 701;

(2)RCW 28A.650.015 (Education technology plan—Educational technology advisory committee) and 2011 1st sp.s. c 43 s 725, 2011 1st sp.s. c 11 s 133, 2009 c 556 s 17, 2006 c 263 s 917, 1995 c 335 s 507, 1994 c 245 s 2, & 1993 c 336 s 703;

(3)RCW 28A.650.020 (Regional educational technology support centers—Advisory councils) and 1993 c 336 s 705;

(4)RCW 28A.650.025 (Distribution of funds for regional educational technology support centers) and 1993 c 336 s 706;

(5)RCW 28A.650.030 (Distribution of funds to expand the education statewide network) and 1993 c 336 s 707;

(6)RCW 28A.650.900 (Findings—Intent—Part headings not law—1993 c 336); and

(7)RCW 28A.650.901 (Findings—1993 c 336).

NEW SECTION. Sec. 9. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2021, in the omnibus appropriations act, this act is null and void."

On page 1, line 2 of the title, after "staff;" strike the remainder of the title and insert "amending RCW 28A.650.010; adding new sections to chapter 28A.650 RCW; adding new sections to chapter 28A.300 RCW; creating new sections; repealing RCW 28A.650.005, 28A.650.015, 28A.650.020, 28A.650.025, 28A.650.030, 28A.650.900, and 28A.650.901; and providing expiration dates."

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

Senator Hawkins spoke against adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of striking floor amendment no. 918 by Senator Wellman to Engrossed Second Substitute House Bill No. 1365.

The motion by Senator Wellman carried and striking floor amendment no. 918 was adopted by voice vote.

MOTION

On motion of Senator Wellman, the rules were suspended, Engrossed Second Substitute House Bill No. 1365 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Wellman spoke in favor of passage of the bill.
Senator Hawkins spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1365.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1365 and the bill passed the Senate by the following vote: Yeas, 30; Nays, 19; Absent, 0; Excused, 0.

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

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

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1365, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 21, 2021

MR. PRESIDENT:

The House refuses to concur in the Senate amendment(s) to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1477 and asks the Senate for a conference thereon. The Speaker has appointed the following members as conferees; Representatives: Macri, Orwall, Schmick and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

SIGNED BY THE PRESIDENT

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 1(5), the President announced the signing of and thereupon did sign in open session:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5121,
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5163,
SECOND SUBSTITUTE SENATE BILL NO. 5183,
SECOND SUBSTITUTE SENATE BILL NO. 5195,
SECOND SUBSTITUTE SENATE BILL NO. 5214,
SECOND SUBSTITUTE SENATE BILL NO. 5368,
and ENGROSSED SUBSTITUTE SENATE BILL NO. 5408.

APPOINTMENT OF CONFERENCE COMMITTEE

The President appointed as members of the Conference

Committee on Engrossed Second Substitute House Bill No. 1477 and the House amendment(s) thereto: Senators Dhingra, Robinson and Wagoner.

MOTION

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

MESSAGE FROM THE HOUSE

April 22, 2021

MR. PRESIDENT:

The House has adopted the report of the Conference Committee on ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5237 and has passed the bill as recommended by the Conference Committee.

and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

REPORT OF THE CONFERENCE COMMITTEE

Engrossed Second Substitute Senate Bill No. 5237

April 21, 2021

MR. PRESIDENT:

MR. SPEAKER:

We of your conference committee, to whom was referred Engrossed Second Substitute Senate Bill No. 5237, have had the same under consideration and recommend that all previous amendments not be adopted and that the following striking amendment be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** SHORT TITLE. This act may be known and cited as the fair start for kids act.

NEW SECTION. **Sec. 2.** INTENT. (1) The legislature finds that high quality child care and early learning is critical to a child's success in school and life. The legislature recognizes that COVID-19 has devastated the existing child care industry, making it unduly burdensome for families to find care. The legislature recognizes that without immediate action to support child care providers, and without expanded access to affordable child care, especially infant and school-age care, parents will not be able to return to work while children lose valuable learning opportunities. In order to bolster a full economic recovery, the legislature finds that every child deserves a fair start.

(2) The legislature finds that access to affordable child care increases economic growth and labor force participation. The legislature further finds that an affordable, accessible system of high quality child care is necessary to the health of Washington's economy because employers benefit when parents have safe, stable, and appropriate care for their children. The legislature recognizes that too many working parents are forced to reduce their hours, decline promotional opportunities, or leave the workforce completely due to a lack of affordable and appropriate child care. The legislature finds that a report commissioned by the department of commerce in 2019 found that working parents in Washington forego \$14,000,000,000 each year directly due to child care scarcity. The legislature recognizes that this disproportionately impacts women in the workforce and that in September 2020 alone, 78,000 men left the workforce, compared to 600,000 women.

(3) The legislature recognizes that quality child care can be a stabilizing factor for children experiencing homelessness, and is a proven protective factor against the impacts of trauma they may

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experience. Access to child care is also a necessary support for families with young children in resolving homelessness and securing employment.

(4) The legislature finds that the scarcity of child care, exacerbated by COVID-19, most significantly impacts families furthest from opportunity. The legislature recognizes that there are additional barriers to accessing this foundational support for immigrant communities and families whose first language is not English, families who have children with disabilities, rural communities, or other child care deserts. The legislature recognizes that high quality, inclusive child care and early learning programs have been shown to reduce the opportunity gap for low-income children and black, indigenous, and children of color while consistently improving outcomes for all children both inside and outside of the classroom.

(5) The legislature finds that without access to comprehensive, high quality prenatal to five services, children often enter kindergarten without the social-emotional, physical, cognitive, and language skills they need to be successful and fall behind their peers, facing compounding developmental challenges throughout their K-12 education. The legislature finds that cascading impacts of inaccessible child care and early learning programs create systemic barriers for children and their families that result in higher special education needs, greater likelihood of needing to repeat grades, increased child welfare and juvenile justice involvement, reduced high school graduation rates, limited postsecondary education attainment, and greater barriers to employment in adulthood.

(6) The legislature finds the vast majority of child care providers are small businesses and nonprofit organizations. In addition to adhering to federal, state, and local regulations to ensure healthy and safe environments for children, the legislature recognizes that child care providers must ensure their employees are adequately compensated and supported. However, the legislature acknowledges that the reduced staffing ratios for health and safety, additional cost of personal protective equipment and extra cleaning supplies, increased use of substitutes needed during COVID-19-related absences, and increased technology demands during school closures from the pandemic are further straining the viability of the child care business model in Washington state.

(7) The legislature finds that the health and stability of the early learning workforce is pivotal to any expansion of child care in Washington state. The legislature recognizes that the child care workforce, predominantly comprised of women of color, is structurally afflicted by low wages, limited or no health care, and a severe lack of retirement benefits. The legislature further recognizes that the threat of COVID-19 compounds these underlying issues, forcing providers to navigate increased stress, anxiety, and behavioral issues all while risking their lives to care for children. The legislature recognizes that families, friends, and neighbors who provide care are a critical component of the child care system. The legislature finds that child care workers are essential and deserve to be compensated and benefited accordingly.

(8) Therefore, the legislature resolves to respond to the COVID-19 crisis by first stabilizing the child care industry and then expanding access to a comprehensive continuum of high quality early childhood development programs, including infant and school-age child care, preschool, parent and family supports, and prenatal to three services. The legislature recognizes this continuum as critical to meeting different families' needs and offering every child in Washington access to a fair start.

(9) The legislature recognizes that the federal government has provided substantial additional funding through the coronavirus

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response and relief supplemental appropriations act, P.L. 116-260, division M., and the American rescue plan act of 2021. The purpose of the additional federal funding is to ensure access to affordable child care and stabilize and support child care providers affected by COVID-19. Therefore, it is the intent of the legislature to use the additional federal funding to supplement state funding in order to accelerate these investments.

(10) The legislature recognizes the strengths that multilingual, diverse early learning providers and caregivers contribute to early learning across the state. Therefore, the legislature intends to expand language access services to create an inclusive early learning system that specifically supports underserved providers.

(11) The legislature intends to expand eligibility for existing child care and preschool programs to increase access. The legislature recognizes that expansion must be accompanied by an investment to make child care more affordable. Therefore, the legislature intends to eliminate copayments for low-income families and limit copayments for any family on subsidy to no more than seven percent of their income.

(12) The legislature further intends to stabilize, support, and grow the diverse early learning workforce by funding living wages and affordable health benefits while providing training, infant and early childhood mental health consultation, shared business services, and a variety of other supports that recognize the critical role that early learning providers serve for all Washington children.

(13) The legislature intends to accelerate Washington's economic recovery from the devastating impacts of COVID-19 by dramatically expanding access to affordable, high quality child care and preschool, in order to get parents back to work and provide every child with a fair start.

PART I

INVESTING IN CHILD CARE AND EARLY LEARNING
NEW SECTION. Sec. 101. FAIR START FOR KIDS ACCOUNT. (1) The fair start for kids account is created in the state treasury. Moneys in the account may be spent only after appropriation.

(2) Expenditures from the account may be used only for child care and early learning purposes.

NEW SECTION. Sec. 102. FAIR START FOR KIDS SPENDING GOALS AND STRATEGIES. (1) The spending goals and strategies for the fair start for kids account created under section 101 of this act include, but are not limited to:

(a) Increasing child care subsidy rates, with the goal of moving toward the full cost of providing high quality child care;

(b) Expanding health care coverage through state sponsorship of child care workers on the Washington health benefit exchange and providing consumer assistance through navigators, as well as any other expansions of access to affordable health care for staff in child care centers, family home providers, outdoor nature-based care, and early childhood education and assistance program staff;

(c) Increasing child care and early learning providers' compensation;

(d) Implementing the provisions of collective bargaining agreements for family child care providers negotiated pursuant to RCW 41.56.028;

(e) Supporting and expanding access to the early childhood education and assistance program to reach state-funded entitlement required in RCW 43.216.556;

(f) Making child care affordable for families;

(g) Providing resources and supports for family, friend, and neighbor caregivers that better reflect the full cost of care;

(h) Providing child care subsidies for families working to resolve homelessness;

(i) Providing professional development opportunities and supporting the substitute pool for child care and early learning providers;

(j) Delivering infant and early childhood mental health consultation services;

(k) Establishing prekindergarten through third grade systems coordinators at educational service districts;

(l) Supporting youth development programs serving children and youth ages birth through 12 including, but not limited to, expanded learning opportunities, mentoring, school-age child care, and wraparound supports or integrated student supports;

(m) Awarding grants and loans through the early learning facilities grant and loan program established under chapter 43.31 RCW;

(n) Funding special designations in the working connections child care programs, early childhood education and assistance programs, and birth to three early childhood education and assistance programs including designations established in sections 302, 304, 305, and 404 of this act;

(o) Supporting costs for transparent data collection and information technology systems operated by the department and department contractors, in particular, to ensure equitable systemic service provision and outcomes;

(p) Providing access to learning technology;

(q) Providing child care resource and referral services;

(r) Conducting quality rating and improvement system activities through the early achievers program;

(s) Expanding prenatal to three services and supports, including the birth to three early childhood education and assistance program and the in-home parent skill-based programs established in RCW 43.216.130;

(t) Building and delivering a family resource and referral linkage system;

(u) Allowing the exploration of options to provide regulatory relief and make licensing more affordable for child care providers;

(v) Administering comprehensive shared services hubs to allow the ongoing pooling and shared use of services by licensed or certified child care centers and family home providers;

(w) Training department staff to ensure consistent and equitable application of child care licensing and quality standards across the state including antibias and antiracist training;

(x) Providing incentives and supports for child care providers to become licensed;

(y) Studying and evaluating options to incentivize business participation in child care and early learning systems;

(z) Providing start-up grants to eligible organizations as described in RCW 43.31.575 who provide or commit to providing the early childhood education and assistance program or working connections child care. Start-up grants must be used for one-time start-up costs associated with the start-up of a new child care or early childhood education and assistance program site; and

(aa) Recognizing the benefits of the diverse workforce and facilitating communication in the three most commonly spoken languages by developing a language access plan that centers on equity and access for immigrants, multilingual providers, caregivers, and families.

(2) This section does not interfere with, impede, or in any way diminish the right of family child care providers to bargain collectively with the state through the exclusive bargaining representatives as provided for under RCW 41.56.028.

Sec. 103. RCW 43.88.055 and 2020 c 218 s 2 are each amended to read as follows:

LEGISLATIVE BALANCED BUDGET REQUIREMENT.

(1) The legislature must adopt a four-year balanced budget as follows:

(a) Beginning in the 2013-2015 fiscal biennium, the legislature shall enact a balanced omnibus operating appropriations bill that leaves, in total, a positive ending fund balance in the general fund and related funds.

(b) Beginning in the 2013-2015 fiscal biennium, the projected maintenance level of the omnibus appropriations bill enacted by the legislature shall not exceed the available fiscal resources for the next ensuing fiscal biennium.

(2) For purposes of this section:

(a) "Available fiscal resources" means the beginning general fund and related fund balances and any fiscal resources estimated for the general fund and related funds, adjusted for enacted legislation, and with forecasted revenues adjusted to the greater of (i) the official general fund and related funds revenue forecast for the ensuing biennium, or (ii) the official general fund and related funds forecast for the second fiscal year of the current fiscal biennium, increased by 4.5 percent for each fiscal year of the ensuing biennium;

(b) "Projected maintenance level" means estimated appropriations necessary to maintain the continuing costs of program and service levels either funded in that appropriations bill or mandated by other state or federal law, and the amount of any general fund moneys projected to be transferred to the budget stabilization account pursuant to Article VII, section 12 of the state Constitution;

(c) "Related funds," as used in this section, means the Washington opportunity pathways account, the workforce education investment account, the fair start for kids account, and the education legacy trust account.

(3) Subsection (1)(a) and (b) of this section does not apply to an appropriations bill that makes net reductions in general fund and related funds appropriations and is enacted between July 1st and February 15th of any fiscal year.

(4) Subsection (1)(b) of this section does not apply in a fiscal biennium in which money is appropriated from the budget stabilization account pursuant to Article VII, section 12(d)(ii) of the state Constitution.

Sec. 104. RCW 43.216.075 and 2020 c 262 s 4 are each amended to read as follows:

INVESTMENT ACCOUNTABILITY AND OVERSIGHT.

(1) The early learning advisory council is established to advise the department on statewide early learning issues that contribute to the ongoing efforts of building a comprehensive system of quality early learning programs and services for Washington's young children and families.

(2) The council shall work in conjunction with the department to ~~((assist))~~:

~~((assist the department in promoting))~~ (a) Assist in policy development and implementation that ~~((ensuring))~~ promotes alignment of private and public sector actions, objectives, and resources, ~~((ensuring))~~ with the overall goal of promoting school readiness for all children;

(b) Provide recommendations annually to the governor and the legislature, beginning August 31, 2022, regarding the phased implementation of strategies and priorities identified in section 102 of this act;

(c) Maintain a focus on racial equity and inclusion in order to dismantle systemic racism at its core and contribute to statewide efforts to break the cycle of intergenerational poverty;

(d) Maintain a focus on inclusionary practices for children with disabilities;

(e) Partner with nonprofit organizations to collect and analyze data and measure progress; and

(f) Assist the department in monitoring and ensuring that the investments funded by the fair start for kids account created in section 101 of this act are designed to support the following

objectives:

(i) Advance racial equity and strengthen families by recognizing and responding to the growing diversity of our state's population;

(ii) Promote access to affordable, high quality child care and early learning opportunities for all families, paying particular attention to the needs of rural and other underserved communities;

(iii) Promote kindergarten readiness by enhancing child development, including development of social-emotional skills, and eliminating exclusionary admissions practices and disproportionate removals in child care and early learning programs; and

(iv) Contribute to efforts to strengthen and grow our state's economy by supporting working parents as well as stabilizing and supporting the child care and early learning workforce.

(3) In collaboration with the council, the department shall consult with its advisory groups and other interested stakeholders and shall submit a biennial report to the governor and legislature describing how the investments funded by the fair start for kids act have impacted the policy objectives stated in subsection (2)(f) of this section. The first report under this section is due September 15, 2023. The council shall include diverse, statewide representation from public, nonprofit, and for-profit entities. Its membership shall include critical partners in service delivery and reflect regional, racial, and cultural diversity to adequately represent the ~~((needs))~~ interests of all children and families in the state.

(4) Councilmembers shall serve two-year terms. However, to stagger the terms of the council, the initial appointments for twelve of the members shall be for one year. Once the initial one-year to two-year terms expire, all subsequent terms shall be for two years, with the terms expiring on June 30th of the applicable year. The terms shall be staggered in such a way that, where possible, the terms of members representing a specific group do not expire simultaneously.

(5) The council shall consist of members essential to coordinating services statewide prenatal through age ~~((five))~~ 12, as follows:

(a) In addition to being staffed and supported by the department, the governor shall appoint one representative from each of the following: The department of commerce and the department of health~~((, the student achievement council, and the state board for community and technical colleges))~~;

(b) One representative from the student achievement council, to be appointed by the student achievement council;

(c) The military spouse liaison created within the department of veterans affairs under RCW 43.60A.245;

(d) One representative from the state board for community and technical colleges, to be appointed by the state board for community and technical colleges;

(e) One representative from the office of the superintendent of public instruction, to be appointed by the superintendent of public instruction;

~~((c)) The governor shall appoint leaders in early childhood education to represent critical service delivery and support sectors, with at least one individual representing each of the following:~~

~~((i) The head start state collaboration office director or the director's designee;~~

~~((ii) A representative of a head start, early head start, or migrant/seasonal head start program;~~

~~((iii) A representative of a local education agency;~~

~~((iv) A representative of the state agency responsible for programs under section 619 or part C of the federal individuals~~

~~with disabilities education act;~~

~~((v) A representative of the early childhood education and assistance program;~~

~~((vi) A representative of licensed family day care providers;~~

~~((vii) A representative of child day care centers; and~~

~~((viii) A representative from the home visiting advisory committee established in RCW 43.216.130;~~

~~((d))~~ (f) Two members of the house of representatives, one from each caucus, to be appointed by the speaker of the house of representatives and two members of the senate, one from each caucus, to be appointed by the majority leader in the senate and the minority leader in the senate;

~~((e))~~ (g) Two parents, one of whom serves on the department's parent advisory group, to be appointed by the ~~((governor))~~ parent advisory group;

~~((f))~~ (h) One representative of the private-public partnership created in RCW 43.216.065, to be appointed by the partnership board;

~~((g))~~ (i) One representative from the developmental disabilities community representing children and families involved in part C of the federal individuals with disabilities education act and one representative from the developmental disabilities community representing children and families involved in part B of the federal individuals with disabilities education act;

~~((h))~~ (j) Two representatives from early learning regional coalitions;

~~((i) Representatives)~~ (k) Up to five representatives of underserved communities who have a special expertise or interest in high quality early learning, one to be appointed by each of the following commissions:

(i) The Washington state commission on Asian Pacific American affairs established under chapter 43.117 RCW;

(ii) The Washington state commission on African American affairs established under chapter 43.113 RCW; ~~((and))~~

(iii) The Washington state commission on Hispanic affairs established under chapter 43.115 RCW;

(iv) The Washington state women's commission established under chapter 43.119 RCW; and

(v) The Washington state office of equity established under chapter 43.06D RCW;

~~((j))~~ (l) Two representatives designated by sovereign tribal governments, one of whom must be a representative of a tribal early childhood education assistance program or head start program;

~~((k))~~ (m) One representative from the Washington federation of independent schools;

~~((l))~~ (n) One representative from the Washington library association; ~~((and~~

~~((m))~~ (o) One representative from a statewide advocacy coalition of organizations that focuses on early learning;

(p) One representative from an association representing statewide business interests, to be appointed by the association and one representative from a regional business coalition;

(q) One representative of an advocacy organization for immigrants and refugees;

(r) One representative of an organization advocating for expanded learning opportunities and school-age child care programs;

(s) One representative from the largest union representing child care providers;

(t) A representative of a head start, early head start, or migrant and seasonal head start program, to be appointed by the head start collaboration office;

(u) A representative of educational service districts, to be

appointed by a statewide association of educational service district board members;

(v) A provider responsible for programs under section 619 of the federal individuals with disabilities education act, to be appointed by the superintendent of public instruction;

(w) A representative of the state agency responsible for part C of the federal individuals with disabilities education act, to be appointed by the department;

(x) A representative of the early childhood education and assistance program, to be appointed by an association representing early childhood education and assistance programs;

(y) A representative of licensed family home providers, to be appointed by the largest union representing child care providers;

(z) A representative of child care centers, to be appointed by an association representing child care centers;

(aa) A representative from the home visiting advisory committee established in RCW 43.216.130, to be appointed by the committee;

(bb) An infant or early childhood mental health expert, to be appointed by the Barnard center for infant and early childhood mental health at the University of Washington;

(cc) A family, friend, and neighbor caregiver, to be appointed by the largest union representing child care providers;

(dd) A representative from prenatal to three services;

(ee) A pediatrician, to be appointed by the state chapter of the American academy of pediatrics; and

(ff) A representative of the statewide child care resource and referral organization, to be appointed by the statewide child care resource and referral organization.

(6) The council shall be cochaired by two members, to be elected by the council for two-year terms and not more than one cochair may represent a state agency.

(7) At the direction of the cochairs, the council may convene advisory groups, such as a parent caucus, to evaluate specific issues and report related findings and recommendations to the full council.

(8) The council shall appoint two members and stakeholders with expertise in early learning to sit on the technical working group created in section 2, chapter 234, Laws of 2010.

~~((8))~~ (9) Each member of the ((board)) council shall be compensated in accordance with RCW 43.03.240 and reimbursed for travel expenses incurred in carrying out the duties of the ((board)) council in accordance with RCW 43.03.050 and 43.03.060.

~~((9))~~ (10)(a) The council shall convene an early achievers review subcommittee to provide feedback and guidance on strategies to improve the quality of instruction and environment for early learning and provide input and recommendations on the implementation and refinement of the early achievers program. The subcommittee shall at a minimum provide feedback and guidance to the department and the council on the following:

(i) Adequacy of data collection procedures;

(ii) Coaching and technical assistance standards;

(iii) Progress in reducing barriers to participation for low-income providers and providers from diverse cultural backgrounds, including a review of the early achievers program's rating tools, quality standard areas, and components, and how they are applied;

(iv) Strategies in response to data on the effectiveness of early achievers program standards in relation to providers and children from diverse cultural backgrounds;

(v) Status of the life circumstance exemption protocols; ~~((and))~~

(vi) Analysis of early achievers program data trends; and

(vii) Other relevant early learning data including progress in serving students with disabilities ages birth to five and least restrictive environment data.

(b) The subcommittee must include consideration of cultural linguistic responsiveness when analyzing the areas for review required by (a) of this subsection.

(c) The subcommittee shall include representatives from child care centers, family child care, the early childhood education and assistance program, contractors for early achievers program technical assistance and coaching, tribal governments, the organization responsible for conducting early achievers program ratings, and parents of children participating in early learning programs, including working connections child care and early childhood education and assistance programs. The subcommittee shall include representatives from diverse cultural and linguistic backgrounds.

~~((40))~~ (11)(a) The council shall convene a temporary licensing subcommittee to provide feedback and recommendations on improvement to the statewide licensing process.

(b) Members of the subcommittee must include two representatives of the department, two child care providers, and two parents of children in child care. One child care provider and one parent representative must reside east of the crest of the Cascade mountains and one child care provider and one parent representative must reside west of the crest of the Cascade mountains.

(c) The subcommittee shall:

(i) Examine strategies to increase the number of licensed child care providers in the state, including meeting with prospective licensees to explain the licensure requirements and inspect and provide feedback on the physical space that is contemplated for licensure;

(ii) Develop model policies for licensed child care providers to implement licensing standards including, but not limited to, completing the child care and early learning licensing guidebook, to be made available to support providers with compliance; and

(iii) Develop recommendations regarding incentives and financial supports to help prospective providers navigate the licensing process.

(d) The subcommittee shall provide feedback and recommendations to the department of children, youth, and families pursuant to this subsection (11) by December 1, 2022.

(12) The department shall provide staff support to the council.

Sec. 105. RCW 83.100.230 and 2019 c 415 s 990 are each amended to read as follows:

The education legacy trust account is created in the state treasury. Money in the account may be spent only after appropriation. Expenditures from the account may be used only for support of the common schools, and for expanding access to higher education through funding for new enrollments and financial aid, early learning and child care programs, and other educational improvement efforts. ~~((During the 2015-2017, 2017-2019, and 2019-2021 fiscal biennia appropriations from the account may be made for support of early learning programs. It is the intent of the legislature that this policy will be continued in subsequent fiscal biennia.))~~

NEW SECTION. Sec. 106. INFLATIONARY ADJUSTMENTS. Beginning July 1, 2023, and subject to the availability of amounts appropriated for this specific purpose, rates paid under sections 302, 305, and 404 of this act and RCW 43.216.578 must be adjusted every two years according to an inflationary increase. The inflationary increase must be calculated by applying the rate of the increase in the inflationary adjustment index to the rates established in sections 302, 305, and 404 of this act and RCW 43.216.578. Any funded inflationary increase must be included in the rate used to determine inflationary increases in subsequent years. For the purposes of this section, "inflationary adjustment index" means the implicit price deflator averaged for

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each fiscal year, using the official current base rate, compiled by the bureau of economic analysis, United States department of commerce.

**PART II
EXPANDING ACCESS TO CHILD CARE AND EARLY
LEARNING PROGRAMS**

NEW SECTION. Sec. 201. WORKING CONNECTIONS CHILD CARE PROGRAM ELIGIBILITY AND COPAYMENT. (1) It is the intent of the legislature to increase working families' access to affordable, high quality child care and to support the expansion of the workforce to support businesses and the statewide economy.

(2) Beginning October 1, 2021, a family is eligible for working connections child care when the household's annual income is at or below 60 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Less than 13 years of age; or (ii) less than 19 years of age and has a verified special need according to department rule or is under court supervision; and

(b) The household meets all other program eligibility requirements.

(3) Beginning July 1, 2025, a family is eligible for working connections child care when the household's annual income is above 60 percent and at or below 75 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Less than 13 years of age; or (ii) less than 19 years of age and has a verified special need according to department rule or is under court supervision; and

(b) The household meets all other program eligibility requirements.

(4) Beginning July 1, 2027, and subject to the availability of amounts appropriated for this specific purpose, a family is eligible for working connections child care when the household's annual income is above 75 percent of the state median income and is at or below 85 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Less than 13 years of age; or (ii) less than 19 years of age and has a verified special need according to department rule or is under court supervision; and

(b) The household meets all other program eligibility requirements.

(5)(a) Beginning July 1, 2021, through June 30, 2023, the department must calculate a monthly copayment according to the following schedule:

If the household's income is:	Then the household's maximum monthly copayment is:
At or below 20 percent of the state median income	Waived to the extent allowable under federal law; otherwise, a maximum of \$15
Above 20 percent and at or below 36 percent of the state median income	\$65
Above 36 percent and at or below 50 percent of the state median income	\$115 until December 31, 2021, and \$90 beginning January 1, 2022
Above 50 percent and at or below 60 percent of the state median income	\$115

(b) Beginning July 1, 2023, the department must calculate a monthly copayment according to the following schedule:

If the household's income	Then the household's

is:	maximum monthly copayment is:
At or below 20 percent of the state median income	Waived to the extent allowable under federal law; otherwise, a maximum of \$15
Above 20 percent and at or below 36 percent of the state median income	\$65
Above 36 percent and at or below 50 percent of the state median income	\$90
Above 50 percent and at or below 60 percent of the state median income	\$165

(c) Beginning July 1, 2025, the department must calculate a maximum monthly copayment of \$215 for households with incomes above 60 percent and at or below 75 percent of the state median income.

(d) Subject to the availability of amounts appropriated for this specific purpose, the department shall adopt a copayment model for households with annual incomes above 75 percent of the state median income and at or below 85 percent of the state median income. The model must calculate a copayment for each household that is no greater than seven percent of the household's countable income within this income range.

(e) The department may adjust the copayment schedule to comply with federal law.

(6) The department must adopt rules to implement this section, including an income phase-out eligibility period.

Sec. 202. RCW 43.216.136 and 2020 c 279 s 2 are each amended to read as follows:

WORKING CONNECTIONS CHILD CARE FOR STUDENT PARENTS.

(1) The department shall establish and implement policies in the working connections child care program to promote stability and quality of care for children from low-income households. These policies shall focus on supporting school readiness for young learners. Policies for the expenditure of funds constituting the working connections child care program must be consistent with the outcome measures established by the department and the standards established in this section intended to promote stability, quality, and continuity of early care and education programming.

(2) As recommended by P.L. 113-186, authorizations for the working connections child care subsidy are effective for twelve months beginning July 1, 2016(~~unless an earlier date is provided in the omnibus appropriations act~~).

(a) A household's 12-month authorization begins on the date that child care is expected to begin.

(b) If a newly eligible household does not begin care within 12 months of being determined eligible by the department, the household must reapply in order to qualify for subsidy.

(3)(a) The department shall establish and implement policies in the working connections child care program to allow eligibility for families with children who:

(i) In the last six months have:
(A) Received child protective services as defined and used by chapters 26.44 and 74.13 RCW;

(B) Received child welfare services as defined and used by chapter 74.13 RCW; or

(C) Received services through a family assessment response as defined and used by chapter 26.44 RCW;

(ii) Have been referred for child care as part of the family's case

management as defined by RCW 74.13.020; and

(iii) Are residing with a biological parent or guardian.

(b) ~~((Children))~~ Families who are eligible for working connections child care pursuant to this subsection do not have to keep receiving services identified in this subsection to maintain twelve-month authorization.

(4)(a) ~~Beginning ((August 1, 2020)) July 1, 2021, and subject to the availability of amounts appropriated for this specific purpose,~~ the department may not require an applicant or consumer to meet work requirements as a condition of receiving working connections child care benefits when the applicant or consumer is((:

(i) ~~A single parent;~~

~~((ii) A) a full-time student of a community, technical, or tribal college((:)) and ((iii) Pursuing)) is enrolled in: (i) A vocational education program that leads to a degree or certificate in a specific occupation(, not to result in a bachelor's or advanced degree);~~

~~(ii) An associate degree program; or~~

~~(iii) A registered apprenticeship program.~~

(b) An applicant or consumer is a full-time student for the purposes of this subsection if he or she meets the college's definition of a full-time student. ~~((The student must maintain passing grades and be in good standing pursuant to college attendance requirements.))~~

(c) Nothing in this subsection is intended to change how applicants or consumers are prioritized when applicants or consumers are placed on a waitlist for working connections child care benefits.

~~(d) Subject to the availability of amounts appropriated for this specific purpose, the department may extend the provisions of this subsection (4) to full-time students who are enrolled in a bachelor's degree program or applied baccalaureate degree program.~~

(5)(a) The department must extend the homeless grace period, as adopted in department rule as of January 1, 2020, from a four-month grace period to a twelve-month grace period.

(b) For the purposes of this section, "homeless" means being without a fixed, regular, and adequate nighttime residence as described in the federal McKinney-Vento homeless assistance act (42 U.S.C. Sec. 11434a) as it existed on January 1, 2020.

~~(6) For purposes of this section, "authorization" means a transaction created by the department that allows a child care provider to claim payment for care. The department may adjust an authorization based on a household's eligibility status.~~

NEW SECTION. Sec. 203. EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM INTENT. (1) The legislature finds that eligibility guidelines for the national school lunch program require free meals for children with household incomes at or below 130 percent of the federal poverty level and that this income level is approximately equivalent to 36 percent of the state median income for a household of three. The legislature further finds that eligibility guidelines require reduced-price meals for children with household incomes at or below 185 percent of the federal poverty level and that this income level is approximately equivalent to 50 percent of the state median income for a household of three.

(2) Therefore, the legislature intends to raise the maximum family income for children entitled to enroll in the early childhood education and assistance program to 36 percent of the state median income beginning July 1, 2026. Beginning in the 2030-31 school year, the legislature intends to raise the maximum family income for children entitled to enroll in this program to 50 percent of the state median income. It is the intent of the legislature to standardize income eligibility levels for assistance programs in order to help families and social workers better understand the benefits for which families qualify and to simplify and align state

systems wherever feasible.

(3) The legislature further intends to support educational service districts to help school districts partner with early childhood education and assistance program contractors and providers to expand access.

Sec. 204. RCW 43.216.505 and 2021 c 67 s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 43.216.500 through 43.216.559, 43.216.900, and 43.216.901.

(1) "Advisory committee" means the advisory committee under RCW 43.216.520.

(2) "Approved programs" means those state-supported education and special assistance programs which are recognized by the department as meeting the minimum program rules adopted by the department to qualify under RCW 43.216.500 through 43.216.550, 43.216.900, and 43.216.901 and are designated as eligible for funding by the department under RCW 43.216.530 and 43.216.540.

(3) "Comprehensive" means an assistance program that focuses on the needs of the child and includes education, health, and family support services.

(4) "Eligible child" means a three to five-year old child who is not age-eligible for kindergarten, is not a participant in a federal or state program providing comprehensive services, and who:

(a) Has a family ~~((income at or below one hundred ten percent of the federal poverty level, as published annually by the federal department of health and human services))~~ with financial need;

(b) Is experiencing homelessness;

(c) Has participated in early head start or a successor federal program providing comprehensive services for children from birth through two years of age, the early support for infants and toddlers program or received class C developmental services, the birth to three early childhood education and assistance program, or the early childhood intervention and prevention services program;

(d) Is eligible for special education due to disability under RCW 28A.155.020; ((or

~~((e)))~~ (e) Is Indian as defined in rule by the department after consultation and agreement with Washington state's federally recognized tribes pursuant to section 207 of this act and is at or below 100 percent of the state median income adjusted for family size; or

(f) Meets criteria under rules adopted by the department if the number of such children equals not more than ten percent of the total enrollment in the early childhood program. Preference for enrollment in this group shall be given to children from families with the lowest income, children in foster care, or to eligible children from families with multiple needs.

(5) "Family support services" means providing opportunities for parents to:

(a) Actively participate in their child's early childhood program;

(b) Increase their knowledge of child development and parenting skills;

(c) Further their education and training;

(d) Increase their ability to use needed services in the community;

(e) Increase their self-reliance; and

(f) Connect with culturally competent, disability positive therapists and supports where appropriate.

(6) ~~(("Homeless"))~~ "Experiencing homelessness" means a child without a fixed, regular, and adequate nighttime residence as described in the federal McKinney-Vento homeless assistance act (Title 42 U.S.C., chapter 119, subchapter VI, part B) as it existed on January 1, 2021.

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(7) "Family with financial need" means families with incomes at or below 36 percent of the state median income adjusted for family size until the 2030-31 school year. Beginning in the 2030-31 school year, "family with financial need" means families with incomes at or below 50 percent of the state median income adjusted for family size.

Sec. 205. RCW 43.216.512 and 2019 c 409 s 2 are each amended to read as follows:

EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM EXPANDED ENROLLMENT.

(1) The department shall adopt rules that allow the enrollment of children in the early childhood education and assistance program, as space is available, if the number of such children equals not more than ~~((twenty-five))~~ 25 percent of total statewide enrollment, ~~when the child is not eligible under RCW 43.216.505 and~~ whose family income level is(~~+~~

~~(a) Above one hundred ten percent but less than or equal to one hundred thirty percent of the federal poverty level; or~~

~~(b) Above one hundred thirty percent but less than or equal to two hundred percent of the federal poverty level if)~~ above 36 percent of the state median income but at or below 50 percent of the state median income adjusted for family size and the child meets at least one of the risk factor criterion described in subsection (2) of this section.

(2) Children enrolled in the early childhood education and assistance program pursuant to ~~((subsection (1)(b) of))~~ this section must be prioritized for available funded slots according to a prioritization system adopted in rule by the department that considers risk factors that have a disproportionate effect on kindergarten readiness and school performance, including:

(a) Family income as a percent of the ~~((federal poverty level))~~ state median income;

~~(b) ((Homelessness;~~

~~(e)) Child welfare system involvement;~~

~~((d) Developmental delay or disability that does not meet the eligibility criteria for special education described in RCW 28A.155.020)) (c) Eligible for services under part C of the federal individuals with disabilities education act but not eligible for services under part B of the federal individuals with disabilities education act;~~

~~((e)) (d) Domestic violence;~~

~~((f)) (e) English as a second language;~~

~~((g)) (f) Expulsion from an early learning setting;~~

~~((h)) (g) A parent who is incarcerated;~~

~~((i)) (h) A parent with a ~~((substance use disorder or mental))~~ behavioral health treatment need; and~~

~~((j)) (i) Other risk factors determined by the department to be linked by research to school performance.~~

~~(3) ((The department shall adopt rules that allow a child to enroll in the early childhood education and assistance program, as space is available, when the child is not eligible under RCW 43.216.505 and the child turns three years old at any time during the school year when the child:~~

~~(a) Has a family income at or below two hundred percent of the federal poverty level or meets at least one risk factor criterion adopted by the department in rule; and~~

~~(b) Has received services from or participated in:~~

~~(i) The early support for infants and toddlers program;~~

~~(ii) The early head start or a successor federal program providing comprehensive services for children from birth through two years of age; or~~

~~(iii) The birth to three early childhood education and assistance program, if such a program is established.~~

~~(4)) Children enrolled in the early childhood education and assistance program under this section are not considered eligible~~

children as defined in RCW 43.216.505 and are not considered to be part of the state-funded entitlement required in RCW 43.216.556.

~~(4) This section expires August 1, 2030.~~

NEW SECTION. Sec. 206. EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM EARLY ENTRY.

(1) The department shall adopt rules that allow a child to enroll in the early childhood education and assistance program, as space is available and subject to the availability of amounts appropriated for this specific purpose, when the child is not eligible under RCW 43.216.505 and the child turns three years old at any time during the school year when the child:

(a) Has a family income at or below 50 percent of the state median income or meets at least one risk factor criterion adopted by the department in rule; and

(b) Has received services from or participated in:

(i) The early head start or a successor federal program providing comprehensive services for children from birth through two years of age;

(ii) The early support for infants and toddlers program or received class C developmental services;

(iii) The birth to three early childhood education and assistance program; or

(iv) The early childhood intervention and prevention services program.

(2) Children enrolled in the early childhood education and assistance program under this section are not eligible children as defined in RCW 43.216.505 and are not part of the state-funded entitlement required in RCW 43.216.556.

NEW SECTION. Sec. 207. INDIAN CHILD DEFINITION.

(1) The department must consult, and obtain the advice and consent of, the governing bodies of the state's federally recognized tribes in developing an agreed-upon definition of the term "Indian" for the purposes of RCW 43.216.505 and, by July 1, 2024, must adopt the definition in rule.

(2) This section expires December 1, 2030.

Sec. 208. RCW 43.216.556 and 2019 c 408 s 3 are each amended to read as follows:

(1) Funding for the program of early learning established under this chapter must be appropriated to the department. The department shall distribute funding to approved early childhood education and assistance program contractors on the basis of eligible children enrolled.

(2) The program shall be implemented in phases, so that full implementation is achieved in the ~~((2022-23))~~ 2026-27 school year.

(3) Funding shall continue to be phased in each year until full statewide implementation of the early learning program is achieved in the ~~((2022-23))~~ 2026-27 school year, at which time any eligible child is entitled to be enrolled in the program. Entitlement under this section is voluntary enrollment.

(4) School districts and approved community-based early learning providers may contract with the department to provide services under the program. The department shall collaborate with school districts, community-based providers, and educational service districts to promote an adequate supply of approved providers.

PART III

SUPPORTING CHILD CARE AND EARLY LEARNING PROVIDERS

Sec. 301. RCW 43.216.749 and 2019 c 368 s 7 are each amended to read as follows:

CHILD CARE SUBSIDY RATES.

(1) ~~((By January 1, 2025, the department of children, youth, and families must))~~ It is the intent of the legislature to

systemically increase child care subsidy rates over time until rates are equal to the full cost of providing high quality child care.

(2) Beginning July 1, 2021, child care subsidy base rates must achieve the 85th percentile of market for licensed or certified child care providers. The state and the exclusive representative for family child care providers must enter into bargaining over the implementation of the subsidy rate increase under this subsection.

(3)(a) The department shall build upon the work of the child care collaborative task force to develop and implement a child care cost estimate model and use the completed child care cost model ((developed under RCW 43.330.527 to determine child care subsidy rates.

(2) This section expires January 30, 2025)) to recommend subsidy rates at levels that are sufficient to compensate licensed or certified child care providers for the full costs of providing high quality child care. The department shall consider:

(i) Adjusting rates to reflect cost of living such as area median income, cost of living by zip code, and grouping by categories such as rural, suburban, or urban; and

(ii) Incorporating the rate model for nonstandard child care hours developed under section 306 of this act.

(b) The department shall build upon the work of the child care collaborative task force to evaluate options to support access to affordable health care insurance coverage for licensed or certified child care providers.

(4) This section does not interfere with, impede, or in any way diminish the right of family child care providers to bargain collectively with the state through the exclusive bargaining representatives as provided for under RCW 41.56.028.

NEW SECTION. Sec. 302. EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM RATES. (1) For the 2021-22 school year, rates for the early childhood education and assistance program must be set at a level at least 10 percent higher than the rates established in section 225, chapter 415, Laws of 2019.

(2) It is the intent of the legislature that rate increases shall be informed by the department's 2020 early childhood education and assistance program rate study.

(3) This section expires June 30, 2027.

NEW SECTION. Sec. 303. COMPLEX NEEDS FUNDS. (1) Subject to the availability of amounts appropriated for this specific purpose, the department shall administer two complex needs funds to promote inclusive, least restrictive environments and to support contractors and providers serving children who have developmental delays, disabilities, behavioral needs, or other unique needs. The department shall work collaboratively with the office of the superintendent of public instruction and providers to best serve children. One fund must support early childhood education and assistance program contractors and providers and birth to three early childhood education and assistance program contractors and providers, and one fund must support licensed or certified child care providers and license-exempt child care programs.

(2) Support may include staffing, programming, therapeutic services, and equipment or technology support. Additional support may include activities to assist families with children expelled or at risk of expulsion from child care, and to help families transition in and out of child care.

NEW SECTION. Sec. 304. TRAUMA-INFORMED CARE SUPPORTS. (1) Beginning July 1, 2022, the department shall provide supports to aid eligible providers in providing trauma-informed care. Trauma-informed care supports may be used by eligible providers for the following purposes:

(a) Additional compensation for individual staff who have an infant and early childhood mental health or other child development specialty credential;

(b) Trauma-informed professional development and training;

(c) The purchase of screening tools and assessment materials;

(d) Supportive services for children with complex needs that are offered as fee-for-service within local communities; or

(e) Other related expenses.

(2) The department must adopt rules to implement this section.

(3) For the purposes of this section, "eligible provider" means:

(a) An employee or owner of a licensed or certified child care center or outdoor nature-based care accepting state subsidy;

(b) An employee or owner of a licensed family home provider accepting state subsidy;

(c) A contractor or provider of the early childhood education and assistance program or birth to three early childhood education and assistance program;

(d) A license-exempt child care program; or

(e) An early achievers coach.

NEW SECTION. Sec. 305. DUAL LANGUAGE RATE ENHANCEMENT. (1) Beginning July 1, 2022, the department shall establish a dual language designation and provide subsidy rate enhancements or site-specific grants for licensed or certified child care providers who are accepting state subsidy; early childhood education and assistance program contractors; or birth to three early childhood education and assistance program contractors. It is the intent of the legislature to allow uses of rate enhancements or site-specific grants to include increased wages for individual staff who provide bilingual instruction, professional development training, the purchase of dual language and culturally appropriate curricula and accompanying training programs, instructional materials, or other related expenses.

(2) The department must consult with a culturally and linguistically diverse stakeholder advisory group to develop criteria for the dual language designation.

(3) The department must adopt rules to implement this section.

NEW SECTION. Sec. 306. NONSTANDARD HOURS RATE MODEL. (1) In order to expand the supply of critically needed after-hours care to meet the needs of parents and caregivers and a round-the-clock economy, the department of children, youth, and families, in consultation with diverse stakeholders, must develop a rate model for nonstandard child care hours and submit the model to the governor and the appropriate committees of the legislature by January 1, 2022.

(2) This section expires June 30, 2022.

NEW SECTION. Sec. 307. EARLY CHILDHOOD EQUITY GRANTS. (1) Subject to the availability of amounts appropriated for this specific purpose, the department shall distribute early childhood equity grants to eligible applicants. Eligible applicants include play and learn groups, licensed or certified child care centers and family home providers, license-exempt child care programs, and early childhood education and assistance program contractors. The equity grants are intended to serve as a step toward expanding access to early learning statewide and transforming Washington's early learning system to make it more inclusive and equitable. The department shall administer the early childhood equity grants to support inclusive and culturally and linguistically specific early learning and early childhood and parent support programs across the state.

(2) The department must conduct an equitable process to prioritize grant applications for early childhood equity grant assistance. An eligible applicant may receive an early childhood equity grant once every two years. When conducting the equitable grant process, the department must:

(a) Solicit project applications from a racially and geographically diverse pool of eligible applicants statewide;

(b) Provide application materials in the five most commonly spoken languages in the state and broadly communicate using a variety of strategies to reach diverse communities;

(c) Require applicants to demonstrate their proposed uses of early childhood equity grant funds to incorporate either inclusive

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practices or culturally and linguistically supportive and relevant practices, or both, into early learning program design, delivery, education, training, and evaluation; and

(d) Provide technical assistance to any applicant who needs it.

NEW SECTION. Sec. 308. A new section is added to chapter 43.330 RCW to read as follows:

EMPLOYER-SUPPORTED CHILD CARE.

(1) Subject to the availability of amounts appropriated for this specific purpose, the department, in collaboration with the department of children, youth, and families, shall provide or contract to provide remote or in-person technical assistance to employers interested in supporting their employees' access to high quality child care.

(2) Technical assistance may include guidance related to:

(a) Operating a licensed child care center at or near the workplace for the benefit of employees;

(b) Financing and construction of a licensed child care center at or near the workplace for the benefit of employees;

(c) Providing financial assistance to employees for licensed or certified child care providers and license-exempt child care program expenses;

(d) Encouraging access and support for low-wage employees;

(e) Sponsoring dependent care flexible spending accounts for employees; and

(f) Developing a "bring your infant to work" program and other family-friendly work policies for employees.

Sec. 309. RCW 43.216.090 and 2019 c 360 s 7 are each amended to read as follows:

INFANT AND EARLY CHILDHOOD MENTAL HEALTH CONSULTATION.

~~((The))~~ (1) The department shall administer or contract for infant and early childhood mental health consultation services to child care providers and early learning providers participating in the early achievers program.

(2) Beginning July 1, 2021, the department of children, youth, and families must have or contract for one infant and early childhood mental health consultation coordinator and must enter into a contractual agreement with an organization providing coaching services to early achievers program participants to hire ~~((one))~~ at least 12 qualified infant and early childhood mental health consultants ~~((for each of the six department-designated regions)).~~ The department shall determine, in collaboration with the statewide child care resource and referral network, where the additional consultants should be sited based on factors such as the total provider numbers overlaid with indicators of highest need. The infant and early childhood mental health consultants must support early achievers program coaches and child care providers by providing resources, information, and guidance regarding challenging behavior and expulsions and may travel to assist providers in serving families and children with severe behavioral needs. ~~((In coordination with the contractor, the department of children, youth, and families must report on the services provided and the outcomes of the consultant activities to the governor and the appropriate policy and fiscal committees of the legislature by June 30, 2021.))~~

(3) The department shall provide, or contract with an entity to provide, reflective supervision and professional development for infant and early childhood mental health consultants to meet national competency standards.

(4) As capacity allows, the department may provide access to infant and early childhood mental health consultation services to caregivers and licensed or certified, military, and tribal early learning providers, license-exempt family, friend, and neighbor care providers, and families with children expelled or at risk of expulsion from child care.

NEW SECTION. Sec. 310. PLAY AND LEARN GROUPS. Subject to the availability of amounts appropriated for this specific purpose, the department, in consultation with community-based programs, shall provide or contract to provide, or both, resources and supports for inclusive and culturally and linguistically relevant play and learn groups. Play and learn groups offer parents and other caregivers culturally responsive opportunities to support their children's early learning, build relationships that reduce isolation and encourage socialization, and promote kindergarten readiness.

NEW SECTION. Sec. 311. PROFESSIONAL DEVELOPMENT. (1) Subject to the availability of amounts appropriated for this specific purpose, the department shall provide professional development supports to aid eligible providers in reaching the professional education and training standards adopted by the department. Professional development supports may include:

(a) Department-required trainings for child care providers conducted by department-approved trainers;

(b) Trainings for license-exempt family, friend, and neighbor child care providers conducted by department-approved trainers;

(c) Early achievers scholarships;

(d) Community-based training pathways and systems developed under RCW 43.216.755;

(e) Supporting a nonprofit organization that provides relationship-based professional development support to family, friend, and neighbor caregivers, child care centers, and licensed family home providers, and their work to help providers start their businesses; and

(f) Other professional development activities such as updating training content, data collection and reporting, trainer recruitment, retention, program monitoring, and trainings delivered by department-approved trainers on topics such as small business management, antibias and antiracist training, providing care for children with developmental disabilities, social-emotional learning, implementing inclusionary practices in early learning environments, infant and toddler care, dual language program development, and providing trauma-informed care.

(2) For the purposes of this section, "eligible provider" means:

(a) An owner of a licensed or certified child care center, licensed or certified outdoor nature-based care, or licensed family home provider accepting state subsidy; (b) an employee of a licensed or certified child care center, licensed or certified outdoor nature-based care, or a licensed family home provider; (c) a contractor or provider of the early childhood education and assistance program or birth to three early childhood education and assistance program; or (d) an early achievers coach.

NEW SECTION. Sec. 312. NEGOTIATED RULE MAKING WITH CHILD CARE CENTERS. When the secretary elects to engage in negotiated rule making pursuant to RCW 34.05.310(2)(a), the department must include the largest organization representing child care center owners and directors; the largest organization representing supervisors, teachers, and aides; and other affected interests before adopting requirements that affect child care center licensees.

NEW SECTION. Sec. 313. CAPACITY FLEXIBILITY FOR FAMILY HOME PROVIDERS. The department may waive the limit, as established in RCW 43.216.010(1)(c), that restricts family home providers from serving not more than 12 children. The department must establish conditions for such waivers by rule and must assess, at a minimum, the provider's available square footage and staffing capabilities prior to issuing any waiver of the limit of 12 children.

NEW SECTION. Sec. 314. SUPPORT FOR CHILD CARE DESERTS. (1) Subject to the availability of amounts

appropriated for this specific purpose, the department shall establish a grant program to expand child care in child care deserts. Grants must be used for one-time costs associated with the opening of a child care site, including program costs, for providers who are newly licensed or are in the process of becoming licensed.

(2) The department must use the child care industry insights dashboard from the child care industry assessment as a tool to identify areas in which additional investments are needed in order to expand existing child care capacity to meet family demand and reduce child care deserts.

(3) This section expires June 30, 2026.

PART IV

STRENGTHENING PRENATAL TO THREE SUPPORTS

NEW SECTION. Sec. 401. PRENATAL TO THREE INTENT. (1) The legislature finds that parental relationships and healthy interactions in the first few years of life help shape the development of babies' and toddlers' brains and bodies. Eighty percent of the brain is developed by the age of three and parents are a child's first teachers.

(2) The legislature finds that the federal family first prevention services act (P.L. 115-123) offers the state the opportunity to leverage federal funding for certain programs, including in-home parent skill-based programs, substance use disorder support, and mental health interventions. Culturally relevant, evidence-based programs that may qualify for these federal funds are limited. Therefore, state support may be necessary to serve traditionally underrepresented communities and increase positive engagement from parents and caregivers of children from before birth to age three.

(3) The legislature finds that small teacher-child ratios for infant and toddler care, as well as the existence of child care deserts with low levels of access to care for the birth to three age group, contribute to higher expenses for providers and families with babies and young children.

(4) Therefore, the legislature intends to expand parent and family education and support, incentivize the provision of infant and toddler care, and make early therapeutic and preventative services more readily available to families and young children.

NEW SECTION. Sec. 402. EDUCATION AND SUPPORT FOR PARENTS AND FAMILY, FRIEND, AND NEIGHBOR CAREGIVERS. (1) Subject to the availability of amounts appropriated for this specific purpose, the department shall administer a prenatal to three family engagement strategy to support expectant parents, babies and toddlers from birth to three years of age, and their caregivers.

(2) Components of the prenatal to three family engagement strategy must include supports and services to improve maternal and infant health outcomes, reduce and mitigate trauma, promote attachment and other social-emotional assets, strengthen parenting skills, and provide early supports to help maximize healthy and robust childhood development and reduce isolation. Services and supports may include:

(a) In-home parent skill-based programs and training established in RCW 43.216.130;

(b) Facilitated play and learn groups;

(c) Parent peer-support groups, including groups designed for families with children with complex needs; families whose primary home language is not English; incarcerated parents; families coping with substance use disorder or mental health support needs; black, indigenous, and families of color; or other specific needs; and

(d) Other prenatal to age three programs and services.

(3) Continuity of services for babies and toddlers are important for early childhood brain development. Therefore, the services and supports described in this section may be made available to

biological parents, foster parents, kinship care providers, and other family, friend, and neighbor caregivers.

Sec. 403. RCW 43.216.578 and 2019 c 408 s 8 are each amended to read as follows:

BIRTH TO THREE EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM.

(1) ~~((Within resources available under the federal preschool development grant birth to five grant award received in December 2018,)) Subject to the availability of amounts appropriated for this specific purpose, the department shall ((develop a plan for phased implementation of)) administer a birth to three early childhood education and assistance program ((pilot project)) for eligible children under thirty-six months old. Funds to implement the ((pilot project)) program may include a combination of federal, state, or private sources.~~

(2) The department may adopt rules to implement the ~~((pilot project))~~ program and may waive or adapt early childhood education and assistance program requirements when necessary to allow for the operation of the birth to three early childhood education and assistance program. The department shall consider early head start rules and regulations when developing the provider and family eligibility requirements and program requirements. ~~((Any deviations from early head start standards, rules, or regulations must be identified and explained by the department in its annual report under subsection (6) of this section.))~~

(3)(a) ~~((Upon securing adequate funds to begin implementation, the pilot project))~~ The birth to three early childhood education and assistance program(s) must be delivered through child care centers and family home providers who meet minimum licensing standards and are enrolled in the early achievers program.

(b) The department must determine minimum early achievers ratings scores for ~~((programs))~~ participating ~~((in the pilot project))~~ contractors.

(4) ~~((When selecting pilot project locations for service delivery, the department may allow each pilot project location to have up to three classrooms per location. When selecting and approving pilot project locations, the department shall attempt to select a combination of rural, urban, and suburban locations. The department shall prioritize locations with programs currently operating early head start, head start, or the early childhood education and assistance program.~~

~~((5))~~ To be eligible for the birth to three early childhood education and assistance program, a child's family income must be at or below ~~((one hundred thirty))~~ 50 percent of the ~~((federal poverty level))~~ state median income and the child must be under thirty-six months old.

~~((6) Beginning November 1, 2020, and each November 1st thereafter during pilot project activity, the department shall submit an annual report to the governor and legislature that includes a status update that describes the planning work completed, the status of funds secured, and any implementation activities of the pilot project. Implementation activity reports must include a description of the participating programs and number of children and families served.))~~

NEW SECTION. Sec. 404. INFANT CARE INCENTIVES.

(1) The legislature finds that our state suffers from an extreme shortage of infant child care, impacting the ability of parents to participate in the workforce. Further, parents returning to work after using paid family leave to care for a new child struggle to find readily available, high quality care during a time of critical growth and brain development for young children. Therefore, the legislature intends to incentivize the provision of high quality infant care.

(2) Beginning July 1, 2022, the department shall provide an

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infant rate enhancement for licensed or certified child care providers and birth to three early childhood education and assistance program contractors who are:

- (a) Accepting state subsidy;
- (b) In good standing with the early achievers quality rating and improvement system; and
- (c) Caring for a child between the ages of birth and 11 months.

(3) The department must adopt rules to implement this section.
NEW SECTION. Sec. 405. EARLY THERAPEUTIC AND PREVENTATIVE SERVICES. (1) Subject to the availability of amounts appropriated for this specific purpose, the department shall administer early therapeutic and preventative services and programs, such as the early childhood intervention and prevention services program, and other related services for children who are:

- (a) Between the ages of birth and five years; and
- (b) Referred by a child welfare worker, a department of social and health services social worker, a primary care physician, a behavioral health provider, or a public health nurse due to: (i) Risk of child abuse or neglect; (ii) exposure to complex trauma; or (iii) significant developmental delays.

(2) Subject to the availability of amounts appropriated for this specific purpose, the department shall make all reasonable efforts to deliver early therapeutic and preventative services and programs statewide. These services and programs must focus first on children and families furthest from opportunity as defined by income and be delivered by programs that emphasize greater racial equity.

**PART V
 CONFORMING AMENDMENTS**

Sec. 501. RCW 43.216.010 and 2021 c 39 s 4 are each amended to read as follows:

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

(1) "Agency" means any person, firm, partnership, association, corporation, or facility that provides child care and early learning services outside a child's own home and includes the following irrespective of whether there is compensation to the agency:

(a) "Child day care center" and "child care center" mean((s)) an agency that regularly provides early childhood education and early learning services for a group of children for periods of less than 24 hours;

(b) "Early learning" includes but is not limited to programs and services for child care; state, federal, private, and nonprofit preschool; child care subsidies; child care resource and referral; parental education and support; and training and professional development for early learning professionals;

(c) "Family day care provider" and "family home provider" mean((s)) a child care provider who regularly provides early childhood education and early learning services for not more than 12 children at any given time in the provider's home in the family living quarters except as provided in section 313 of this act;

(d) "Nongovernmental private-public partnership" means an entity registered as a nonprofit corporation in Washington state with a primary focus on early learning, school readiness, and parental support, and an ability to raise a minimum of \$5,000,000 in contributions;

(e) "Service provider" means the entity that operates a community facility.

(2) "Agency" does not include the following:

- (a) Persons related to the child in the following ways:
 - (i) Any blood relative, including those of half-blood, and including first cousins, nephews or nieces, and persons of preceding generations as denoted by prefixes of grand, great, or great-great;

- (ii) Stepfather, stepmother, stepbrother, and stepsister;
- (iii) A person who legally adopts a child or the child's parent as well as the natural and other legally adopted children of such persons, and other relatives of the adoptive parents in accordance with state law; or

(iv) Spouses of any persons named in (a)(i), (ii), or (iii) of this subsection, even after the marriage is terminated;

- (b) Persons who are legal guardians of the child;
- (c) Persons who care for a neighbor's or friend's child or children, with or without compensation, where the person providing care for periods of less than 24 hours does not conduct such activity on an ongoing, regularly scheduled basis for the purpose of engaging in business, which includes, but is not limited to, advertising such care;

(d) Parents on a mutually cooperative basis exchange care of one another's children;

(e) Nursery schools that are engaged primarily in early childhood education with preschool children and in which no child is enrolled on a regular basis for more than four hours per day;

(f) Schools, including boarding schools, that are engaged primarily in education, operate on a definite school year schedule, follow a stated academic curriculum, and accept only school age children;

(g) Seasonal camps of three months' or less duration engaged primarily in recreational or educational activities;

(h) Facilities providing child care for periods of less than 24 hours when a parent or legal guardian of the child remains on the premises of the facility for the purpose of participating in:

- (i) Activities other than employment; or
- (ii) Employment of up to two hours per day when the facility is operated by a nonprofit entity that also operates a licensed child care program at the same facility in another location or at another facility;

(i) Any entity that provides recreational or educational programming for school age children only and the entity meets all of the following requirements:

- (i) The entity utilizes a drop-in model for programming, where children are able to attend during any or all program hours without a formal reservation;
- (ii) The entity does not assume responsibility in lieu of the parent, unless for coordinated transportation;
- (iii) The entity is a local affiliate of a national nonprofit; and
- (iv) The entity is in compliance with all safety and quality standards set by the associated national agency;

(j) A program operated by any unit of local, state, or federal government;

(k) A program located within the boundaries of a federally recognized Indian reservation, licensed by the Indian tribe;

(l) A program located on a federal military reservation, except where the military authorities request that such agency be subject to the licensing requirements of this chapter;

(m) A program that offers early learning and support services, such as parent education, and does not provide child care services on a regular basis.

(3) "Applicant" means a person who requests or seeks employment in an agency.

(4) "Certificate of parental improvement" means a certificate issued under RCW 74.13.720 to an individual who has a founded finding of physical abuse or negligent treatment or maltreatment, or a court finding that the individual's child was dependent as a result of a finding that the individual abused or neglected their child pursuant to RCW 13.34.030(6)(b).

(5) "Conviction information" means criminal history record information relating to an incident which has led to a conviction

or other disposition adverse to the applicant.

(6) "Department" means the department of children, youth, and families.

(7) "Early achievers" means a program that improves the quality of early learning programs and supports and rewards providers for their participation.

(8) "Early childhood education and assistance program contractor" means an organization that provides early childhood education and assistance program services under a signed contract with the department.

(9) "Early childhood education and assistance program provider" means an organization that provides site level, direct, and high quality early childhood education and assistance program services under the direction of an early childhood education and assistance program contractor.

~~(10) ("Early start" means an integrated high quality continuum of early learning programs for children birth to five years of age. Components of early start include, but are not limited to, the following:~~

~~(a) Home visiting and parent education and support programs;~~

~~(b) The early achievers program described in RCW 43.216.085;~~

~~(c) Integrated full day and part day high quality early learning programs; and~~

~~(d) High quality preschool for children whose family income is at or below 110 percent of the federal poverty level.~~

~~((11))~~ (11) "Education data center" means the education data center established in RCW 43.41.400, commonly referred to as the education research and data center.

~~((12))~~ (12) "Employer" means a person or business that engages the services of one or more people, especially for wages or salary to work in an agency.

~~((13))~~ (13) "Enforcement action" means denial, suspension, revocation, modification, or nonrenewal of a license pursuant to RCW 43.216.325(1) or assessment of civil monetary penalties pursuant to RCW 43.216.325(3).

~~((14))~~ (14) "Extended day program" means an early childhood education and assistance program that offers early learning education for at least 10 hours per day, a minimum of 2,000 hours per year, at least four days per week, and operates year-round.

(14) "Family resource and referral linkage system" means a system that connects families to resources, services, and programs for which families are eligible and uses a database that is developed and maintained in partnership with communities, health care providers, and early learning providers.

(15) "Family resource center" means a unified single point of entry where families, individuals, children, and youth in communities can obtain information, an assessment of needs, referral to, or direct delivery of family services in a manner that is welcoming and strength-based.

(a) A family resource center is designed to meet the needs, cultures, and interests of the communities that the family resource center serves.

(b) Family services may be delivered directly to a family at the family resource center by family resource center staff or by providers who contract with or have provider agreements with the family resource center. Any family resource center that provides family services shall comply with applicable state and federal laws and regulations regarding the delivery of such family services, unless required waivers or exemptions have been granted by the appropriate governing body.

(c) Each family resource center shall have one or more family advocates who screen and assess a family's needs and strengths. If requested by the family, the family advocate shall assist the family with setting its own goals and, together with the family,

develop a written plan to pursue the family's goals in working towards a greater level of self-reliance or in attaining self-sufficiency.

(16) "Full day program" means an early childhood education and assistance program that offers early learning education for a minimum of 1,000 hours per year.

(17) "Low-income child care provider" means a person who administers a child care program that consists of at least 80 percent of children receiving working connections child care subsidy.

(18) "Low-income neighborhood" means a district or community where more than 20 percent of households are below the federal poverty level.

(19) "Negative action" means a court order, court judgment, or an adverse action taken by an agency, in any state, federal, tribal, or foreign jurisdiction, which results in a finding against the applicant reasonably related to the individual's character, suitability, and competence to care for or have unsupervised access to children in child care. This may include, but is not limited to:

(a) A decision issued by an administrative law judge;

(b) A final determination, decision, or finding made by an agency following an investigation;

(c) An adverse agency action, including termination, revocation, or denial of a license or certification, or if pending adverse agency action, the voluntary surrender of a license, certification, or contract in lieu of the adverse action;

(d) A revocation, denial, or restriction placed on any professional license; or

(e) A final decision of a disciplinary board.

(20) "Nonconviction information" means arrest, founded allegations of child abuse, or neglect pursuant to chapter 26.44 RCW, or other negative action adverse to the applicant.

(21) "Nonschool age child" means a child who is age six years or younger and who is not enrolled in a public or private school.

(22) "Part day program" means an early childhood education and assistance program that offers early learning education for at least two and one-half hours per class session, at least 320 hours per year, for a minimum of 30 weeks per year.

(23) "Private school" means a private school approved by the state under chapter 28A.195 RCW.

(24) "Probationary license" means a license issued as a disciplinary measure to an agency that has previously been issued a full license but is out of compliance with licensing standards.

(25) "Requirement" means any rule, regulation, or standard of care to be maintained by an agency.

(26) "School age child" means a child who is five years of age through 12 years of age and is attending a public or private school or is receiving home-based instruction under chapter 28A.200 RCW.

(27) "Secretary" means the secretary of the department.

(28) "Washington state preschool program" means an education program for children three-to-five years of age who have not yet entered kindergarten, such as the early childhood education and assistance program.

Sec. 502. RCW 28B.50.248 and 2020 c 355 s 4 and 2020 c 279 s 3 are each reenacted and amended to read as follows:

Nothing in RCW 43.216.135(~~2~~) or 43.216.136(~~1~~, ~~2~~, ~~3~~) requires a community or technical college to expand any of its existing child care facilities. Any additional child care services provided by a community or technical college as a result of RCW 43.216.135(~~2~~) or 43.216.136(~~1~~, ~~2~~, ~~3~~) must be provided within existing resources and existing facilities.

Sec. 503. RCW 43.84.092 and 2020 c 354 s 11, 2020 c 221 s 5, 2020 c 103 s 7, and 2020 c 18 s 3 are each reenacted and

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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 brownfield redevelopment trust fund 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 cleanup settlement 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 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 ((~~trust~~) services) account, the diesel idle reduction 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 ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the state higher education construction account, the higher education construction account, the higher education retirement plan supplemental benefit fund, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, 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 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 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 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 resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan 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 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 state wildlife 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 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 University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' and reserve officers' 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. 504. RCW 43.84.092 and 2020 c 354 s 11, 2020 c 221 s 5, 2020 c 148 s 3, 2020 c 103 s 7, and 2020 c 18 s 3 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 brownfield redevelopment trust fund 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 cleanup settlement 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 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 ((trust)) services account, the diesel idle reduction 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 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 public health services account, the state higher education construction account, the higher education construction account, the higher education retirement plan supplemental benefit fund, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, 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 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 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 resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan 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

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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 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 University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' and reserve officers' 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. 505. RCW 43.84.092 and 2020 c 221 s 5, 2020 c 148 s 3, 2020 c 103 s 7, and 2020 c 18 s 3 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

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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 brownfield redevelopment trust fund 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 cleanup settlement 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 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 ((~~trust~~) services) account, the diesel idle reduction 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 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 public health services account, the state higher education construction account, the higher education construction account, the higher education retirement plan supplemental benefit fund, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, 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 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 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 resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan 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 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 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 University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' and reserve officers' 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. 506. RCW 43.216.710 and 2017 3rd sp.s. c 6 s 213 are each amended to read as follows:

The department shall:

(1) Work in conjunction with the statewide child care resource and referral network as well as local governments, nonprofit organizations, businesses, and community child care advocates to create local child care resource and referral organizations. These organizations may carry out needs assessments, resource development, provider training, technical assistance, and parent information and training;

(2) Actively seek public and private money for distribution as grants to the statewide child care resource and referral network and to existing or potential local child care resource and referral organizations;

(3) Adopt rules regarding the application for and distribution of grants to local child care resource and referral organizations. The rules shall, at a minimum, require an applicant to submit a plan for achieving the following objectives:

(a) Provide parents with information about child care resources, including location of services and subsidies;

(b) Carry out child care provider recruitment and training programs, including training under RCW 74.25.040;

(c) Offer support services, such as parent and provider seminars, toy-lending libraries, and substitute banks;

(d) Provide information for businesses regarding child care supply and demand;

(e) Advocate for increased public and private sector resources devoted to child care;

(f) Provide technical assistance to employers regarding employee child care services; and

(g) Serve recipients of temporary assistance for needy families and working parents with household incomes at or below ~~((household incomes of two hundred))~~ 100 percent of the ~~((federal poverty line))~~ state median income;

(4) Provide staff support and technical assistance to the statewide child care resource and referral network and local child care resource and referral organizations;

(5) Maintain a statewide child care licensing data bank and work with department licensors to provide information to local child care resource and referral organizations about licensed or certified child care providers in the state;

(6) Through the statewide child care resource and referral network and local resource and referral organizations, compile data about local child care needs and availability for future planning and development;

(7) Coordinate with the statewide child care resource and referral network and local child care resource and referral organizations for the provision of training and technical assistance to child care providers;

(8) Collect and assemble information regarding the availability of insurance and of federal and other child care funding to assist state and local agencies, businesses, and other child care providers in offering child care services;

(9) Subject to the availability of amounts appropriated for this specific purpose, increase the base rate for all child care providers

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by ten percent;

(10) Subject to the availability of amounts appropriated for this specific purpose, provide tiered subsidy rate enhancements to child care providers if the provider meets the following requirements:

(a) The provider enrolls in quality rating and improvement system levels 2, 3, 4, or 5;

(b) The provider is actively participating in the early achievers program;

(c) The provider continues to advance towards level 5 of the early achievers program; and

(d) The provider must complete level 2 within thirty months or the reimbursement rate returns the level 1 rate; and

(11) Require exempt providers to participate in continuing education, if adequate funding is available.

Sec. 507. RCW 43.216.514 and 2020 c 343 s 3 are each amended to read as follows:

(1)(a) The department shall prioritize children for enrollment in the early childhood education and assistance program who are eligible pursuant to RCW 43.216.505.

(b) A child who is eligible at the time of enrollment in the early childhood education and assistance program maintains program eligibility until the child begins kindergarten.

(2) As space is available, children may be included in the early childhood education and assistance program pursuant to RCW 43.216.512. ~~((Priority within this group must be given first to children with incomes up to one hundred thirty percent of the federal poverty level.))~~

**PART VI
MISCELLANEOUS**

NEW SECTION. Sec. 601. Nothing in this act changes the department's responsibility to collectively bargain over mandatory subjects consistent with RCW 41.56.028(3) or limits the legislature's authority to make programmatic modifications to licensed child care and early learning programs consistent with legislative reservation of rights under RCW 41.56.028(4)(d).

NEW SECTION. Sec. 602. RCW 43.216.1365 (Working connections child care program—Eligibility) and 2020 c 355 s 3 are each repealed.

NEW SECTION. Sec. 603. If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state.

NEW SECTION. Sec. 604. Sections 204 through 206 and 403 of this act take effect July 1, 2026.

NEW SECTION. Sec. 605. Sections 101, 102, 106, 201, 206, 207, 302 through 307, 310 through 314, 402, 404, 405, and 601 of this act are each added to chapter 43.216 RCW.

NEW SECTION. Sec. 606. Section 503 of this act expires July 1, 2021.

NEW SECTION. Sec. 607. Sections 201, 202, 301, 309, and 504 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 July 1, 2021.

NEW SECTION. Sec. 608. Section 504 of this act expires July 1, 2024.

NEW SECTION. Sec. 609. Section 505 of this act takes effect July 1, 2024.

NEW SECTION. Sec. 610. Sections 105 and 503 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."

Correct the title.

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

Signed by Senators Billig and Wilson, C.; Representatives Bergquist and Senn.

MOTION

Senator Wilson, C. moved that the Report of the Conference Committee on Engrossed Second Substitute Senate Bill No. 5237 be adopted.

Senators Wilson, C., Billig and Wellman spoke in favor of passage of the motion.

Senators Hawkins, Rivers, Fortunato, Braun, Short, Erickson, Wilson, L., Brown and Mullet spoke against passage of the motion.

The President declared the question before the Senate to be the motion by Senator Wilson, C. that the Report of the Conference Committee on Engrossed Second Substitute Senate Bill No. 5237 be adopted.

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

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 5237, as recommended by the Conference Committee.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5237, as recommended by the Conference Committee, and the bill passed the Senate by the following vote: Yeas, 27; Nays, 22; Absent, 0; Excused, 0.

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

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

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5237, as recommended by the Conference Committee, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

At 3:24 p.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President.

Senator Hasegawa announced a meeting of the Democratic Caucus.

The Senate was called to order at 4:38 p.m. by President Heck.

MESSAGES FROM THE HOUSE

MR. PRESIDENT:
The House has passed:

SENATE BILL NO. 5008,
and the same are herewith transmitted.
BERNARD DEAN, Chief Clerk

April 22, 2021

MR. PRESIDENT:
The House concurred in the Senate amendments to the following bills and passed the bills as amended by the Senate:

HOUSE BILL NO. 1022,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1120,
SECOND SUBSTITUTE HOUSE BILL NO. 1168,
HOUSE BILL NO. 1316,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1410,
ENGROSSED HOUSE BILL NO. 1482,
and the same are herewith transmitted.
MELISSA PALMER, Deputy Chief Clerk

April 22, 2021

MR. PRESIDENT:
The House receded from its amendment(s) to ENGROSSED SUBSTITUTE SENATE BILL NO. 5321 and passed the bill without the House amendment(s).
and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

MOTION

At 4:40 p.m., on motion of Senator Liias, the Senate adjourned until 11:00 o'clock a.m. Friday, April 23, 2021.

DENNY HECK, President of the Senate

BRAD HENDRICKSON, Secretary of the Senate

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