

SIXTY SIXTH LEGISLATURE - REGULAR SESSION

FIFTIETH DAY

House Chamber, Olympia, Monday, March 2, 2020

The House was called to order at 9:00 a.m. by the Speaker (Representative Orwall presiding).

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

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

INTRODUCTION & FIRST READING

HB 2956 by Representatives Stokesbary, Fitzgibbon, Boehnke and Walsh

AN ACT Relating to providing funding for the unfunded liabilities in the teachers' retirement system and the public employees' retirement system plans 1; adding a new section to chapter 82.04 RCW; creating a new section; making an appropriation; and providing an effective date.

Referred to Committee on Appropriations.

HB 2957 by Representatives Fitzgibbon and Pollet

AN ACT Relating to reducing greenhouse gas emissions by providing authority for the regulation of indirect sources under the clean air act and implementing standards and programs that reduce emissions associated with buildings; amending RCW 70.94.030, 70.94.331, 70.94.151, and 70.94.015; adding new sections to chapter 70.94 RCW; adding a new section to chapter 70.235 RCW; adding a new section to chapter 80.28 RCW; adding a new section to chapter 19.27A RCW; and creating a new section.

Referred to Committee on Appropriations.

HB 2958 by Representatives Dufault, Eslick and Walsh

AN ACT Relating to preventing the curtailment of employment opportunities by allowing employers to pay a training wage for a specified period of time; and adding a new section to chapter 49.46 RCW.

Referred to Committee on Labor & Workplace Standards.

HB 2959 by Representatives Riccelli, Robinson and Pollet

AN ACT Relating to requiring the reporting of paid claims by covered entities to the office of the insurance commissioner; and adding a new section to chapter 48.43 RCW.

Referred to Committee on Health Care & Wellness.

HB 2960 by Representatives Sutherland, Jenkin, Graham, Walsh and Shea

AN ACT Relating to eliminating the state property tax levies over four years; amending RCW 84.52.065; and creating a new section.

Referred to Committee on Finance.

HB 2961 by Representatives Shewmake and Pollet

AN ACT Relating to excusing breastfeeding mothers from jury service; and amending RCW 2.36.100.

Referred to Committee on Civil Rights & Judiciary.

HB 2962 by Representatives Chapman, Ybarra and Boehnke

AN ACT Relating to broadening the eligibility requirements and extending the expiration date for the data center tax incentive; amending RCW 82.08.986 and 82.12.986; creating new sections; and providing expiration dates.

Referred to Committee on Finance.

There being no objection, the bills listed on the day's introduction sheet under the fourth order of business were referred to the committees so designated.

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

REPORTS OF STANDING COMMITTEES

March 2, 2020

SB 6218 Prime Sponsor, Senator Schoesler: Modifying the definition of salary for the Washington state patrol retirement system. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke; Chambers; Chapman; Dent; Doglio; Duerr; Entenman; Eslick; Goehner; Gregerson; Irwin; Kloba; Lovick; McCaslin; Mead; Orcutt; Ortiz-Self; Paul; Ramos; Riccelli; Shewmake; Van Werven and Volz.

Referred to Committee on Transportation.

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

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

MOTION

There being no objection, the Committee on Appropriations was relieved of SENATE BILL NO. 6623 and ENGROSSED SENATE BILL NO. 6626 and the bills were referred to the Committee on Rules.

RESOLUTION

HOUSE RESOLUTION NO. 2020-4672, by Representatives Vick and Hoff

WHEREAS, It is the policy of the Washington State House of Representatives to recognize excellence in every field of endeavor; and

WHEREAS, The Camas High School Papermakers are the 2019 4A Boys' Cross-Country State Champions; and

WHEREAS, The 2019 Camas High School Papermakers team placed all five of their runners in the top 30 to win the first state cross-country championship for Camas high school; and

WHEREAS, The Camas High School Papermakers overcame sickness and injury to defeat teams from across the state in the championship match at the Sun Willows Golf Course in Pasco, Washington on November 9, 2019; and

WHEREAS, The Camas High School Papermakers team members demonstrated their team's strength as Evan Jenkins came in fourth place at 15:18.00 and Sam Geiger followed close behind at 15:22.70 arriving in sixth place. Luc Utheza competed despite a recent calf injury and finished in sixteenth place at 15:37.90. Spencer Tyman placed in twentieth at 15:49.20 and Austin Weese was twenty-ninth with a time of 15:52.80; and

WHEREAS, The combined efforts of all team members carried the Papermakers to victory in the championship meet;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives congratulate the Camas High School Papermakers team on their state championship, and congratulate their fans, supportive alumni, and the entire community for this amazing accomplishment; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the Camas High School Papermakers cross-country team and to Head Coach Laurie Porter.

There being no objection, HOUSE RESOLUTION NO. 4672 was adopted.

RESOLUTION

HOUSE RESOLUTION NO. 2020-4673, by Representatives Vick and Hoff

WHEREAS, It is the policy of the Washington State House of Representatives to recognize excellence in every field of endeavor; and

WHEREAS, The Camas High School Papermakers are the 2019 4A Football State Champions; and

WHEREAS, The Papermakers completed a perfect regular season, the first since the 2016 championships; and

WHEREAS, The Camas High School Papermakers were able to win the State Championship in a revenge tour; and

WHEREAS, The Papermakers finished the season with a record of 14-0; and

WHEREAS, The Camas High School Papermakers defeated the Bothell High School Cougars in the state championship at the Mt. Tahoma Stadium on December 7, 2019, by a final score of 35 to 14; and

WHEREAS, The Camas High School Papermakers beat the Mount Si Wildcats in the state semifinals by a score of 35 to 14; and

WHEREAS, In the final game Jackson Clemmer turned the tide when he intercepted Bothell quarterback Andrew Sirmon; and

WHEREAS, Running back Jacques Badolato-Birdsell ran for 215 yards and 3 touchdowns in the state championship game; and

WHEREAS, Tyler Forner led the defensive effort in the state championship with 7 tackles and one sack;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives congratulate the Camas High School Papermakers football team on their state championship, and congratulate their fans, supportive alumni, and the entire community for this phenomenal achievement; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the Camas High School Papermakers football team and to Head Coach Jon Eagle.

There being no objection, HOUSE RESOLUTION NO. 4673 was adopted.

RESOLUTION

HOUSE RESOLUTION NO. 2020-4674, by Representatives Vick and Hoff

WHEREAS, It is the policy of the Washington State House of Representatives to recognize excellence in every field and endeavor; and

WHEREAS, For the second time in 30 years, the Ridgefield High School Spudders are the 2019 2A Volleyball State Champions; and

WHEREAS, The Ridgefield High School Spudders won every game preceding the championship except for a tie with the Emerald Ridge Jaguars; and

WHEREAS, The Spudders defeated the River Ridge Hawks three to zero in the quarter finals; and

WHEREAS, The Spudders triumphed over the Lynden Lions three to one before proceeding to the semifinals against the Washington Patriots; and

WHEREAS, They swiftly defeated the Washington Patriots three to one and advanced to the finals; and

WHEREAS, In the finals they defeated the Ellensburg Bulldogs; and

WHEREAS, Delaney Nicoll led Ridgefield with 25 kills in the tournament match and was among the team's leaders in digs and assists; and

WHEREAS, Allie Andrew made 12 kills and 5 blocks contributing to the Spudders' capture of the state title;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives congratulate the Ridgefield High School volleyball team on their state championship, and their fans, supportive alumni, and the entire community for this phenomenal achievement; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the Ridgefield High School Spudders volleyball team and to Head Coach Sabrina Dobbs.

There being no objection, HOUSE RESOLUTION NO. 4674 was adopted.

RESOLUTION

HOUSE RESOLUTION NO. 2020-4675, by Representatives Vick and Hoff

WHEREAS, It is the policy of the Washington State House of Representatives to recognize excellence in every field of endeavor; and

WHEREAS, The Columbia River High School Chieftains are the 2019 2A Girls' Soccer State Champions; and

WHEREAS, The Columbia River High School Chieftains defeated the Hockinson High School Hawks in the state championship at Shoreline Stadium in Shoreline, Washington on November 23, 2019, by a score of 1-0; and

WHEREAS, The Columbia River Chieftains defeated the Fife Trojans by a score of 1-0 at the Sunset Chev Stadium

in Sumner, Washington on November 13, 2019, to advance to the quarter finals; and

WHEREAS, The Columbia River Chieftains defeated the Liberty Patriots by a score of 4-1 at Fife high school on November 16, 2019, to advance to the semifinals; and

WHEREAS, The Columbia River Chieftains defeated the Selah Vikings in a shutout by a score of 1-0 on November 22, 2019, at Sunset Chev Stadium in the semifinals; and

WHEREAS, The Columbia River Chieftains defeated the Hockinson Hawks to win the state championship; and

WHEREAS, Yaneisy Rodriguez scored a 36-yard free kick in the 57th minute to score the only goal in the championship game; and

WHEREAS, Goalkeeper Allison Countryman saved three goals during the championship game;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives congratulate the Columbia River High School Chieftains soccer team on their state championship, and congratulate their fans, supportive alumni, and the entire community for this amazing accomplishment; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the Columbia River High School Chieftains soccer team and to Head Coach Filomon Afenigus.

There being no objection, HOUSE RESOLUTION NO. 4675 was adopted.

RESOLUTION

HOUSE RESOLUTION NO. 2020-4676, by Representative Dufault

WHEREAS, It is the policy of the Washington State Legislature to recognize excellence in all fields of endeavor; and

WHEREAS, Greg G. Stewart was born in Olympia, Washington, and attended Centralia College and Washington State University where he graduated with a degree in agricultural economics; and

WHEREAS, Greg Stewart served in the U.S. Army from 1966 to 1969, including a tour of duty in Vietnam; and

WHEREAS, Greg Stewart and his wife, Karen, have been married since November 4, 1967, and raised two daughters, Tami and Stephanie; and

WHEREAS, Greg Stewart was hired in 1972 by the Central Washington Fair Association to be the assistant general manager under long time fair manager Hugh J. King; and

WHEREAS, When Hugh J. King retired in 1973, Greg was appointed general manager of what was then a five-day fair, overseeing a full-time staff of three people; and

WHEREAS, Under Greg Stewart's leadership, the one hundred twenty acre Central Washington Fairgrounds were transformed with renovations to the historic Agriculture Building, Modern Living Building, Pioneer Hall, and Expo Hall; and

WHEREAS, Greg Stewart oversaw construction of new buildings on the fairgrounds, including the Deccio Administration building; the Yakima County Stadium, where the Yakima Valley Pippins minor league baseball team plays; the eight thousand seat, thirteen million dollar Yakima Valley SunDome, where the Yakima Sun Kings play; and a host of other events that are held throughout the year, including concerts and rodeos; and

WHEREAS, Greg Stewart helped to build the fairgrounds, now known as State Fair Park, into a statewide attraction, with twenty-three full-time employees, a ten-day event that is recognized as one of the premier events in the Northwest, and which has become the largest single-family entertainment event in Eastern Washington with more than three hundred thousand visitors each year; and

WHEREAS, Under Greg Stewart's guidance in 2000, the former Yakima Meadows horse racetrack was turned into a racetrack for sprint cars and dirt track autos; and

WHEREAS, Greg Stewart was involved in numerous professional and community activities, including the Yakima Rotary Club, Greater Yakima Chamber of Commerce, Yakima Valley Visitors and Convention Bureau, and became the recipient of the International Association of Fairs and Expositions Hall of Fame award and leadership award from the Yakima Latino Professional Association; and

WHEREAS, Greg Stewart recently retired as general manager and fair board president after an illustrious and unparalleled forty-eight year career dedicated to the State of Washington and its fair industry;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives of the State of Washington recognize Gregory G. Stewart for his outstanding achievements and public service to his community, fair goers, and the State of Washington; and

BE IT FURTHER RESOLVED, That a copy of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to Greg Stewart and his family.

There being no objection, HOUSE RESOLUTION NO. 4676 was adopted.

RESOLUTION

HOUSE RESOLUTION NO. 2020-4677, by Representatives Orcutt and DeBolt

WHEREAS, The Onalaska Loggers high school football team, under the leadership of Coach Mazen Saade, finished the 2019 season with a perfect 13-0 record; and

WHEREAS, The Loggers defeated the very tough Kalama Chinook team by a score of 48-30 on Saturday,

December 7, 2019, at Harry E. Lang Stadium in Lakewood, WA; and

WHEREAS, No team had scored that many points in a title game since 1998; and

WHEREAS, The Loggers fought tooth and nail to bring home their first state championship in 33 years; and

WHEREAS, Onalaska played in what was, without question, the toughest division in the state, with three 2B League Mountain Division teams making the state semifinals; and

WHEREAS, In their five games against these Mountain Division opponents, the Loggers scored an average of 46.8 points a game and gave up an average of only 9.8; and

WHEREAS, The Loggers' impressive year was led by their five senior captains and All-State Players Hazen Inman, Cade Lawrence, Lucas Kreger, Alex Frazier, and Ashton Haight; and

WHEREAS, Fullback Ashton Haight ran for 2,714 yards on 345 carries and scored 35 touchdowns, logging an incredible 7.86 yards per carry; and

WHEREAS, Ashton's rushing total was the fifth-highest total over the course of a season in state history; and

WHEREAS, The Onalaska Loggers' toughness and resolve, both offensively and defensively, earned them the nickname "Grit-Ville USA";

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives congratulate Carter Whitehead, Juan Ibarra, Lane Olsen, Cade Lawrence, Malachi Ratkie, Omar Cardenas, James Mcmillion, Danny Dalsted, Kolby Mozingo, Logan Kreger, Joel Williams, Lucas Kreger, Alex Pannkuk, Gunnar Talley, Braydon Hadaller, Brayden Martin, Braedon Marshall, Marshal Haight, Ashton Haight, Zavon Baldwin, Hazen Inman, Dyllon Dublin, Spencer Hamilton, Justin Bushnell, Aidan Readman, Nick Spillman, Alex Frazier, Cody Myers, Ethan Allen, Joaquin Patraca, Nate Conkey, Andrew Brumley, Josue Roque, Ben Frazier, Baltazar Barrera, Ismael Baires, Hank Rider, Derik Gooch, Daniel Malott, Abel Johnson, and Kayden Allison on their outstanding and well-deserved State Championship victory; and

BE IT FURTHER RESOLVED, That the House of Representatives congratulate Head Coach Mazen Saade, as well as Assistant Coaches Wayne Nelson, Weylin Womack, and Kenny Ulery, for the excellent leadership they provide to Washington's student athletes; and

BE IT FURTHER RESOLVED, That copies of this resolution be transmitted by the Chief Clerk of the House of Representatives to Onalaska High School's Coach Mazen Saade, Principal Jared Schnaffer, and to the players of the Onalaska Loggers football team, to convey the respect of this body for a job well done and to wish them success in all their future endeavors.

There being no objection, HOUSE RESOLUTION NO. 4677 was adopted.

RESOLUTION**HOUSE RESOLUTION NO. 2020-4678, by Representatives Orcutt and DeBolt**

WHEREAS, It is the policy of the Washington state House of Representatives to recognize excellence in every field of endeavor; and

WHEREAS, The Dairy Cattle Evaluation team from the Chehalis Future Farmers of America Chapter placed 4th in the nation; and

WHEREAS, The state champion team outperformed other states in their ability to select and manage quality dairy cattle at the Future Farmers of America convention in Indianapolis, Indiana; and

WHEREAS, The abilities of team members Gary Young, Cassy Schilter, Lauryn Young, Kaylee Keehr, and Sahara Twiss to herd record evaluation and work together in dairy management across six classes of dairy cattle has led to the team's national recognition; and

WHEREAS, Lauryn Young, a freshman at William F. West high school placed 6th in the nation individually for her outstanding performance; and

WHEREAS, The Chehalis FFA Dairy Cattle Evaluation team will bring international recognition to our state as they compete in the Royal Highland Stock Show in Edinburgh, Scotland and the Charleville Stock Show in Killarney, Ireland next summer;

NOW, THEREFORE, BE IT RESOLVED, That on this day the House of Representatives congratulate the Chehalis Future Farmers of America Dairy Evaluation team on their national success and the entire Chehalis community for this momentous accomplishment; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the Chehalis FFA Dairy Cattle Evaluation team and to their advisers Chris Guenther and Kyla Bailey.

There being no objection, HOUSE RESOLUTION NO. 4678 was adopted.

RESOLUTION**HOUSE RESOLUTION NO. 2020-4679, by Representatives Orcutt and DeBolt**

WHEREAS, It is the honor of the Washington State Legislature to recognize excellence in all fields of student endeavor; and

WHEREAS, The 2019-2020 W.F. West Girls Bearcat Bowling Team exhibited the highest level of distinction in winning the 2A State Championship; and

WHEREAS, The W.F. West Girls Bearcat Bowling Team demonstrated extraordinary athletic achievements, including an undefeated Evergreen Conference League Championship title with a record of fifteen to zero, a school record of scoring over two thousand total pins ten times, a school record of an average score of two thousand fifty-eight

total pins for the season, a school record of outscoring opponents by an average of five hundred twenty-five pins a match, and winning the esteemed Tower Classic Tournament; and

WHEREAS, The W.F. West Girls Bearcat Bowling Team demonstrates robust academic achievement, with six student athletes receiving Evergreen Conference All-Academic Awards earning 3.5 grade point averages or higher; and

WHEREAS, Head Coach Don Bunker, Assistant Coach Bob Spahr, Assistant Coach Rich Bunker, Team Manager Brock Bunker, and all the players share the W.F. West Girls Bearcat Bowling Team's success by combining sensational coaching with sensational playing; and

WHEREAS, The W.F. West Girls Bearcat Bowling Team roster includes: Piper Chalmers with a one hundred ninety-six average, Ellie Bunker with a one hundred eighty-six average, Kelsey Stritmatter with a one hundred seventy-two average, Brianna Powe with a one hundred seventy average, Cami Aldrich with a one hundred sixty-five average, Jessica Loflin with a one hundred sixty average, Clara Bunker with a one hundred forty-eight average, and Anabelle Lopez with a one hundred forty-five average; and

WHEREAS, The inspiring individual and team achievements of the 2019-2020 W.F. West Girls Bearcat Bowling Team will be remembered for years to come by the Chehalis community for what the team accomplished; and

WHEREAS, The W.F. West Girls Bearcat Bowling Team has demonstrated remarkable hard work and dedication to their sport and each other;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives honor, celebrate, and recognize the 2019-2020 W.F. West Girls Bearcat Bowling Team and the team's remarkable academic and athletic feats; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the 2019-2020 W.F. West Girls Bearcat Bowling Team Head Coach Don Bunker, W.F. West High School Principal Bob Walters, and School District Superintendent Ed Rothlin.

There being no objection, HOUSE RESOLUTION NO. 4679 was adopted.

RESOLUTION**HOUSE RESOLUTION NO. 2020-4680, by Representatives Wilcox, Barkis, Boehnke, Caldier, Chambers, Chandler, Corry, DeBolt, Dent, Dufault, Dye, Eslick, Gildon, Goehner, Graham, Griffey, Harris, Hoff, Irwin, Jenkin, Klippert, Kraft, Kretz, MacEwen, Maycumber, McCaslin, Mosbrucker, Orcutt, Rude, Schmick, Smith, Steele, Stokesbary, Sutherland, Van Werven, Vick, Volz, Walsh, Ybarra, and Young**

WHEREAS, The Washington Future Farmers of America (FFA) has approximately twelve thousand student members represented by all nine FFA districts around the entire state; and

WHEREAS, Washington FFA members contribute 4.4 billion dollars nationally generated through their Supervised Agricultural Experience programs, which promote hands-on learning as an extension of the classroom; and

WHEREAS, Washington agriculture contributes 10.6 billion dollars in revenue a year from thirty-nine thousand five hundred farms and ranches, according to the Washington Farm Bureau, and is twelve percent of Washington's total economy; and

WHEREAS, The Washington FFA allows students to develop personally and professionally through a variety of opportunities that appeal to all different learning types, utilizing a three-circle model encompassing classroom instruction, Supervised Agricultural Experiences, and FFA; and

WHEREAS, Each FFA chapter plans events throughout the year, which will better their members and the community around them through a program of activities, which is submitted to the Washington FFA Association at the beginning of each school year; and

WHEREAS, The Washington FFA hosts "Emerge," which is an in-state leadership conference reaching approximately two hundred eighty members statewide; and

WHEREAS, The Washington FFA is home to Julie Smiley who was the first-ever female national officer in 1976 hailing from the Mount Vernon FFA chapter; and

WHEREAS, The Sumner FFA chapter is in the top six for most national winners with fifteen first-place finishers; and

WHEREAS, On average, three thousand members and guests attend the Washington FFA state convention each spring; and

WHEREAS, Individual members and teams of members are recognized for their hard work and success in thirty-two different career and leadership development events each year at the convention; and

WHEREAS, The ninetieth Washington FFA Convention and Expo will be held May 14th through 16th; and

WHEREAS, The Washington FFA began in 1930 and is celebrating its ninetieth year in 2020;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives recognize the Washington FFA's ninetieth year of existence and community service.

There being no objection, HOUSE RESOLUTION NO. 4680 was adopted.

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

SUPPLEMENTAL INTRODUCTION & FIRST READING

HB 2963 by Representative Walsh

AN ACT Relating to voting rights in public utility district elections; and amending RCW 54.04.060.

Referred to Committee on State Government & Tribal Relations.

HB 2964 by Representative Stokesbary

AN ACT Relating to local effort assistance; and amending RCW 28A.500.015.

Referred to Committee on Appropriations.

HB 2965 by Representatives Cody, Schmick, Riccelli, Bergquist, Callan, Dufault, Hudgins, Leavitt, Shewmake, Tharinger, Maycumber, Ramos, Ortiz-Self and Stonier

AN ACT Relating to the state's response to the novel coronavirus; amending RCW 38.52.105; adding a new section to chapter 74.46 RCW; making appropriations; and declaring an emergency.

There being no objection, the bills listed on the day's supplemental introduction sheet under the fourth order of business were referred to the committees so designated, with the exception of HOUSE BILL NO. 2965 which was read the first time, and under suspension of the rules, was placed on the second reading calendar.

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

SUPPLEMENTAL REPORTS OF STANDING COMMITTEES

March 2, 2020

HB 2943 Prime Sponsor, Representative Robinson: Providing a business and occupation tax preference for behavioral health administrative services organizations. Reported by Committee on Finance

MAJORITY recommendation: Do pass. Signed by Representatives Tarleton, Chair; Walen, Vice Chair; Orcutt, Ranking Minority Member; Young, Assistant Ranking Minority Member; Chapman; Frame; Macri; Orwall; Springer; Stokesbary; Vick and Wylie.

Referred to Committee on Rules for second reading.

March 2, 2020

HB 2950 Prime Sponsor, Representative Macri: Addressing affordable housing needs through the multifamily housing tax exemption by providing an extension of the exemption until January 1, 2022, for certain properties currently receiving a twelve-

year exemption and by convening a work group. Reported by Committee on Finance

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Tarleton, Chair; Walen, Vice Chair; Orcutt, Ranking Minority Member; Young, Assistant Ranking Minority Member; Chapman; Frame; Macri; Orwall; Springer; Stokesbary; Vick and Wylie.

Referred to Committee on Rules for second reading.

March 2, 2020

SSB 5011 Prime Sponsor, Committee on Transportation: Concerning a community aviation revitalization loan program. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke; Chambers; Chapman; Dent; Doglio; Duerr; Entenman; Eslick; Goehner; Gregerson; Irwin; Kloba; Lovick; McCaslin; Mead; Orcutt; Ortiz-Self; Paul; Ramos; Riccelli; Shewmake; Van Werven and Volz.

Referred to Committee on Rules for second reading.

February 29, 2020

2SSB 5144 Prime Sponsor, Committee on Human Services, Reentry & Rehabilitation: Implementing child support pass-through payments. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

MINORITY recommendation: Do not pass. Signed by Representatives Chandler and Kraft.

Referred to Committee on Rules for second reading.

February 29, 2020

2SSB 5149 Prime Sponsor, Committee on Law & Justice: Concerning electronic monitoring with victim notification technology. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

March 2, 2020

ESB 5402 Prime Sponsor, Senator Schoesler: Improving tax and licensing laws administered by the department of revenue, but not including changes to tax laws that are estimated to affect state or local tax collections as reflected in any fiscal note prepared and approved under the process established in chapter 43.88A RCW. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** 2017 3rd sp.s. c 37 s 501 (uncodified) is amended to read as follows:

(1) This section is the tax preference performance statement for the tax preferences contained in sections 502 and 503, chapter 37, Laws of 2017 3rd sp. sess. This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes these tax preferences as ones intended to induce certain designated behavior by taxpayers, improve industry competitiveness, and create or retain jobs, as indicated in RCW 82.32.808(2) (a) through (c).

(3) It is the legislature's specific public policy objective to maintain and expand business in the semiconductor cluster. It is the legislature's intent to extend by ten years the preferential tax rates for manufacturers and processors for hire of semiconductor materials in order to maintain and grow jobs in the semiconductor cluster.

(4) If a review finds that: (a) Since October 19, 2017, at least one project in

the semiconductor cluster has located in Clark county, and that this project generates at least two thousand five hundred high-wage jobs, all of which pay twenty dollars per hour or more and at least eighty percent of which pay thirty-five dollars per hour or more; and (b) the number of jobs in the semiconductor cluster in Washington has increased since October 19, 2017, then the legislature intends to extend the expiration date of the tax preference.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to data from the department of revenue's annual survey ((data)) for tax years ending before January 1, 2020, and annual tax performance report for subsequent tax years.

Sec. 2. 2017 3rd sp.s. c 37 s 504 (uncodified) is amended to read as follows:

(1) This section is the tax preference performance statement for the tax preferences contained in sections 505 through 508, chapter 37, Laws of 2017 3rd sp. sess. This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes these tax preferences as ones intended to induce certain designated behavior by taxpayers, improve industry competitiveness, and create or retain jobs, as indicated in RCW 82.32.808(2) (a) through (c).

(3) It is the legislature's specific public policy objective to encourage significant construction projects; retain, expand, and attract semiconductor business; and encourage and expand family-wage jobs. It is the legislature's intent to extend by ten years the ((preferential tax rates)) exemptions for sales and use of gases and chemicals used in the production of semiconductor materials, in order to encourage the growth and retention of the semiconductor business in Washington, thereby strengthening Washington's competitiveness with other states for manufacturing investment.

(4) If a review finds that the number of construction projects in the industry

has increased, and that ((H:\DATA\2020 JOURNAL\Journal2020\LegDay050\the.doc)) the number of people employed by the solar silicon, silicon manufacturing, and semiconductor fabrication industry in Washington is the same or more than in 2015, and that at least sixty percent of employees earn sixty thousand dollars a year, then the legislature intends to extend the expiration date of the tax preferences.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to data from the department of revenue's annual survey ((data)) for tax years ending before January 1, 2020, and annual tax performance report for subsequent tax years.

Sec. 3. RCW 19.02.085 and 2013 c 144 s 22 are each amended to read as follows:

(1) To encourage timely renewal by applicants, a business license delinquency fee is imposed on licensees who fail to renew by the business license expiration date. The business license delinquency fee must be the lesser of one hundred fifty dollars or fifty percent of a base comprised of the licensee's renewal fee minus corporate licensing taxes, corporation annual report fee, and any interest fees or penalties charged for late taxes or corporate renewals. The business license delinquency fee must be added to the renewal fee and paid by the licensee before a business license is renewed. The delinquency fee must be deposited in the business license account.

(2) The department must waive or cancel the business license delinquency fee imposed in subsection (1) of this section only if the department determines that the licensee failed to renew a license by the business license expiration date due to an undisputable error or failure by the department. For purposes of this subsection, an error or failure is undisputable if the department is satisfied, beyond any doubt, that the error or failure occurred.

Sec. 4. RCW 82.04.192 and 2017 c 323 s 514 are each amended to read as follows:

(1) "Digital audio works" means works that result from the fixation of a series of musical, spoken, or other sounds, including ringtones.

(2) "Digital audiovisual works" means a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any.

(3) (a) "Digital automated service," except as provided in (b) of this subsection (3), means any service transferred electronically that uses one or more software applications.

(b) "Digital automated service" does not include:

(i) Any service that primarily involves the application of human effort by the seller, and the human effort originated after the customer requested the service;

(ii) The loaning or transferring of money or the purchase, sale, or transfer of financial instruments. For purposes of this subsection (3) (b) (ii), "financial instruments" include cash, accounts receivable and payable, loans and notes receivable and payable, debt securities, equity securities, as well as derivative contracts such as forward contracts, swap contracts, and options;

(iii) Dispensing cash or other physical items from a machine;

(iv) Payment processing services;

(v) Parimutuel wagering and handicapping contests as authorized by chapter 67.16 RCW;

(vi) Telecommunications services and ancillary services as those terms are defined in RCW 82.04.065;

(vii) The internet and internet access as those terms are defined in RCW 82.04.297;

(viii) The service described in RCW 82.04.050 (6) (c);

(ix) Online educational programs provided by a:

(A) Public or private elementary or secondary school; or

(B) An institution of higher education as defined in sections 1001 or 1002 of the federal higher education act of 1965 (Title 20 U.S.C. Secs. 1001 and 1002), as existing on July 1, 2009. For purposes of this subsection (3) (b) (ix) (B), an online educational program must be encompassed within the institution's accreditation;

(x) Live presentations, such as lectures, seminars, workshops, or courses, where participants are connected to other participants via the internet or telecommunications equipment, which allows audience members and the presenter or instructor to give, receive, and discuss information with each other in real time;

(xi) Travel agent services, including online travel services, and automated systems used by travel agents to book reservations;

(xii) (A) A service that allows the person receiving the service to make online sales of products or services, digital or otherwise, using either: (I) The service provider's web site; or (II) the service recipient's web site, but only when the service provider's technology is used in creating or hosting the service recipient's web site or is used in processing orders from customers using the service recipient's web site.

(B) The service described in this subsection (3) (b) (xii) does not include the underlying sale of the products or services, digital or otherwise, by the person receiving the service;

(xiii) Advertising services. For purposes of this subsection (3) (b) (xiii), "advertising services" means all services directly related to the creation, preparation, production, or the dissemination of advertisements. Advertising services include layout, art direction, graphic design, mechanical preparation, production supervision, placement, and rendering advice to a client concerning the best methods of advertising that client's products or services. Advertising services also include online referrals, search engine marketing and lead generation optimization, web campaign planning, the acquisition of advertising space in the internet media, and the monitoring and evaluation of web site traffic for purposes of determining the effectiveness of an advertising campaign. Advertising services do not include web hosting services and domain name registration;

(xiv) The mere storage of digital products, digital codes, computer software, or master copies of software. This exclusion from the definition of digital automated services includes providing space on a server for web

hosting or the backing up of data or other information;

(xv) Data processing services. For purposes of this subsection (3)(b)(xv), "data processing service" means a primarily automated service provided to a business or other organization where the primary object of the service is the systematic performance of operations by the service provider on data supplied in whole or in part by the customer to extract the required information in an appropriate form or to convert the data to usable information. Data processing services include check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities. Data processing does not include the service described in RCW 82.04.050(6)(c); and

(xvi) Digital goods.

(4) "Digital books" means works that are generally recognized in the ordinary and usual sense as books.

(5) "Digital code" means a code that provides a purchaser with the right to obtain one or more digital products, if all of the digital products to be obtained through the use of the code have the same sales and use tax treatment. "Digital code" does not include a code that represents a stored monetary value that is deducted from a total as it is used by the purchaser. "Digital code" also does not include a code that represents a redeemable card, gift card, or gift certificate that entitles the holder to select digital products of an indicated cash value. A digital code may be obtained by any means, including email or by tangible means regardless of its designation as song code, video code, book code, or some other term.

(6)(a) "Digital goods," except as provided in (b) of this subsection (6), means sounds, images, data, facts, or information, or any combination thereof, transferred electronically, including, but not limited to, specified digital products and other products transferred electronically not included within the definition of specified digital products.

(b) The term "digital goods" does not include:

(i) Telecommunications services and ancillary services as those terms are defined in RCW 82.04.065;

(ii) Computer software as defined in RCW 82.04.215;

(iii) The internet and internet access as those terms are defined in RCW 82.04.297;

(iv)(A) Except as provided in (b)(iv)(B) of this subsection (6), the representation of a personal or professional service in electronic form, such as an electronic copy of an engineering report prepared by an engineer, where the service primarily involves the application of human effort by the service provider, and the human effort originated after the customer requested the service.

(B) The exclusion in (b)(iv)(A) of this subsection (6) does not apply to photographers in respect to amounts received for the taking of photographs that are transferred electronically to the customer, but only if the customer is an end user, as defined in RCW 82.04.190(11), of the photographs. Such amounts are considered to be for the sale of digital goods; and

(v) Services and activities excluded from the definition of digital automated services in subsection (3)(b)(i) through (xv) of this section and not otherwise described in (b)(i) through (iv) of this subsection (6).

(7) "Digital products" means digital goods and digital automated services.

(8) "Electronically transferred" or "transferred electronically" means obtained by the purchaser by means other than tangible storage media. It is not necessary that a copy of the product be physically transferred to the purchaser. So long as the purchaser may access the product, it will be considered to have been electronically transferred to the purchaser.

(9) "Specified digital products" means electronically transferred digital audiovisual works, digital audio works, and digital books.

(10) "Subscription radio services" means the sale of audio programming by a radio broadcaster as defined in RCW (~~82.08.0208~~) 82.08.0208, except as otherwise provided in this subsection. "Subscription radio services" does not include audio programming that is sold on a pay-per-program basis or that allows the buyer to access a library of programs

at any time for a specific charge for that service.

(11) "Subscription television services" means the sale of video programming by a television broadcaster as defined in RCW ~~((82.08.0208))~~ 82.08.0208, except as otherwise provided in this subsection. "Subscription television services" does not include video programming that is sold on a pay-per-program basis or that allows the buyer to access a library of programs at any time for a specific charge for that service, but only if the seller is not subject to a franchise fee in this state under the authority of Title 47 U.S.C. Sec. 542(a) on the gross revenue derived from the sale.

Sec. 5. RCW 82.04.4266 and 2015 3rd sp.s. c 6 s 202 are each amended to read as follows:

(1) This chapter does not apply to the value of products or the gross proceeds of sales derived from:

(a) Manufacturing fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables; or

(b) Selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state. A person taking an exemption under this subsection (1)(b) must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.

(2) For purposes of this section, "fruits" and "vegetables" do not include marijuana, useable marijuana, or marijuana-infused products.

(3) A person claiming the exemption provided in this section must file a complete annual ~~((survey))~~ tax performance report with the department under RCW ~~((82.32.585))~~ 82.32.534.

(4) This section expires July 1, 2025.

Sec. 6. RCW 82.04.4268 and 2015 3rd sp.s. c 6 s 203 are each amended to read as follows:

(1) In computing tax there may be deducted from the measure of tax, the value of products or the gross proceeds of sales derived from:

(a) Manufacturing dairy products; or

(b) Selling dairy products manufactured by the seller to purchasers who either transport in the ordinary course of business the goods out of this state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product. A person taking an exemption under this subsection (1)(b) must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.

(2) "Dairy products" has the same meaning as provided in RCW 82.04.260.

(3) A person claiming the exemption provided in this section must file a complete annual ~~((survey))~~ tax performance report with the department under RCW ~~((82.32.585))~~ 82.32.534.

(4) This section expires July 1, 2025.

Sec. 7. RCW 82.04.4269 and 2015 3rd sp.s. c 6 s 204 are each amended to read as follows:

(1) This chapter does not apply to the value of products or the gross proceeds of sales derived from:

(a) Manufacturing seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; or

(b) Selling manufactured seafood products that remain in a raw, raw frozen, or raw salted state to purchasers who transport in the ordinary course of business the goods out of this state. A person taking an exemption under this subsection (1)(b) must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.

(2) A person claiming the exemption provided in this section must file a complete annual ~~((survey))~~ tax performance report with the department under RCW ~~((82.32.585))~~ 82.32.534.

(3) This section expires July 1, 2025.

Sec. 8. RCW 82.04.4327 and 1985 c 471 s 6 are each amended to read as follows:

In computing tax (~~there may be deducted~~) under this chapter, an artistic or cultural organization may deduct from the measure of tax (~~those~~):

(1) All amounts received by the artistic or cultural (~~organizations which represent income derived from business activities conducted by the organization~~) organization; and

(2) The value of articles manufactured by the artistic or cultural organization solely for use by the organization in displaying art objects or presenting artistic or cultural exhibitions, performances, or programs for attendance or viewing by the general public.

Sec. 9. RCW 82.04.4328 and 1985 c 471 s 7 are each amended to read as follows:

(1) For the purposes of RCW (~~82.04.4322, 82.04.4324, 82.04.4326,~~) 82.04.4327, 82.08.031, and 82.12.031, the term "artistic or cultural organization" means an organization (~~which~~) that is organized and operated exclusively for the purpose of providing artistic or cultural exhibitions, presentations, or performances or cultural or art education programs, as defined in subsection (2) of this section, for viewing or attendance by the general public. The organization must be a not-for-profit corporation under chapter 24.03 RCW and managed by a governing board of not less than eight individuals none of whom is a paid employee of the organization or by a corporation sole under chapter 24.12 RCW. In addition, to qualify for deduction or exemption from taxation under RCW (~~82.04.4322, 82.04.4324, 82.04.4326,~~) 82.04.4327, 82.08.031, and 82.12.031, the corporation (~~shall~~) must satisfy the following conditions:

(a) No part of its income may be paid directly or indirectly to its members, stockholders, officers, directors, or trustees except in the form of services rendered by the corporation in accordance with its purposes and bylaws;

(b) Salary or compensation paid to its officers and executives must be only

for actual services rendered, and at levels comparable to the salary or compensation of like positions within the state;

(c) Assets of the corporation must be irrevocably dedicated to the activities for which the exemption is granted and, on the liquidation, dissolution, or abandonment by the corporation, may not inure directly or indirectly to the benefit of any member or individual except a nonprofit organization, association, or corporation which also would be entitled to the exemption;

(d) The corporation must be duly licensed or certified when licensing or certification is required by law or regulation;

(e) The amounts received that qualify for exemption must be used for the activities for which the exemption is granted;

(f) Services must be available regardless of race, color, national origin, or ancestry; and

(g) The director of revenue (~~shall~~) must have access to its books in order to determine whether the corporation is exempt from taxes.

(2) The term "artistic or cultural exhibitions, presentations, or performances or cultural or art education programs" includes and is limited to:

(a) An exhibition or presentation of works of art or objects of cultural or historical significance, such as those commonly displayed in art or history museums;

(b) A musical or dramatic performance or series of performances; or

(c) An educational seminar or program, or series of such programs, offered by the organization to the general public on an artistic, cultural, or historical subject.

Sec. 10. RCW 82.08.0201 and 1992 c 194 s 10 are each amended to read as follows:

Before January 1, 1994, and January 1st of each odd-numbered year thereafter:

The department of licensing, with the assistance of the department of revenue, (~~shall~~) must provide the office of financial management and the fiscal committees of the legislature with an updated estimate of the amount of revenue

attributable to the taxes imposed in RCW 82.08.020(2) (~~and the amount of revenue not collected as a result of RCW 82.44.023~~).

Sec. 11. RCW 82.08.0208 and 2009 c 535 s 501 are each amended to read as follows:

(1) The tax imposed by RCW 82.08.020 does not apply to the sale of a digital code for one or more digital products if the sale of the digital products to which the digital code relates is exempt from the tax levied by RCW 82.08.020.

(2)(a) The tax imposed by RCW 82.08.020 does not apply to a business or other organization for the purpose of making the digital good or digital automated service, including a digital good or digital automated service acquired through the use of a digital code, or service defined as a retail sale in RCW 82.04.050(6)(c), available free of charge for the use or enjoyment of the general public. The exemption provided in this subsection (2) does not apply unless the purchaser has the legal right to broadcast, rebroadcast, transmit, retransmit, license, relicense, distribute, redistribute, or exhibit the product, in whole or in part, to the general public.

(b) For purposes of this subsection (2), "general public" means all persons and not limited or restricted to a particular class of persons, except that the general public includes:

(i) A class of persons that is defined as all persons residing or owning property within the boundaries of a state, political subdivision of a state, or a municipal corporation; and

(ii) With respect to libraries, authorized library patrons.

(3)(a) The tax imposed by RCW 82.08.020 does not apply to the sale to a business of digital goods, and services rendered in respect to digital goods, if the digital goods and services rendered in respect to digital goods are purchased solely for business purposes. The exemption provided by this subsection (3) also applies to the sale to a business of a digital code if all of the digital goods to be obtained through the use of the code will be used solely for business purposes.

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

(i) "Business purposes" means any purpose relevant to the business needs of the taxpayer claiming an exemption under this subsection (3). Business purposes do not include any personal, family, or household purpose. The term also does not include any activity conducted by a government entity as that term is defined in RCW 7.25.005; and

(ii) "Services rendered in respect to digital goods" means those services defined as a retail sale in RCW 82.04.050(2)(g).

(4)(a) The tax imposed by RCW 82.08.020 does not apply to the sale of digital goods, digital codes, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c) to a buyer that provides the seller with an exemption certificate claiming multiple points of use. An exemption certificate claiming multiple points of use must be in a form and contain such information as required by the department.

(b) A buyer is entitled to use an exemption certificate claiming multiple points of use only if the buyer is a business or other organization and the digital goods or digital automated services purchased, or the digital goods or digital automated services to be obtained by the digital code purchased, or the prewritten computer software or services defined as a retail sale in RCW 82.04.050(6)(c) purchased will be concurrently available for use within and outside this state. A buyer is not entitled to use an exemption certificate claiming multiple points of use for digital goods, digital codes, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c) purchased for personal use.

(c) A buyer claiming an exemption under this subsection (4) must report and pay the tax imposed in RCW 82.12.020 and any local use taxes imposed under the authority of chapter 82.14 RCW and RCW 81.104.170 directly to the department in accordance with RCW 82.12.0208 and 82.14.457.

(d) For purposes of this subsection (4), "concurrently available for use within and outside this state" means that employees or other agents of the buyer may use the digital goods, digital automated services, prewritten computer software, or services defined as a retail

sale in RCW 82.04.050(6)(c) simultaneously from one or more locations within this state and one or more locations outside this state. A digital code is concurrently available for use within and outside this state if employees or other agents of the buyer may use the digital goods or digital automated services to be obtained by the code simultaneously at one or more locations within this state and one or more locations outside this state.

(5)(a) Except as provided in (b) of this subsection (5), the tax imposed by RCW 82.08.020 does not apply to sales of audio or video programming by a radio or television broadcaster.

(b)(i) Except as provided in (b)(ii) of this subsection (5), the exemption provided in this subsection (5) does not apply in respect to programming that is sold on a pay-per-program basis or that allows the buyer to access a library of programs at any time for a specific charge for that service.

(ii) The exemption provided in this subsection (5) applies to the sale of programming described in (b)(i) of this subsection (5) if the seller is subject to a franchise fee in this state under the authority of Title 47 U.S.C. Sec. 542(a) on the gross revenue derived from the sale.

(c) For purposes of this subsection (5), "radio or television broadcaster" includes satellite radio providers, satellite television providers, cable television providers, and providers of subscription internet television.

(6) Sellers making tax-exempt sales under subsection (2) or (3) of this section must obtain an exemption certificate from the buyer in a form and manner prescribed by the department. The seller must retain a copy of the exemption certificate for the seller's files. In lieu of an exemption certificate, a seller may capture the relevant data elements as allowed under the streamlined sales and use tax agreement.

Sec. 12. RCW 82.08.025651 and 2011 c 23 s 4 are each amended to read as follows:

(1)(a) The tax levied by RCW 82.08.020 does not apply to sales to a public research institution of machinery and equipment used primarily in a research and development operation, or to

sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.

(b) Sellers making tax-exempt sales under this section must obtain from the purchaser an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(2) A public research institution claiming the exemption provided in this section must file a complete annual ~~((survey))~~ tax performance report with the department under RCW ~~((82.32.585))~~ 82.32.534.

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

(a) "Machinery and equipment" means those fixtures, pieces of equipment, digital goods, and support facilities that are an integral and necessary part of a research and development operation, and tangible personal property that becomes an ingredient or component of such fixtures, equipment, and support facilities, including repair parts and replacement parts. "Machinery and equipment" may include, but is not limited to: Computers; software; data processing equipment; laboratory equipment, instrumentation, and other devices used in a process of experimentation to develop a new or improved pilot model, plant process, product, formula, or invention; vats, tanks, and fermenters; operating structures; and all equipment used to control, monitor, or operate the machinery and equipment.

(b) "Machinery and equipment" does not include:

- (i) Hand-powered tools;
- (ii) Property with a useful life of less than one year;
- (iii) Buildings; and
- (iv) Those building fixtures that are not an integral and necessary part of a research and development operation and that are permanently affixed to and become a physical part of a building, such as utility systems for heating, ventilation, air conditioning, communications, plumbing, or electrical.

(c) "Primarily" means greater than fifty percent as measured by time. If machinery and equipment is used simultaneously in a research and development operation and also for other purposes, the use for other purposes must be disregarded during the period of simultaneous use for purposes of determining whether the machinery and equipment is used primarily in a research and development operation.

(d) "Public research institution" means any college or university included within the definitions of state universities, regional universities, or state college in RCW 28B.10.016.

(e) "Research and development operation" means engaging in research and development as defined in RCW 82.63.010.

Sec. 13. RCW 82.08.02807 and 2014 c 97 s 306 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 (~~shall~~) does not apply to the sales of medical supplies, chemicals, or materials to an organ procurement organization exempt under RCW 82.04.326. This exemption does not apply to the sale of construction materials, office equipment, building equipment, administrative supplies, or vehicles.

(2) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Chemical" means any catalyst, solvent, water, acid, oil, or other additive that physically or chemically interacts with blood, bone, or tissue.

(b) "Materials" means any item of tangible personal property including, but not limited to, bags, packs, collecting sets, filtering materials, testing reagents, antisera, and refrigerants, used or consumed in performing research on, procuring, testing, processing, storing, packaging, distributing, or using blood, bone, or tissue.

(c) "Medical supplies" means any item of tangible personal property, including any repair and replacement parts for such tangible personal property, used by an organ procurement organization exempt under RCW 82.04.326 for the purpose of performing research on, procuring, testing, processing, storing, packaging, distributing, or using blood, bone, or

tissue. The term includes tangible personal property used to:

(i) Provide preparatory treatment of blood, bone, or tissue;

(ii) Control, guide, measure, tune, verify, align, regulate, test, or physically support blood, bone, or tissue; or

(iii) Protect the health and safety of employees or others present during research on, procuring, testing, processing, storing, packaging, distributing, or using blood, bone, or tissue.

Sec. 14. RCW 82.08.155 and 2012 c 39 s 1 are each amended to read as follows:

(1)(a) If the department determines that a taxpayer is more than thirty days delinquent in reporting or remitting spirits taxes on a tax return or assessed by the department, including any applicable penalties and interest on such taxes, the department may request that the liquor (~~control~~) and cannabis board suspend the taxpayer's spirits license or licenses and refuse to renew any existing spirits license held by the taxpayer or issue any new spirits license to the taxpayer. The department must provide written notice to the affected taxpayer of the department's request to the liquor (~~control~~) and cannabis board.

(b) Before the department may make a request to the liquor (~~control~~) and cannabis board as authorized in (a) of this subsection (1), the department must have provided the taxpayer with at least seven calendar days prior written notice. This notice must inform the taxpayer that the department intends to request that the liquor (~~control~~) and cannabis board suspend the taxpayer's spirits license or licenses and refuse to renew any existing license of the taxpayer or issue any new spirits license to the taxpayer unless, within seven calendar days of the date of the notice, the taxpayer submits any unfiled tax returns for reporting spirits taxes and remits full payment of its outstanding spirits tax liability to the department or negotiates payment arrangements for the unpaid spirits taxes. The notice required by this subsection (1)(b) must include information listing any unfiled tax returns; the amount of unpaid spirits taxes, including any applicable penalties and interest; who to contact to inquire about payment arrangements; and that the taxpayer may seek administrative

review by the department of the notice, and the deadline for seeking such review. Nothing in this subsection (1)(b) requires the department to enter into any payment arrangement proposed by a taxpayer if the department determines that the taxpayer's proposal is not satisfactory.

(c) The department may not make a request to the liquor ~~((control))~~ and cannabis board under (a) of this subsection ~~((1)(a) of this section))~~ relating to any spirits taxes that are the subject of pending administrative review by the department.

(2) A taxpayer's right to administrative review of the notice required in subsection (1)(b) of this section:

(a) May be conducted under any rule adopted pursuant to RCW 82.01.060(4) or as a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494; and

(b) Does not include the right to challenge the amount of any spirits taxes assessed by the department if the taxpayer previously sought or could have sought administrative review of the assessment as provided in RCW 82.32.160.

(3) The notices required by this section may be provided electronically in accordance with RCW 82.32.135.

(4) For purposes of this section:

(a) "Spirits license" has the same meaning as in RCW 66.24.010(3)(c); and

(b) "Spirits taxes" means the taxes imposed in RCW 82.08.150.

Sec. 15. RCW 82.08.195 and 2010 c 111 s 601 are each amended to read as follows:

(1) Except as provided in subsection (6) of this section, a bundled transaction is subject to the tax imposed by RCW 82.08.020 if the retail sale of any of its component products would be subject to the tax imposed by RCW 82.08.020.

(2) The transactions described in RCW 82.08.190(4) (a) and (b) are subject to the tax imposed by RCW 82.08.020 if the service that is the true object of the transaction is subject to the tax imposed by RCW 82.08.020. If the service that is the true object of the transaction is not subject to the tax imposed by RCW 82.08.020, the transaction is not subject to the tax imposed by RCW 82.08.020.

(3) The transaction described in RCW 82.08.190(4)(c) is not subject to the tax imposed by RCW 82.08.020.

(4) The transaction described in RCW 82.08.190(4)(d) is not subject to the tax imposed by RCW 82.08.020.

(5) In the case of a bundled transaction that includes any of the following: Telecommunications service, ancillary service, internet access, or audio or video programming service:

(a) If the price is attributable to products that are taxable and products that are not taxable, the portion of the price attributable to the nontaxable products are subject to the tax imposed by RCW 82.08.020 unless the seller can identify by reasonable and verifiable standards the portion from its books and records that are kept in the regular course of business for other purposes including, but not limited to, nontax purposes;

(b) If the price is attributable to products that are subject to tax at different tax rates, the total price is attributable to the products subject to the tax at the highest tax rate unless the seller can identify by reasonable and verifiable standards the portion of the price attributable to the products subject to the tax imposed by RCW 82.08.020 at the lower rate from its books and records that are kept in the regular course of business for other purposes including, but not limited to, nontax purposes.

(6) The tax imposed by RCW 82.08.020 does not apply in respect to a bundled transaction consisting entirely of the sale of services or of services and prepared food, if the sale is to a resident, sixty-two years of age or older, of a qualified low-income senior housing facility by the lessor or operator of the facility. A single bundled transaction involving both spouses of a marital community or both domestic partners of a domestic partnership meets the age requirement in this subsection if at least one of the spouses or domestic partners is at least sixty-two years of age. For purposes of this subsection, "qualified low-income senior housing facility" has the same meaning as in RCW 82.08.0293.

(7) In the case of the sale of a code that provides a purchaser with the right to obtain more than one digital product or one or more digital products and other

products or services, and all of the products and services, digital or otherwise, to be obtained through the use of the code do not have the same sales and use tax treatment, for purposes of the tax imposed by RCW 82.08.020:

(a) The transaction is deemed to be the sale of the products and services to be obtained through the use of the code; and

(b)(i) The tax imposed by RCW 82.08.020 applies to the entire selling price of the code, except as provided in (b)(ii) of this subsection (7).

(ii) If the seller can identify by reasonable and verifiable standards the portion of the selling price attributable to the products and services that are not subject to the tax imposed by RCW 82.08.020 from its books and records that are kept in the regular course of business for other purposes including, but not limited to, nontax purposes, the tax imposed by RCW 82.08.020 does not apply to that portion of the selling price of the code attributable to the products and services that are not subject to the tax imposed by RCW 82.08.020 nor to that portion of the selling price of the code attributable to any digital goods, the sale of which is exempt under RCW ~~((82.08.02087))~~ 82.08.0208(3).

Sec. 16. RCW 82.08.806 and 2011 c 174 s 204 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales, to a printer or publisher, of computer equipment, including repair parts and replacement parts for such equipment, when the computer equipment is used primarily in the printing or publishing of any printed material, or to sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the computer equipment. This exemption applies only to computer equipment not otherwise exempt under RCW 82.08.02565.

(2) A person taking the exemption under this section must keep records necessary for the department to verify eligibility under this section. This exemption is available only when the purchaser provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(3) The definitions in this subsection (3) apply throughout this section, unless the context clearly requires otherwise.

(a) "Computer" has the same meaning as in RCW 82.04.215.

(b) "Computer equipment" means a computer and the associated physical components that constitute a computer system, including monitors, keyboards, printers, modems, scanners, pointing devices, and other computer peripheral equipment, cables, servers, and routers. "Computer equipment" also includes digital cameras and computer software.

(c) "Computer software" has the same meaning as in RCW 82.04.215.

(d) "Primarily" means greater than fifty percent as measured by time.

(e) "Printer or publisher" means a person, as defined in RCW 82.04.030, who is subject to tax under RCW 82.04.260 ~~((13))~~ (14) or 82.04.280(1)(a).

(4) "Computer equipment" does not include computer equipment that is used primarily for administrative purposes including but not limited to payroll processing, accounting, customer service, telemarketing, and collection. If computer equipment is used simultaneously for administrative and nonadministrative purposes, the administrative use must be disregarded during the period of simultaneous use for purposes of determining whether the computer equipment is used primarily for administrative purposes.

Sec. 17. RCW 82.08.9651 and 2017 3rd sp.s. c 37 s 506 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of gases and chemicals used by a manufacturer or processor for hire in the production of semiconductor materials. This exemption is limited to gases and chemicals used in the production process to grow the product, deposit or grow permanent or sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other such uses whereby the gases and chemicals come into direct contact with the product during the production process, or uses of gases and chemicals to clean the chambers and other like equipment in which such

processing takes place. For the purposes of this section, "semiconductor materials" has the meaning provided in RCW 82.04.2404 and 82.04.294(3).

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

(3) No application is necessary for the tax exemption. The person is subject to all of the requirements of chapter 82.32 RCW.

(4) Any person who has claimed the (~~preferential tax rate~~) exemption under this section must reimburse the department for fifty percent of the amount of the tax preference under this section, if:

(a) The number of persons employed by the person claiming the tax preference is less than ninety percent of the person's three-year employment average for the three years immediately preceding the year in which the (~~preferential tax rate~~) exemption is claimed; or

(b) The person is subject to a review under section 501(4)(a), chapter 37, Laws of 2017 3rd sp. sess. and such person does not meet performance criteria in section 501(4)(a), chapter 37, Laws of 2017 3rd sp. sess.

(5) This section expires December 1, 2028.

Sec. 18. RCW 82.12.0208 and 2009 c 535 s 601 are each amended to read as follows:

(1) The provisions of this chapter do not apply in respect to the use of a digital code for one or more digital products, if the use of the digital products to which the digital code relates is exempt from the tax levied by RCW 82.12.020.

(2) The provisions of this chapter do not apply to the use by a business or other organization of digital goods, digital codes, digital automated services, or services defined as a retail sale in RCW 82.04.050(6)(c) for the purpose of making the digital good or digital automated service, including a digital good or digital automated service acquired through the use of a digital code, or service defined as a retail sale in RCW 82.04.050(6)(c) available free of charge for the use or enjoyment of the general public. For purposes of this subsection (2), "general public" has the

same meaning as in RCW 82.08.0208. The exemption provided in this subsection (2) does not apply unless the user has the legal right to broadcast, rebroadcast, transmit, retransmit, license, relicense, distribute, redistribute, or exhibit the product, in whole or in part, to the general public.

(3) The provisions of this chapter do not apply to the use by students of digital goods furnished by a public or private elementary or secondary school, or an institution of higher education as defined in section 1001 or 1002 of the federal higher education act of 1965 (Title 20 U.S.C. Secs. 1001 and 1002), as existing on July 1, 2009.

(4) (a) The provisions of this chapter do not apply in respect to the use of digital goods that are:

(i) Of a noncommercial nature, such as personal email communications;

(ii) Created solely for an internal audience; or

(iii) Created solely for the business needs of the person who created the digital good, including business email communications, but not including the type of digital good that is offered for sale.

(b) This subsection (4) does not apply to the use of any digital goods purchased by the user, the user's donor, or anybody on the user's behalf.

(5) The provisions of this chapter do not apply in respect to the use of digital products or digital codes obtained by the end user free of charge.

(6) The provisions of this chapter do not apply to the use by a business of digital goods, and services rendered in respect to digital goods, where the digital goods and services rendered in respect to digital goods are used solely for business purposes. The exemption provided by this subsection (6) also applies to the use by a business of a digital code if all of the digital goods to be obtained through the use of the code will be used solely for business purposes. For purposes of this subsection (6), the definitions in RCW 82.08.0208 apply.

(7) (a) A business or other organization subject to the tax imposed in RCW 82.12.020 on the use of digital goods, digital codes, digital automated services, prewritten computer software,

or services defined as a retail sale in RCW 82.04.050(6)(c) that are concurrently available for use within and outside this state is entitled to apportion the amount of tax due this state based on users in this state compared to users everywhere. The department may authorize or require an alternative method of apportionment supported by the taxpayer's records that fairly reflects the proportion of in-state to out-of-state use by the taxpayer of the digital goods, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c).

(b) No apportionment under this subsection (7) is allowed unless the apportionment method is supported by the taxpayer's records kept in the ordinary course of business.

(c) For purposes of this subsection (7), the following definitions apply:

(i) "Concurrently available for use within and outside this state" means that employees or other agents of the taxpayer may use the digital goods, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c) simultaneously at one or more locations within this state and one or more locations outside this state. A digital code is concurrently available for use within and outside this state if employees or other agents of the taxpayer may use the digital goods or digital automated services to be obtained by the code simultaneously at one or more locations within this state and one or more locations outside this state; and

(ii) "User" means an employee or agent of the taxpayer who is authorized by the taxpayer to use the digital goods, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c) in the performance of his or her duties as an employee or other agent of the taxpayer.

(8)(a) Except as provided in (b) of this subsection (8), the provisions of this chapter do not apply to the use of audio or video programming provided by a radio or television broadcaster.

(b)(i) Except as provided in (b)(ii) of this subsection (8), the exemption provided in this subsection (8) does not apply in respect to programming that is sold on a pay-per-program basis or that

allows the buyer to access a library of programs at any time for a specific charge for that service.

(ii) The exemption provided in this subsection (8) applies to the sale of programming described in (b)(i) of this subsection (8) if the seller is subject to a franchise fee in this state under the authority of Title 47 U.S.C. Sec. 542(a) on the gross revenue derived from the sale.

(c) For purposes of this subsection (8), "radio or television broadcaster" includes satellite radio providers, satellite television providers, cable television providers, providers of subscription internet television, and persons who provide radio or television broadcasting to listeners or viewers for no charge.

Sec. 19. RCW 82.12.02749 and 2002 c 113 s 3 are each amended to read as follows:

The tax levied by RCW 82.08.020 (~~shall~~) does not apply to the use of medical supplies, chemicals, or materials by an organ procurement organization exempt under RCW 82.04.326. The definitions of medical supplies, chemicals, and materials in RCW (~~82.04.324~~) 82.08.02807 apply to this section. This exemption does not apply to the use of construction materials, office equipment, building equipment, administrative supplies, or vehicles.

Sec. 20. RCW 82.12.930 and 2003 c 5 s 17 are each amended to read as follows:

The provisions of this chapter do not apply with respect to the use by municipal corporations, the state, and all political subdivisions thereof of tangible personal property consumed and/or of labor and services as defined in RCW 82.04.050(2)(a) rendered in respect to contracts for watershed protection and/or flood prevention. This exemption is limited to that portion of the selling price that is reimbursed by the United States government according to the provisions of the watershed protection and flood prevention act (68 Stat. 666; 16 U.S.C. Sec. (~~101~~) 1001 et seq.).

Sec. 21. RCW 82.12.956 and 2013 2nd sp.s. c 13 s 1003 are each amended to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of hog

fuel for production of electricity, steam, heat, or biofuel.

(2) For the purposes of this section:

(a) "Biofuel" has the same meaning as provided in RCW 82.08.956; and

(b) "Hog fuel" has the same meaning as provided in RCW 82.08.956 (~~and~~

~~(b) "Biofuel" has the same meaning as provided in RCW 43.325.010~~)).

(3) This section expires June 30, 2024.

Sec. 22. RCW 82.12.9651 and 2017 3rd sp.s. c 37 s 508 are each amended to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of gases and chemicals used by a manufacturer or processor for hire in the production of semiconductor materials. This exemption is limited to gases and chemicals used in the production process to grow the product, deposit or grow permanent or sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other such uses whereby the gases and chemicals come into direct contact with the product during the production process, or uses of gases and chemicals to clean the chambers and other like equipment in which such processing takes place. For purposes of this section, "semiconductor materials" has the meaning provided in RCW 82.04.2404 and 82.04.294(3).

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

(3) No application is necessary for the tax exemption. The person is subject to all of the requirements of chapter 82.32 RCW.

(4) Any person who has claimed the ~~((preferential tax rate))~~ exemption under this section must reimburse the department for fifty percent of the amount of the tax preference under this section, if:

(a) The number of persons employed by the person claiming the tax preference is less than ninety percent of the person's three-year employment average for the three years immediately preceding the year in which the ~~((preferential tax rate))~~ exemption is claimed; or

(b) The person is subject to a review under section 501(4) (a), chapter 37, Laws of 2017 3rd sp. sess. and such person does not meet performance criteria in section 501(4) (a), chapter 37, Laws of 2017 3rd sp. sess.

(5) This section expires December 1, 2028.

Sec. 23. RCW 82.14.049 and 2011 c 174 s 107 are each amended to read as follows:

(1) The legislative authority of any county may impose a sales and use tax, in addition to the tax authorized by RCW 82.14.030, upon retail car rentals within the county that are taxable by the state under chapters 82.08 and 82.12 RCW. The rate of tax is one percent of the selling price in the case of a sales tax or rental value of the vehicle in the case of a use tax. Proceeds of the tax may not be used to subsidize any professional sports team and must be used solely for the following purposes:

(a) Acquiring, constructing, maintaining, or operating public sports stadium facilities;

(b) Engineering, planning, financial, legal, or professional services incidental to public sports stadium facilities;

(c) Youth or amateur sport activities or facilities; or

(d) Debt or refinancing debt issued for the purposes of subsection (1) of this section.

(2) In a county of one million or more, at least seventy-five percent of the tax imposed under this section must be used to retire the debt on the stadium under RCW 67.28.180(2) (b) ~~((+i+))~~ (i) (B), until that debt is fully retired.

Sec. 24. RCW 82.14.400 and 2000 c 240 s 1 are each amended to read as follows:

(1) Upon the joint request of a metropolitan park district, a city with a population of more than one hundred fifty thousand, and a county legislative authority in a county with a national park and a population of more than five hundred thousand and less than one million five hundred thousand, the county ~~((shall))~~ must submit an authorizing proposition to the county voters, fixing and imposing a sales and use tax in accordance with this chapter for the

purposes designated in subsection (4) of this section and identified in the joint request. Such proposition must be placed on a ballot for a special or general election to be held no later than one year after the date of the joint request.

(2) The proposition is approved if it receives the votes of a majority of those voting on the proposition.

(3) The tax authorized in this section is in addition to any other taxes authorized by law and ~~((shall))~~ must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the county. The rate of tax ~~((shall))~~ must equal no more than one-tenth of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.

(4) Moneys received from any tax imposed under this section ~~((shall))~~ must be used solely for the purpose of providing funds for:

(a) Costs associated with financing, design, acquisition, construction, equipping, operating, maintaining, remodeling, repairing, reequipping, or improvement of zoo, aquarium, and wildlife preservation and display facilities that are currently accredited by the American zoo and aquarium association; or

(b) Those costs associated with (a) of this subsection and costs related to parks located within a county described in subsection (1) of this section.

(5) The department ~~((of revenue shall))~~ must perform the collection of such taxes on behalf of the county at no cost to the county. In lieu of the charge for the administration and collection of local sales and use taxes under RCW 82.14.050 from which the county is exempt under this subsection (5), a percentage of the tax revenues authorized by this section equal to one-half of the maximum percentage provided in RCW 82.14.050 ~~((shall))~~ must be transferred annually to the department of ~~((community, trade, and economic development))~~ commerce, or its successor agency, from the funds allocated under subsection (6) (b) of this section for a period of twelve years from the first date of distribution of funds under subsection (6) (b) of this section. The department of ~~((community, trade, and economic development))~~ commerce, or its successor agency, ~~((shall))~~ must use

funds transferred to it pursuant to this subsection (5) to provide, operate, and maintain community-based housing under chapter 43.185 RCW for ~~((persons who are mentally ill))~~ individuals with mental illness.

(6) If the joint request and the authorizing proposition include provisions for funding those costs included within subsection (4) (b) of this section, the tax revenues authorized by this section ~~((shall))~~ must be allocated annually as follows:

(a) Fifty percent to the zoo and aquarium advisory authority; and

(b) Fifty percent to be distributed on a per capita basis as set out in the most recent population figures for unincorporated and incorporated areas only within that county, as determined by the office of financial management, solely for parks, as follows: To any metropolitan park district, to cities and towns not contained within a metropolitan park district, and the remainder to the county. Moneys received under this subsection (6) (b) by a county may not be used to replace or supplant existing per capita funding.

(7) Funds ~~((shall))~~ must be distributed annually by the county treasurer to the county, and cities and towns located within the county, in the manner set out in subsection (6) (b) of this section.

(8) Prior to expenditure of any funds received by the county under subsection (6) (b) of this section, the county ~~((shall))~~ must establish a process which considers needs throughout the unincorporated areas of the county in consultation with community advisory councils established by ordinance.

(9) By December 31, 2005, and thereafter, the county or any city with a population greater than eighty thousand must provide at least one dollar match for every two dollars received under this section.

(10) Properties subject to a memorandum of agreement between the federal bureau of land management, the advisory council on historic preservation, and the Washington state historic preservation officer have priority for funding from money received under subsection (6) (b) of this section for implementation of the stipulations in the memorandum of agreement.

(a) At least one hundred thousand dollars of the first four years of allocations under subsection (6)(b) of this section, to be matched by the county or city with one dollar for every two dollars received, (~~shall~~) must be used to implement the stipulations of the memorandum of agreement and for other historical, archaeological, architectural, and cultural preservation and improvements related to the properties.

(b) The amount in (a) of this subsection (~~shall~~) must come equally from the allocations to the county and to the city in which the properties are located, unless otherwise agreed to by the county and the city.

(c) The amount in (a) of this subsection (~~shall~~) may not be construed to displace or be offered in lieu of any lease payment from a county or city to the state for the properties in question.

Sec. 25. RCW 82.14.457 and 2017 c 323 s 527 are each amended to read as follows:

(1) A business or other organization that is entitled under RCW (~~82.12.0208~~) 82.12.0208(7) to apportion the amount of state use tax on the use of digital goods, digital codes, digital automated services, prewritten computer software, or services defined as a retail sale in RCW 82.04.050(6)(c) is also entitled to apportion the amount of local use taxes imposed under the authority of this chapter and RCW 81.104.170 on the use of such products or services.

(2) To ensure that the tax base for state and local use taxes is identical, the measure of local use taxes apportioned under this section must be the same as the measure of state use tax apportioned under RCW (~~82.12.0208~~) 82.12.0208(7).

(3) This section does not affect the sourcing of local use taxes.

Sec. 26. RCW 82.16.0497 and 2006 c 213 s 1 are each amended to read as follows:

(1) (~~Unless the context clearly requires otherwise,~~) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Base credit" means the maximum amount of credit against the tax imposed

by this chapter that each light and power business or gas distribution business may take each fiscal year as calculated by the department. The base credit is equal to the proportionate share that the total grants received by each light and power business or gas distribution business in the prior fiscal year bears to the total grants received by all light and power businesses and gas distribution businesses in the prior fiscal year multiplied by five million five hundred thousand dollars for fiscal year 2007, and two million five hundred thousand dollars for all other fiscal years before and after fiscal year 2007.

(b) "Billing discount" means a reduction in the amount charged for providing service to qualifying persons in Washington made by a light and power business or a gas distribution business. Billing discount does not include grants received by the light and power business or a gas distribution business.

(c) "Grant" means funds provided to a light and power business or gas distribution business by the department of (~~community, trade, and economic development~~) commerce or by a qualifying organization.

(d) "Low-income home energy assistance program" means energy assistance programs for low-income households as defined on December 31, 2000, in the low-income home energy assistance act of 1981 as amended August 1, 1999, 42 U.S.C. Sec. 8623 et seq.

(e) "Qualifying person" means a Washington resident who applies for assistance and qualifies for a grant regardless of whether that person receives a grant.

(f) "Qualifying contribution" means money given by a light and power business or a gas distribution business to a qualifying organization, exclusive of money received in the prior fiscal year from its customers for the purpose of assisting other customers.

(g) "Qualifying organization" means an entity that has a contractual agreement with the department of (~~community, trade, and economic development~~) commerce to administer in a specified service area low-income home energy assistance funds received from the federal government and such other funds that may be received by the entity.

(2) Subject to the limitations in this section, a light and power business or a gas distribution business may take a credit each fiscal year against the tax imposed under this chapter.

(a)(i) A credit may be taken for qualifying contributions if the dollar amount of qualifying contributions for the fiscal year in which the tax credit is taken is greater than one hundred twenty-five percent of the dollar amount of qualifying contributions given in fiscal year 2000.

(ii) If no qualifying contributions were given in fiscal year 2000, a credit (~~shall be~~) is allowed for the first fiscal year that qualifying contributions are given. Thereafter, credit (~~shall be~~) is allowed if the qualifying contributions given exceed one hundred twenty-five percent of qualifying contributions given in the first fiscal year.

(iii) The amount of credit (~~shall be~~) is fifty percent of the dollar amount of qualifying contributions given in the fiscal year in which the tax credit is taken.

(b)(i) A credit may be taken for billing discounts if the dollar amount of billing discounts for the fiscal year in which the tax credit is taken is greater than one hundred twenty-five percent of the dollar amount of billing discounts given in fiscal year 2000.

(ii) If no billing discounts were given in fiscal year 2000, a credit (~~shall be~~) is allowed in the first fiscal year that billing discounts are given. Thereafter, credit (~~shall be~~) is allowed if the dollar amount of billing discounts given exceeds one hundred twenty-five percent of billing discounts given in the first fiscal year.

(iii) The amount of credit (~~shall be~~) is fifty percent of the dollar amount of the billing discounts given in the fiscal year in which the tax credit is taken.

(c) The total amount of credit that may be taken for qualifying contributions and billing discounts in a fiscal year is limited to the base credit for the same fiscal year.

(3)(a)(i) Except as provided in (a)(ii) of this subsection, the total amount of credit, statewide, that may be taken in any fiscal year (~~shall~~) may

not exceed two million five hundred thousand dollars.

(ii) The total amount of credit, statewide, that may be taken in fiscal year 2007 (~~shall~~) may not exceed five million five hundred thousand dollars.

(b) By May 1st of each year starting in 2002, the department of (~~community, trade, and economic development shall~~) commerce must notify the department of revenue in writing of the grants received in the current fiscal year by each light and power business and gas distribution business.

(4)(a) Not later than June 1st of each year beginning in 2002, the department (~~shall~~) must publish the base credit for each light and power business and gas distribution business for the next fiscal year.

(b) Not later than July 1st of each year beginning in 2002, application for credit must (~~be~~) be made to the department including but not limited to the following information: Billing discounts given by the applicant in fiscal year 2000; qualifying contributions given by the applicant in the prior fiscal year; the amount of money received in the prior fiscal year from customers for the purpose of assisting other customers; the base credit for the next fiscal year for the applicant; the qualifying contributions anticipated to be given in the next fiscal year; and billing discounts anticipated to be given in the next fiscal year. No credit under this section will be allowed to a light and power business or gas distribution business that does not file the application by July 1st.

(c) Not later than August 1st of each year beginning in 2002, the department (~~shall~~) must notify each applicant of the amount of credit that may be taken in that fiscal year.

(d) The balance of base credits not used by other light and power businesses and gas distribution businesses (~~shall~~) must be ratably distributed to applicants under the formula in subsection (1)(a) of this section. The total amount of credit that may be taken by an applicant is the base credit plus any ratable portion of unused base credit.

(5) The credit taken under this section is limited to the amount of tax

imposed under this chapter for the fiscal year. The credit must be claimed in the fiscal year in which the billing reduction is made. Any unused credit expires. Refunds (~~(shall)~~) may not be given in place of credits.

(6) No credit may be taken for billing discounts made before July 1, 2001. Within two weeks of May 8, 2001, the department of (~~community, trade, and economic development shall~~) commerce must notify the department of revenue in writing of the grants received in fiscal year 2001 by each light and power business and gas distribution business. Within four weeks of May 8, 2001, the department of revenue (~~(shall)~~) must publish the base credit for each light and power business and gas distribution business for fiscal year 2002. Within eight weeks of May 8, 2001, application to the department must be made showing the information required in subsection (4)(b) of this section. Within twelve weeks of May 8, 2001, the department (~~(shall)~~) must notify each applicant of the amount of credit that may be taken in fiscal year 2002.

Sec. 27. RCW 82.16.055 and 1980 c 149 s 3 are each amended to read as follows:

(1) In computing tax under this chapter there (~~(shall)~~) must be deducted from the gross income:

(a) An amount equal to the cost of production at the plant for consumption within the state of Washington of:

(i) Electrical energy produced or generated from cogeneration as defined in RCW 82.35.020, as existing on June 30, 2006; and

(ii) Electrical energy or gas produced or generated from renewable energy resources such as solar energy, wind energy, hydroelectric energy, geothermal energy, wood, wood wastes, municipal wastes, agricultural products and wastes, and end-use waste heat; and

(b) Those amounts expended to improve consumers' efficiency of energy end use or to otherwise reduce the use of electrical energy or gas by the consumer.

(2) This section applies only to new facilities for the production or generation of energy from cogeneration or renewable energy resources or measures to improve the efficiency of energy end use on which construction or installation is

begun after June 12, 1980, and before January 1, 1990.

(3) Deductions under subsection (1)(a) of this section (~~(shall)~~) must be allowed for a period not to exceed thirty years after the project is placed in operation.

(4) Measures or projects encouraged under this section (~~(shall)~~) must at the time they are placed in service be reasonably expected to save, produce, or generate energy at a total incremental system cost per unit of energy delivered to end use which is less than or equal to the incremental system cost per unit of energy delivered to end use from similarly available conventional energy resources which utilize nuclear energy or fossil fuels and which the gas or electric utility could acquire to meet energy demand in the same time period.

(5) The department of revenue, after consultation with the utilities and transportation commission in the case of investor-owned utilities and the governing bodies of locally regulated utilities, (~~(shall)~~) must determine the eligibility of individual projects and measures for deductions under this section.

Sec. 28. RCW 82.23A.010 and 2012 1st sp.s. c 3 s 4 are each amended to read as follows:

~~((Unless the context clearly requires otherwise,))~~ The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Petroleum product" means plant condensate, lubricating oil, gasoline, aviation fuel, kerosene, diesel motor fuel, benzol, fuel oil, residual oil, and every other product derived from the refining of crude oil, but the term does not include crude oil or liquefiable gases.

(2) "Possession" means the control of a petroleum product located within this state and includes both actual and constructive possession. "Actual possession" occurs when the person with control has physical possession. "Constructive possession" occurs when the person with control does not have physical possession. "Control" means the power to sell or use a petroleum product or to authorize the sale or use by another.

(3) "Previously taxed petroleum product" means a petroleum product in respect to which a tax has been paid under this chapter and that has not been remanufactured or reprocessed in any manner (other than mere repackaging or recycling for beneficial reuse) since the tax was paid.

(4) "Rack" means a mechanism for delivering petroleum products from a refinery or terminal into a truck, trailer, railcar, or other means of nonbulk transfer. For the purposes of this definition:

(a) "Terminal" has the same ~~(definition as in RCW 82.36.010 and)~~ meaning as provided in RCW 82.38.020; and

(b) "Nonbulk transfer" means a transfer that does not meet the definition of "bulk transfer" as defined in RCW ~~((82.36.010 and))~~ 82.38.020.

(5) "Wholesale value" means fair market wholesale value, determined as nearly as possible according to the wholesale selling price at the place of use of similar products of like quality and character, in accordance with rules of the department.

(6) Except for terms defined in this section, the definitions in chapters 82.04, 82.08, and 82.12 RCW apply to this chapter.

Sec. 29. RCW 82.24.010 and 2012 2nd sp.s. c 4 s 1 are each amended to read as follows:

~~((Unless the context clearly requires otherwise,))~~ The definitions in this section apply throughout this chapter((+)) unless the context clearly requires otherwise.

(1) "Board" means the liquor ~~((control))~~ and cannabis board.

(2) "Cigarette" means any roll for smoking made wholly or in part of tobacco, irrespective of size or shape and irrespective of the tobacco being flavored, adulterated, or mixed with any other ingredient, where such roll has a wrapper or cover made of paper or any material, except where such wrapper is wholly or in the greater part made of natural leaf tobacco in its natural state. "Cigarette" includes a roll-your-own cigarette.

(3) "Cigarette paper" means any paper or any other material except tobacco, prepared for use as a cigarette wrapper.

(4) "Cigarette tube" means cigarette paper made into a hollow cylinder for use in making cigarettes.

(5) "Commercial cigarette-making machine" means a machine that is operated in a retail establishment and that is capable of being loaded with loose tobacco, cigarette paper or tubes, and any other components related to the production of roll-your-own cigarettes, including filters.

(6) "Indian tribal organization" means a federally recognized Indian tribe, or tribal entity, and includes an Indian wholesaler or retailer that is owned by an Indian who is an enrolled tribal member conducting business under tribal license or similar tribal approval within Indian country. For purposes of this chapter "Indian country" is defined in the manner set forth in 18 U.S.C. Sec. 1151.

(7) "Precollection obligation" means the obligation of a seller otherwise exempt from the tax imposed by this chapter to collect the tax from that seller's buyer.

(8) "Retailer" means every person, other than a wholesaler, who purchases, sells, offers for sale or distributes any one or more of the articles taxed herein, irrespective of quantity or amount, or the number of sales, and all persons operating under a retailer's registration certificate.

(9) "Retail selling price" means the ordinary, customary or usual price paid by the consumer for each package of cigarettes, less the tax levied by this chapter and less any similar tax levied by this state.

(10) "Roll-your-own cigarettes" means cigarettes produced by a commercial cigarette-making machine.

(11) "Stamp" means the stamp or stamps by use of which the tax levy under this chapter is paid or identification is made of those cigarettes with respect to which no tax is imposed.

(12) "Wholesaler" means every person who purchases, sells, or distributes any one or more of the articles taxed herein to retailers for the purpose of resale only.

(13) The meaning attributed, in chapter 82.04 RCW, to the words "person," "sale," "business" and "successor" applies equally in this chapter.

Sec. 30. RCW 82.24.551 and 1997 c 420 s 10 are each amended to read as follows:

The department (~~shall~~) must appoint, as duly authorized agents, enforcement officers of the liquor (~~control~~) and cannabis board to enforce provisions of this chapter. These officers (~~shall~~) are not (~~be~~) considered employees of the department.

Sec. 31. RCW 82.26.010 and 2010 1st sp.s. c 22 s 4 are each reenacted and amended to read as follows:

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

(1) "Actual price" means the total amount of consideration for which tobacco products are sold, valued in money, whether received in money or otherwise, including any charges by the seller necessary to complete the sale such as charges for delivery, freight, transportation, or handling.

(2) "Affiliated" means related in any way by virtue of any form or amount of common ownership, control, operation, or management.

(3) "Board" means the liquor (~~control~~) and cannabis board.

(4) "Business" means any trade, occupation, activity, or enterprise engaged in for the purpose of selling or distributing tobacco products in this state.

(5) "Cigar" means a roll for smoking that is of any size or shape and that is made wholly or in part of tobacco, irrespective of whether the tobacco is pure or flavored, adulterated or mixed with any other ingredient, if the roll has a wrapper made wholly or in greater part of tobacco. "Cigar" does not include a cigarette.

(6) "Cigarette" has the same meaning as in RCW 82.24.010.

(7) "Department" means the department of revenue.

(8) "Distributor" means (a) any person engaged in the business of selling tobacco products in this state who brings, or causes to be brought, into this state from without the state any tobacco products for sale, (b) any person who makes, manufactures, fabricates, or stores tobacco products in this state for sale in this state, (c) any person

engaged in the business of selling tobacco products without this state who ships or transports tobacco products to retailers in this state, to be sold by those retailers, (d) any person engaged in the business of selling tobacco products in this state who handles for sale any tobacco products that are within this state but upon which tax has not been imposed.

(9) "Indian country" means the same as defined in chapter 82.24 RCW.

(10) "Little cigar" means a cigar that has a cellulose acetate integrated filter.

(11) "Manufacturer" means a person who manufactures and sells tobacco products.

(12) "Manufacturer's representative" means a person hired by a manufacturer to sell or distribute the manufacturer's tobacco products, and includes employees and independent contractors.

(13) "Moist snuff" means tobacco that is finely cut, ground, or powdered; is not for smoking; and is intended to be placed in the oral, but not the nasal, cavity.

(14) "Person" means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, municipal corporation, the state and its departments and institutions, political subdivision of the state of Washington, corporation, limited liability company, association, society, any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise. The term excludes any person immune from state taxation, including the United States or its instrumentalities, and federally recognized Indian tribes and enrolled tribal members, conducting business within Indian country.

(15) "Place of business" means any place where tobacco products are sold or where tobacco products are manufactured, stored, or kept for the purpose of sale, including any vessel, vehicle, airplane, train, or vending machine.

(16) "Retail outlet" means each place of business from which tobacco products are sold to consumers.

(17) "Retailer" means any person engaged in the business of selling tobacco products to ultimate consumers.

(18) (a) "Sale" means any transfer, exchange, or barter, in any manner or by any means whatsoever, for a consideration, and includes and means all sales made by any person.

(b) The term "sale" includes a gift by a person engaged in the business of selling tobacco products, for advertising, promoting, or as a means of evading the provisions of this chapter.

(19) (a) "Taxable sales price" means:

(i) In the case of a taxpayer that is not affiliated with the manufacturer, distributor, or other person from whom the taxpayer purchased tobacco products, the actual price for which the taxpayer purchased the tobacco products;

(ii) In the case of a taxpayer that purchases tobacco products from an affiliated manufacturer, affiliated distributor, or other affiliated person, and that sells those tobacco products to unaffiliated distributors, unaffiliated retailers, or ultimate consumers, the actual price for which that taxpayer sells those tobacco products to unaffiliated distributors, unaffiliated retailers, or ultimate consumers;

(iii) In the case of a taxpayer that sells tobacco products only to affiliated distributors or affiliated retailers, the price, determined as nearly as possible according to the actual price, that other distributors sell similar tobacco products of like quality and character to unaffiliated distributors, unaffiliated retailers, or ultimate consumers;

(iv) In the case of a taxpayer that is a manufacturer selling tobacco products directly to ultimate consumers, the actual price for which the taxpayer sells those tobacco products to ultimate consumers;

(v) In the case of a taxpayer that has acquired tobacco products under a sale as defined in subsection (18) (b) of this section, the price, determined as nearly as possible according to the actual price, that the taxpayer or other distributors sell the same tobacco products or similar tobacco products of like quality and character to unaffiliated distributors, unaffiliated retailers, or ultimate consumers; or

(vi) In any case where (a) (i) through (v) of this subsection do not apply, the price, determined as nearly as possible according to the actual price, that the taxpayer or other distributors sell the same tobacco products or similar tobacco products of like quality and character to unaffiliated distributors, unaffiliated retailers, or ultimate consumers.

(b) For purposes of (a) (i) and (ii) of this subsection only, "person" includes both persons as defined in subsection (14) of this section and any person immune from state taxation, including the United States or its instrumentalities, and federally recognized Indian tribes and enrolled tribal members, conducting business within Indian country.

(c) The department may adopt rules regarding the determination of taxable sales price under this subsection.

(20) "Taxpayer" means a person liable for the tax imposed by this chapter.

(21) "Tobacco products" means cigars, cheroots, stogies, periques, granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco, snuff, snuff flour, cavendish, plug and twist tobacco, fine-cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking, and any other product, regardless of form, that contains tobacco and is intended for human consumption or placement in the oral or nasal cavity or absorption into the human body by any other means, but does not include cigarettes as defined in RCW 82.24.010.

(22) "Unaffiliated distributor" means a distributor that is not affiliated with the manufacturer, distributor, or other person from whom the distributor has purchased tobacco products.

(23) "Unaffiliated retailer" means a retailer that is not affiliated with the manufacturer, distributor, or other person from whom the retailer has purchased tobacco products.

Sec. 32. RCW 82.26.121 and 1997 c 420 s 11 are each amended to read as follows:

The department (~~shall~~) must appoint, as duly authorized agents, enforcement officers of the liquor (~~control~~) and cannabis board to enforce provisions of this chapter. These officers (~~shall~~) are not (~~be~~) considered employees of the department.

Sec. 33. RCW 82.26.130 and 2002 c 325 s 5 are each amended to read as follows:

(1) The department (~~shall~~) must by rule establish the invoice detail required under RCW 82.26.060 for a distributor under RCW 82.26.010(~~(3)~~) (8)(d) and for those invoices required to be provided to retailers under RCW 82.26.070.

(2) If a retailer fails to keep invoices as required under chapter 82.32 RCW, the retailer is liable for the tax owed on any uninvoiced tobacco products but not penalties and interest, except as provided in subsection (3) of this section.

(3) If the department finds that the nonpayment of tax by the retailer was willful or if in the case of a second or plural nonpayment of tax by the retailer, penalties and interest (~~shall~~) must be assessed in accordance with chapter 82.32 RCW.

Sec. 34. RCW 82.26.190 and 2009 c 154 s 6 are each amended to read as follows:

(1)(a) No person may engage in or conduct business as a distributor or retailer in this state after September 30, 2005, without a valid license issued under this chapter. Any person who sells tobacco products to persons other than ultimate consumers or who meets the definition of distributor under RCW 82.26.010(~~(3)~~) (8)(d) must obtain a distributor's license under this chapter. Any person who sells tobacco products to ultimate consumers must obtain a retailer's license under this chapter.

(b) A violation of this subsection (1) is punishable as a class C felony according to chapter 9A.20 RCW.

(2)(a) No person engaged in or conducting business as a distributor or retailer in this state may:

(i) Refuse to allow the department or the board, on demand, to make a full inspection of any place of business where any of the tobacco products taxed under

this chapter are sold, stored, or handled, or otherwise hinder or prevent such inspection;

(ii) Make, use, or present or exhibit to the department or the board any invoice for any of the tobacco products taxed under this chapter that bears an untrue date or falsely states the nature or quantity of the goods invoiced; or

(iii) Fail to produce on demand of the department or the board all invoices of all the tobacco products taxed under this chapter within five years prior to such demand unless the person can show by satisfactory proof that the nonproduction of the invoices was due to causes beyond the person's control.

(b) No person, other than a licensed distributor or retailer, may transport tobacco products for sale in this state for which the taxes imposed under this chapter have not been paid unless:

(i) Notice of the transportation has been given as required under RCW 82.26.140;

(ii) The person transporting the tobacco products actually possesses invoices or delivery tickets showing the true name and address of the consignor or seller, the true name and address of the consignee or purchaser, and the quantity and brands of tobacco products being transported; and

(iii) The tobacco products are consigned to or purchased by a person in this state who is licensed under this chapter.

(c) A violation of this subsection (2) is a gross misdemeanor.

(3) Any person licensed under this chapter as a distributor, and any person licensed under this chapter as a retailer, (~~shall~~) may not operate in any other capacity unless the additional appropriate license is first secured. A violation of this subsection (3) is a misdemeanor.

(4) The penalties provided in this section are in addition to any other penalties provided by law for violating the provisions of this chapter or the rules adopted under this chapter.

Sec. 35. RCW 82.26.200 and 2005 c 180 s 17 are each amended to read as follows:

(1) A retailer that obtains tobacco products from an unlicensed distributor

or any other person that is not licensed under this chapter must be licensed both as a retailer and a distributor under this chapter and is liable for the tax imposed under RCW 82.26.020 with respect to the tobacco products acquired from the unlicensed person that are held for sale, handling, or distribution in this state. For the purposes of this subsection, "person" includes both persons defined in RCW 82.26.010(~~(10)~~) (14) and any person immune from state taxation, such as the United States or its instrumentalities, and federally recognized Indian tribes and enrolled tribal members, conducting business within Indian country.

(2) Every distributor licensed under this chapter (~~(shall)~~) must sell tobacco products to retailers located in Washington only if the retailer has a current retailer's license under this chapter.

Sec. 36. RCW 82.29A.060 and 1994 c 95 s 1 are each amended to read as follows:

(1) All administrative provisions in chapters 82.02 and 82.32 RCW (~~(shall be)~~) are applicable to taxes imposed pursuant to this chapter.

(2) (a) A lessee, or a sublessee in the case where the sublessee is responsible for paying the tax imposed under this chapter, of property used for residential purposes may petition the county board of equalization for a change in appraised value when the department of revenue establishes taxable rent under RCW 82.29A.020(2) (~~(b)~~) (g) based on an appraisal done by the county assessor at the request of the department. The petition must be on forms prescribed or approved by the department of revenue and any petition not conforming to those requirements or not properly completed (~~(shall)~~) may not be considered by the board. The petition must be filed with the board within the time period set forth in RCW 84.40.038. A decision of the board of equalization may be appealed by the taxpayer to the board of tax appeals as provided in RCW 84.08.130.

(b) A sublessee, in the case where the sublessee is responsible for paying the tax imposed under this chapter, of property used for residential purposes may petition the department for a change in taxable rent when the department of revenue establishes taxable rent under RCW 82.29A.020(2) (~~(b)~~) (g).

(c) Any change in tax resulting from an appeal under this subsection (~~(shall)~~) must be allocated to the lessee or sublessee responsible for paying the tax.

(3) This section (~~(shall)~~) does not authorize the issuance of any levy upon any property owned by the public lessor.

(4) In selecting leasehold excise tax returns for audit the department of revenue (~~(shall)~~) must give priority to any return an audit of which is specifically requested in writing by the county assessor or treasurer or other chief financial officer of any city or county affected by such return. Notwithstanding the provisions of RCW 82.32.330, findings of fact and determinations of the amount of taxable rent made pursuant to the provisions of this chapter (~~(shall)~~) must be open to public inspection at all reasonable times.

Sec. 37. RCW 82.29A.120 and 2017 3rd sp.s. c 37 s 1302 are each amended to read as follows:

(1) (a) After computation of the taxes imposed pursuant to RCW 82.29A.030 and 82.29A.040, the following credits are allowed in determining the tax payable:

(i) For lessees and sublessees who would qualify for a property tax exemption under RCW 84.36.381 if the property were privately owned, the tax otherwise due after this credit must be reduced by a percentage equal to the percentage reduction in property tax that would result from the property tax exemption under RCW 84.36.381; and

(ii) A credit of thirty-three percent of the tax otherwise due is allowed with respect to a product lease.

(b) (i) For a leasehold interest in real property owned by a state university, a credit is allowed equal to the amount that the tax under this chapter exceeds the property tax that would apply if the real property were privately owned by the taxpayer.

(ii) The credit under this subsection (1) (b) is available only if the tax parcel that is subject to the leasehold interest has a market value in excess of ten million dollars. If the leasehold interest attaches to two or more parcels, the credit is available if at least one of the tax parcels has a market value in excess of ten million dollars. In either case, the market value must be determined

as of January 1st of the year prior to the year for which the credit is claimed.

(iii) For purposes of calculating the credit under this subsection (1)(b):

(A) If a tax parcel does not have current assessed value in accordance with RCW 84.40.020, a market value appraisal performed by a Washington state-certified general real estate appraiser, as defined in RCW 18.140.010, is sufficient to establish the market value. If the underlying real property that is the subject of the leasehold interest consists of a part of one or more tax parcels, this appraisal must include the market value of the part of the parcel or parcels to which the leasehold interest applies; and

(B) The property tax that would otherwise apply to the real property that is the subject of the leasehold interest is calculated using the existing consolidated levy rate for the property's tax code area.

(iv) The definitions in this subsection apply throughout this subsection (1)(b) unless the context clearly requires otherwise.

(A) "Market value" means the true and fair value of the property as that term is used in RCW 84.40.030, based on the property's highest and best use and determined by any reasonable means approved by the department.

(B) "Real property" has the same meaning as in RCW 84.04.090 and also includes all improvements upon the land the fee of which is still vested in the public owner.

(C) "State university" has the same meaning as "state universities" as provided in RCW 28B.10.016.

(v) The credit provided under this subsection (1)(b) may not be claimed for tax reporting periods beginning on or after January 1, 2032.

(2) ~~((This section expires))~~ No credit under subsection (1)(b) of this section may be claimed or approved on or after January 1, 2032.

Sec. 38. RCW 82.32.062 and 2002 c 57 s 1 are each amended to read as follows:

(1) In addition to the procedure set forth in RCW 82.32.060 and as an exception to the four-year period explicitly set forth in RCW 82.32.060, an offset for a tax that has been paid in

excess of that properly due may be taken under the following conditions:

~~((1))~~ (a) The tax paid in excess of that properly due was sales ((tax paid on the purchase of property acquired for leasing; (2)) or use tax paid on property purchased for the purpose of leasing;

(b) The taxpayer was at the time of purchase entitled to purchase the property at wholesale under RCW 82.04.060; and

~~((3))~~ (c) The taxpayer substantiates that ((sales tax was paid at the time of purchase)) the taxpayer paid sales or use tax on the purchase of the property and that there was no intervening use of the ((equipment)) property by the taxpayer.

(2) The offset under this section is applied to and reduced by the amount of retail sales tax otherwise due from the beginning of lease of the property until the offset is extinguished.

Sec. 39. RCW 82.32.300 and 2019 c 445 s 209 are each amended to read as follows:

(1) The ((administration of this and chapters 82.04 through 82.27 RCW of this title is vested in the department, which must)) department must administer this chapter and such other provisions of the Revised Code of Washington as specifically provided by law. To that end, the department may prescribe forms and rules of procedure for the determination of the taxable status of any person, for the making of returns and for the ascertainment, assessment, and collection of taxes and penalties imposed thereunder.

(2)(a) The department ((must)) may make and publish rules ((and regulations)), not inconsistent therewith, necessary to enforce provisions of this chapter ((and chapters 82.02 through 82.23B and 82.27 RCW, and the liquor and cannabis board must)) and such other provisions of the Revised Code of Washington that the department is empowered by law to enforce. The liquor and cannabis board may make and publish rules necessary to enforce chapters 82.24, 82.26, and 82.25 RCW((, which has)).

(b) Rules adopted by the department or liquor and cannabis board under the authority of this subsection have the

same force and effect as if specifically included ~~((therein))~~ in law, unless declared invalid by the judgment of a court of record not appealed from.

(3) The department may employ such clerks, specialists, and other assistants as are necessary. Salaries and compensation of such employees must be fixed by the department and charged to the proper appropriation for the department.

(4) The department must exercise general supervision of the collection of taxes and, in the discharge of such duty, may institute and prosecute such suits or proceedings in the courts as may be necessary and proper.

Sec. 40. RCW 82.32.780 and 2010 c 112 s 2 are each amended to read as follows:

(1) (a) Taxpayers seeking to obtain a new reseller permit or to renew or reinstate a reseller permit, other than taxpayers subject to the provisions of RCW 82.32.783, must apply to the department in a form and manner prescribed by the department. The department must use its best efforts to rule on applications within sixty days of receiving a complete application. If the department fails to rule on an application within sixty days of receiving a complete application, the taxpayer may either request a review as provided in subsection (6) of this section or resubmit the application. Nothing in this subsection may be construed as preventing the department from ruling on an application more than sixty days after the department received the application.

(b) An application must be denied if:

(i) The department determines that, based on the nature of the applicant's business, the applicant is not entitled to make purchases at wholesale or is otherwise prohibited from using a reseller permit;

(ii) The application contains any material misstatement; or

(iii) The application is incomplete.

(c) The department may also deny an application if it determines that denial would be in the best interest of collecting taxes due under this title.

(d) The department's decision to approve or deny an application may be

based on tax returns previously filed with the department by the applicant, a current or previous examination of the applicant's books and records by the department, information provided by the applicant in the master application and the reseller permit application, and other information available to the department.

(e) The department must refuse to accept an application to renew a reseller permit that is received more than ninety days before the expiration of the reseller permit.

(2) Notwithstanding subsection (1) of this section, the department may issue or renew a reseller permit for a taxpayer that has not applied for the permit or renewal of the permit if it appears to the department's satisfaction, based on the nature of the taxpayer's business activities and any other information available to the department, that the taxpayer is entitled to make purchases at wholesale.

(3) (a) Except as otherwise provided in this section, reseller permits issued, renewed, or reinstated under this section will be valid for a period of forty-eight months from the date of issuance, renewal, or reinstatement.

(b) (i) A reseller permit is valid for a period of twenty-four months and may be renewed for the period prescribed in (a) of this subsection (3) if the permit is issued to a taxpayer who:

(A) Is not registered with the department under RCW 82.32.030;

(B) Has been registered with the department under RCW 82.32.030 for a continuous period of less than one year as of the date that the department received the taxpayer's application for a reseller permit;

(C) Was on nonreporting status as authorized under RCW 82.32.045 ~~((4))~~ (5) at the time that the department received the taxpayer's application for a reseller permit or to renew or reinstate a reseller permit;

(D) Has filed tax returns reporting no business activity for purposes of sales and business and occupation taxes for the twelve-month period immediately preceding the date that the department received the taxpayer's application for a reseller permit or to renew or reinstate a reseller permit; or

(E) Has failed to file tax returns covering any part of the twelve-month period immediately preceding the department's receipt of the taxpayer's application for a reseller permit or to renew or reinstate a reseller permit.

(ii) The provisions of this subsection (3)(b) do not apply to reseller permits issued to any business owned by a federally recognized Indian tribe or by an enrolled member of a federally recognized Indian tribe, if the business does not engage in any business activity that subjects the business to any tax imposed by the state under chapter 82.04 RCW. Permits issued to such businesses are valid for the period provided in (a) of this subsection (3).

(iii) Nothing in this subsection (3)(b) may be construed as affecting the department's right to deny a taxpayer's application for a reseller permit or to renew or reinstate a reseller permit as provided in subsection (1)(b) and (c) of this section.

(c) A reseller permit is no longer valid if the permit holder's certificate of registration is revoked, the permit holder's tax reporting account is closed by the department, or the permit holder otherwise ceases to engage in business.

(d) The department may provide by rule for a uniform expiration date for reseller permits issued, renewed, or reinstated under this section, if the department determines that a uniform expiration date for reseller permits will improve administrative efficiency for the department. If the department adopts a uniform expiration date by rule, the department may extend or shorten the twenty-four or forty-eight month period provided in (a) and (b) of this subsection for a period not to exceed six months as necessary to conform the reseller permit to the uniform expiration date.

(4)(a) The department may revoke a taxpayer's reseller permit for any of the following reasons:

(i) The taxpayer used or allowed or caused its reseller permit to be used to purchase any item or service without payment of sales tax, but the taxpayer or other purchaser was not entitled to use the reseller permit for the purchase;

(ii) The department issued the reseller permit to the taxpayer in error;

(iii) The department determines that the taxpayer is no longer entitled to make purchases at wholesale; or

(iv) The department determines that revocation of the reseller permit would be in the best interest of collecting taxes due under this title.

(b) The notice of revocation must be in writing and is effective on the date specified in the revocation notice. The notice must also advise the taxpayer of its right to a review by the department.

(c) The department may refuse to reinstate a reseller permit revoked under (a)(i) of this subsection until all taxes, penalties, and interest due on any improperly purchased item or service have been paid in full. In the event a taxpayer whose reseller permit has been revoked under this subsection reorganizes, the new business resulting from the reorganization is not entitled to a reseller permit until all taxes, penalties, and interest due on any improperly purchased item or service have been paid in full.

(d) For purposes of this subsection, "reorganize" or "reorganization" means:

(i) The transfer, however effected, of a majority of the assets of one business to another business where any of the persons having an interest in the ownership or management in the former business maintain an ownership or management interest in the new business, either directly or indirectly; (ii) a mere change in identity or form of ownership, however effected; or (iii) the new business is a mere continuation of the former business based on significant shared features such as owners, personnel, assets, or general business activity.

(5) The department may provide the public with access to reseller permit numbers on its web site, including the name of the permit holder, the status of the reseller permit, the expiration date of the permit, and any other information that is disclosable under RCW 82.32.330(3) (~~(+1)~~) (k).

(6) The department must provide by rule for the review of the department's decision to deny, revoke, or refuse to reinstate a reseller permit or the department's failure to rule on an application within the time prescribed in subsection (1)(a) of this section. Such review must be consistent with the requirements of chapter 34.05 RCW.

(7) As part of its continuing efforts to educate taxpayers on their sales and use tax responsibilities, the department will educate taxpayers on the appropriate use of a reseller permit or other documentation authorized under RCW 82.04.470 and the consequences of misusing such permits or other documentation.

Sec. 41. RCW 82.60.025 and 2010 1st sp.s. c 16 s 4 are each amended to read as follows:

The lessor or owner of a qualified building is not eligible for a deferral unless:

(1) The underlying ownership of the buildings, machinery, and equipment vests exclusively in the same person; or

(2) (a) The lessor by written contract agrees to pass the economic benefit of the deferral to the lessee;

(b) The lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the annual ~~((survey))~~ tax performance report required under RCW 82.60.070; and

(c) The economic benefit of the deferral passed to the lessee is no less than the amount of tax deferred by the lessor and is evidenced by written documentation of any type of payment, credit, or other financial arrangement between the lessor or owner of the qualified building and the lessee.

Sec. 42. RCW 82.60.063 and 2010 1st sp.s. c 16 s 10 are each amended to read as follows:

(1) Subject to the conditions in this section, a person is not liable for the amount of deferred taxes outstanding for an investment project when the person temporarily ceases to use its qualified buildings and qualified machinery and equipment for manufacturing or research and development activities in a county with a population of less than twenty thousand persons for a period not to exceed twenty-four months from the date that the department sent its assessment for the amount of outstanding deferred taxes to the taxpayer.

(2) The relief from repayment of deferred taxes under this section does not apply unless the number of qualified employment positions maintained at the investment project after manufacturing or research and development activities

are temporarily ceased is at least ten percent of the number of qualified employment positions employed at the investment project at the time the deferral was approved by the department. If a person has been approved for more than one deferral under this chapter, relief from repayment of deferred taxes under this section does not apply unless the number of qualified employment positions maintained at the investment project after manufacturing or research and development activities are temporarily ceased is at least ten percent of the highest number of qualified employment positions at the investment project at the time any of the deferrals were approved by the department. If, at any time during the twenty-four month period after the department has sent the taxpayer an assessment for outstanding deferred taxes resulting from the person temporarily ceasing to use its qualified buildings and qualified machinery and equipment for manufacturing or research and development activities, the number of qualified employment positions falls below the ten percent threshold in this subsection, the amount of deferred taxes outstanding for the project is immediately due.

(3) The lessor of an investment project for which a deferral has been granted under this chapter who has passed the economic benefits of the deferral to the lessee is not eligible for relief from the payment of deferred taxes under this section.

(4) A person seeking relief from the payment of deferred taxes under this section must apply to the department in a form and manner prescribed by the department. The application required under this subsection must be received by the department within thirty days of the date that the department sent its assessment for outstanding deferred taxes resulting from the person temporarily ceasing to use its qualified buildings and qualified machinery and equipment for manufacturing or research and development activities. The department must approve applications that meet the requirements in this section for relief from the payment of deferred taxes.

(5) A person is entitled to relief under this section only once.

(6) A person whose application for relief from the payment of deferred taxes

has been approved under this section must continue to file an annual ((survey)) tax performance report as required under RCW 82.60.070(1) or any successor statute. In addition, the person must file, in a form and manner prescribed by the department, a report on the status of the business and the outlook for commencing manufacturing or research and development activities.

Sec. 43. RCW 82.63.010 and 2015 3rd sp.s. c 5 s 303 are each amended to read as follows:

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

(1) "Advanced computing" means technologies used in the designing and developing of computing hardware and software, including innovations in designing the full spectrum of hardware from handheld calculators to super computers, and peripheral equipment.

(2) "Advanced materials" means materials with engineered properties created through the development of specialized processing and synthesis technology, including ceramics, high value-added metals, electronic materials, composites, polymers, and biomaterials.

(3) "Applicant" means a person applying for a tax deferral under this chapter.

(4) "Biotechnology" means the application of technologies, such as recombinant DNA techniques, biochemistry, molecular and cellular biology, genetics and genetic engineering, cell fusion techniques, and new bioprocesses, using living organisms, or parts of organisms, to produce or modify products, to improve plants or animals, to develop microorganisms for specific uses, to identify targets for small molecule pharmaceutical development, or to transform biological systems into useful processes and products or to develop microorganisms for specific uses.

(5) "Department" means the department of revenue.

(6) "Electronic device technology" means technologies involving microelectronics; semiconductors; electronic equipment and instrumentation; radio frequency, microwave, and millimeter electronics;

optical and optic-electrical devices; and data and digital communications and imaging devices.

(7) "Eligible investment project" means an investment project which either initiates a new operation, or expands or diversifies a current operation by expanding, renovating, or equipping an existing facility. The lessor or owner of the qualified building is not eligible for a deferral unless:

(a) The underlying ownership of the buildings, machinery, and equipment vests exclusively in the same person; or

(b) (i) The lessor by written contract agrees to pass the economic benefit of the deferral to the lessee;

(ii) The lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the annual ((survey)) tax performance report required under RCW 82.63.020(2); and

(iii) The economic benefit of the deferral passed to the lessee is no less than the amount of tax deferred by the lessor and is evidenced by written documentation of any type of payment, credit, or other financial arrangement between the lessor or owner of the qualified building and the lessee.

(8) "Environmental technology" means assessment and prevention of threats or damage to human health or the environment, environmental cleanup, and the development of alternative energy sources.

(9) (a) "Initiation of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for:

(i) Construction of the qualified building, if the underlying ownership of the building vests exclusively with the person receiving the economic benefit of the deferral;

(ii) Construction of the qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection (7) of this section; or

(iii) Tenant improvements for a qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection (7) of this section.

(b) "Initiation of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities that are initiated before the issuance of a building permit for the construction of the foundation of the building.

(c) If the investment project is a phased project, "initiation of construction" (~~shall apply~~) applies separately to each phase.

(10) "Investment project" means an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction or improvement of the project.

(11) "Multiple qualified buildings" means qualified buildings leased to the same person when such structures: (a) Are located within a five-mile radius; and (b) the initiation of construction of each building begins within a sixty-month period.

(12) "Person" has the meaning given in RCW 82.04.030 and includes state universities as defined in RCW 28B.10.016.

(13) "Pilot scale manufacturing" means design, construction, and testing of preproduction prototypes and models in the fields of biotechnology, advanced computing, electronic device technology, advanced materials, and environmental technology other than for commercial sale. As used in this subsection, "commercial sale" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

(14) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for pilot scale manufacturing or qualified research and development, including plant offices and other facilities that are an essential or an integral part of a structure used for pilot scale manufacturing or qualified research and development. If a building or buildings are used partly for pilot scale manufacturing or qualified research and development, and partly for other purposes, the applicable tax deferral (~~shall be~~) is determined by apportionment of the costs of

construction under rules adopted by the department. Such rules may include provisions for determining the amount of the deferral based on apportionment of costs of construction of an investment project consisting of a building or multiple buildings, where qualified research and development or pilot scale manufacturing activities are shifted within a building or from one building to another building.

(15)(a) "Qualified machinery and equipment" means fixtures, equipment, and support facilities that are an integral and necessary part of a pilot scale manufacturing or qualified research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment, instrumentation, and other devices used in a process of experimentation to develop a new or improved pilot model, plant process, product, formula, invention, or similar property; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; vats, tanks, and fermenters; operating structures; and all other equipment used to control, monitor, or operate the machinery. For purposes of this chapter, qualified machinery and equipment must be either new to the taxing jurisdiction of the state or new to the certificate holder, except that used machinery and equipment may be treated as qualified machinery and equipment if the certificate holder either brings the machinery and equipment into Washington or makes a retail purchase of the machinery and equipment in Washington or elsewhere.

(b) "Qualified machinery and equipment" does not include any fixtures, equipment, or support facilities, if the sale to or use by the recipient is not eligible for an exemption under RCW 82.08.02565 or 82.12.02565 solely because the recipient is an ineligible person as defined in RCW 82.08.02565.

(16) "Qualified research and development" means research and development performed within this state in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology.

(17) "Recipient" means a person receiving a tax deferral under this chapter.

(18) "Research and development" means activities performed to discover technological information, and technical and nonroutine activities concerned with translating technological information into new or improved products, processes, techniques, formulas, inventions, or software. The term includes exploration of a new use for an existing drug, device, or biological product if the new use requires separate licensing by the federal food and drug administration under chapter 21, C.F.R., as amended. The term does not include adaptation or duplication of existing products where the products are not substantially improved by application of the technology, nor does the term include surveys and studies, social science and humanities research, market research or testing, quality control, sale promotion and service, computer software developed for internal use, and research in areas such as improved style, taste, and seasonal design.

Sec. 44. RCW 82.74.010 and 2006 c 354 s 6 are each amended to read as follows:

~~((Unless the context clearly requires otherwise,))~~ The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Applicant" means a person applying for a tax deferral under this chapter.

(2) "Cold storage warehouse" means a storage warehouse owned or operated by a wholesaler or third-party warehouse as those terms are defined in RCW 82.08.820 to store fresh and/or frozen perishable fruits or vegetables, dairy products, seafood products, or any combination thereof, at a desired temperature to maintain the quality of the product for orderly marketing.

(3) "Dairy product" means dairy products that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including by-products from the manufacturing of the dairy products such as whey and casein.

(4) "Dairy product manufacturing" means manufacturing, as defined in RCW 82.04.120, of dairy products.

(5) "Department" means the department of revenue.

(6) "Eligible investment project" means an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project. The lessor or owner of a qualified building is not eligible for a deferral unless (a) the underlying ownership of the buildings, machinery, and equipment vests exclusively in the same person; or (b)(i) the lessor by written contract agrees to pass the economic benefit of the deferral to the lessee in the form of reduced rent payments, and (ii) the lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the annual ~~((survey))~~ tax performance report under RCW 82.74.040. The economic benefit of the deferral to the lessee may be evidenced by any type of payment, credit, or any other financial arrangement between the lessor or owner of the qualified building and the lessee.

(7) "Fresh fruit and vegetable processing" means manufacturing as defined in RCW 82.04.120 which consists of the canning, preserving, freezing, processing, or dehydrating fresh fruits and/or vegetables.

(8)(a) "Initiation of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for:

(i) Construction of the qualified building, if the underlying ownership of the building vests exclusively with the person receiving the economic benefit of the deferral;

(ii) Construction of the qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection (6) of this section; or

(iii) Tenant improvements for a qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection (6) of this section.

(b) "Initiation of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities that are initiated before the issuance of a building permit for the construction of the foundation of the building.

(c) If the investment project is a phased project, "initiation of

construction" applies separately to each phase.

(9) "Person" has the meaning given in RCW 82.04.030.

(10) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehousing, and research and development activities, including plant offices and warehouses or other facilities for the storage of raw material or finished goods if such facilities are an essential or an integral part of a factory, plant, or laboratory used for fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehousing, or research and development. If a building is used partly for fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehousing, or research and development and partly for other purposes, the applicable tax deferral (~~shall be~~) is determined by apportionment of the costs of construction under rules adopted by the department.

(11) "Qualified machinery and equipment" means all industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage (~~warehouse~~) warehousing, or research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery.

(12) "Recipient" means a person receiving a tax deferral under this chapter.

(13) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process related to fresh fruit and

vegetable processing, dairy product manufacturing, seafood product manufacturing, or cold storage warehousing before commercial sales have begun. As used in this subsection, "commercial sales" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

(14) "Seafood product" means any edible marine fish and shellfish that remains in a raw, raw frozen, or raw salted state.

(15) "Seafood product manufacturing" means the manufacturing, as defined in RCW 82.04.120, of seafood products.

Sec. 45. RCW 82.75.010 and 2010 c 114 s 145 are each amended to read as follows:

~~((Unless the context clearly requires otherwise,))~~ The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Applicant" means a person applying for a tax deferral under this chapter.

(2) "Biotechnology" means a technology based on the science of biology, microbiology, molecular biology, cellular biology, biochemistry, or biophysics, or any combination of these, and includes, but is not limited to, recombinant DNA techniques, genetics and genetic engineering, cell fusion techniques, and new bioprocesses, using living organisms, or parts of organisms.

(3) "Biotechnology product" means any virus, therapeutic serum, antibody, protein, toxin, antitoxin, vaccine, blood, blood component or derivative, allergenic product, or analogous product produced through the application of biotechnology that is used in the prevention, treatment, or cure of diseases or injuries to humans.

(4) "Department" means the department of revenue.

(5) (a) "Eligible investment project" means an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project.

(b) The lessor or owner of a qualified building is not eligible for a deferral unless:

(i) The underlying ownership of the buildings, machinery, and equipment vests exclusively in the same person; or

(ii) (A) The lessor by written contract agrees to pass the economic benefit of the deferral to the lessee;

(B) The lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the annual ~~((survey))~~ tax performance report required under RCW 82.75.070; and

(C) The economic benefit of the deferral passed to the lessee is no less than the amount of tax deferred by the lessor and is evidenced by written documentation of any type of payment, credit, or other financial arrangement between the lessor or owner of the qualified building and the lessee.

(6) (a) "Initiation of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for:

(i) Construction of the qualified building, if the underlying ownership of the building vests exclusively with the person receiving the economic benefit of the deferral;

(ii) Construction of the qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection (5) (b) (ii) (A) of this section; or

(iii) Tenant improvements for a qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection (5) (b) (ii) (A) of this section.

(b) "Initiation of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities that are initiated before the issuance of a building permit for the construction of the foundation of the building.

(c) If the investment project is a phased project, "initiation of construction" applies separately to each phase.

(7) "Manufacturing" has the meaning provided in RCW 82.04.120.

(8) "Medical device" means an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including any component, part, or accessory, that is designed or developed and:

(a) Recognized in the national formulary, or the United States pharmacopeia, or any supplement to them;

(b) Intended for use in the diagnosis of disease, or in the cure, mitigation, treatment, or prevention of disease or other conditions in human beings or other animals; or

(c) Intended to affect the structure or any function of the body of human beings or other animals, and which does not achieve any of its primary intended purposes through chemical action within or on the body of human beings or other animals and which is not dependent upon being metabolized for the achievement of any of its principal intended purposes.

(9) "Person" has the meaning provided in RCW 82.04.030.

(10) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for biotechnology product manufacturing or medical device manufacturing activities, including plant offices, commercial laboratories for process development, quality assurance and quality control, and warehouses or other facilities for the storage of raw material or finished goods if the facilities are an essential or an integral part of a factory, plant, or laboratory used for biotechnology product manufacturing or medical device manufacturing. If a building is used partly for biotechnology product manufacturing or medical device manufacturing and partly for other purposes, the applicable tax deferral must be determined by apportionment of the costs of construction under rules adopted by the department.

(11) "Qualified machinery and equipment" means all new industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a biotechnology product manufacturing or medical device manufacturing operation. "Qualified machinery and equipment" includes: Computers; software; data processing

equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery.

(12) "Recipient" means a person receiving a tax deferral under this chapter.

Sec. 46. RCW 82.82.010 and 2008 c 15 s 1 are each amended to read as follows:

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

(1) "Applicant" means a person applying for a tax deferral under this chapter.

(2) "Corporate headquarters" means a facility or facilities where corporate staff employees are physically employed, and where the majority of the company's management services are handled either on a regional or a national basis. Company management services may include: Accounts receivable and payable, accounting, data processing, distribution management, employee benefit plan, financial and securities accounting, information technology, insurance, legal, merchandising, payroll, personnel, purchasing procurement, planning, reporting and compliance, research and development, tax, treasury, or other headquarters-related services. "Corporate headquarters" does not include a facility or facilities used for manufacturing, wholesaling, or warehousing.

(3) "Department" means the department of revenue.

(4) "Eligible area" means a designated community empowerment zone approved under RCW 43.31C.020.

(5) (a) "Eligible investment project" means an investment project in a qualified building or buildings in an eligible area, as defined in subsection (4) of this section, which will have employment at the qualified building or buildings of at least three hundred employees in qualified employment positions, each of whom must earn for the year reported at least the average annual wage for the state for that year as determined by the employment security department.

(b) The lessor or owner of a qualified building or buildings is not eligible for a deferral unless:

(i) The underlying ownership of the building or buildings vests exclusively in the same person; or

(ii) (A) The lessor by written contract agrees to pass the economic benefit of the deferral to the lessee;

(B) The lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the annual ~~((survey))~~ tax performance report required under RCW 82.82.020; and

(C) The economic benefit of the deferral passed to the lessee is no less than the amount of tax deferred by the lessor and is evidenced by written documentation of any type of payment, credit, or other financial arrangement between the lessor or owner of the qualified building and the lessee.

(6) "Investment project" means a capital investment of at least thirty million dollars in a qualified building or buildings including tangible personal property and fixtures that will be incorporated as an ingredient or component of such buildings during the course of their construction, and including labor and services rendered in the planning, installation, and construction of the project.

(7) "Manufacture" has the same meaning as provided in RCW 82.04.120.

(8) "Operationally complete" means a date no later than one year from the date the project is issued an occupancy permit by the local permit issuing authority.

(9) "Person" has the same meaning as provided in RCW 82.04.030.

(10) "Qualified building or buildings" means construction of a new structure or structures or expansion of an existing structure or structures to be used for corporate headquarters. If a building is used partly for corporate headquarters and partly for other purposes, the applicable tax deferral is determined by apportionment of the costs of construction under rules adopted by the department.

(11) "Qualified employment position" means a permanent full-time employee employed in the eligible investment project during the entire tax year. The

term "entire tax year" means a full-time position that is filled for a period of twelve consecutive months. The term "full-time" means at least thirty-five hours a week, four hundred fifty-five hours a quarter, or one thousand eight hundred twenty hours a year.

(12) "Recipient" means a person receiving a tax deferral under this chapter.

(13) "Warehouse" means a building or structure, or any part thereof, in which goods, wares, or merchandise are received for storage for compensation.

(14) "Wholesale sale" has the same meaning as provided in RCW 82.04.060.

Sec. 47. RCW 82.85.030 and 2015 3rd sp.s. c 6 s 403 are each amended to read as follows:

The lessor or owner of a qualified building is not eligible for a deferral unless:

(1) The underlying ownership of the building, machinery, and equipment vests exclusively in the same person; or

(2) (a) The lessor by written contract agrees to pass the economic benefit of the deferral to the lessee;

(b) The lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the annual ~~((survey))~~ tax performance report required under RCW ~~((82.32.585))~~ 82.32.534; and

(c) The economic benefit of the deferral passed to the lessee is no less than the amount of tax deferred by the lessor and is evidenced by written documentation of any type of payment, credit, or other financial arrangement between the lessor or owner of the qualified building and the lessee.

Sec. 48. RCW 82.85.080 and 2015 3rd sp.s. c 6 s 408 are each amended to read as follows:

(1) Each recipient of a deferral of taxes granted under this chapter must file a complete annual ~~((survey))~~ tax performance report with the department under RCW ~~((82.32.585))~~ 82.32.534. If the economic benefits of the deferral are passed to a lessee as provided in RCW 82.85.030, the lessee must file a complete annual ~~((survey))~~ tax performance report, and the applicant is not required to file a complete annual ~~((survey))~~ tax performance report.

(2) If, on the basis of a ~~((survey))~~ tax performance report under RCW ~~((82.32.585))~~ 82.32.534 or other information, the department finds that an investment project is not eligible for tax deferral under this chapter due to the fact the investment project is no longer used for qualified activities, the amount of deferred taxes outstanding for the investment project is immediately due and payable.

(3) If the economic benefits of a tax deferral under this chapter are passed to a lessee as provided in RCW 82.85.030, the lessee is responsible for payment to the extent the lessee has received the economic benefit.

Sec. 49. RCW 84.36.840 and 2016 c 217 s 6 are each amended to read as follows:

(1) In order to determine whether organizations, associations, corporations, or institutions, except those exempted under RCW 84.36.020, 84.36.049, and 84.36.030, are exempt from property taxes, and before the exemption is allowed for any year, the superintendent or manager or other proper officer of the organization, association, corporation, or institution claiming exemption from taxation must file with the department of revenue a statement certifying that the income and the receipts thereof, including donations to it, have been applied to the actual expenses of operating and maintaining it, or for its capital expenditures, and to no other purpose. This report must also include a statement of the receipts and disbursements of the exempt organization, association, corporation, or institution.

(2) ~~((Educational institutions claiming exemption under RCW 84.36.050 must also file a list of all property claimed to be exempt, the purpose for which it is used, the revenue derived from it for the preceding year, the use to which the revenue was applied, the number of students who attended the school or college, the total revenues of the institution with the source from which they were derived, and the purposes to which the revenues were applied, listing the items of such revenues and expenditures in detail.~~

~~(3))~~ The reports required under ~~((subsections (1) and (2) of))~~ this section may be submitted electronically, in a format provided or approved by the

department, or mailed to the department. The reports must be submitted on or before March 31st of each year. The department must remove the tax exemption from the property of any organization, association, corporation, or institution that does not file the required report with the department on or before the due date. However, the department must allow a reasonable extension of time for filing upon receipt of a written request on or before the required filing date and for good cause shown therein.

Sec. 50. RCW 84.37.040 and 2007 sp.s. c 2 s 4 are each amended to read as follows:

(1) Each claimant electing to defer payment of special assessments or real property tax obligations, or both, under this chapter ~~((shall))~~ must file with the county assessor, on forms prescribed by the department and supplied by the assessor, a written declaration thereof. The declaration to defer special assessments and/or real property taxes for any year ~~((shall))~~ must be filed no later than the first day of September of the year for which the deferral is sought ~~((+ PROVIDED, That))~~; however, for good cause shown, the department may waive this requirement.

(2) The declaration ~~((shall))~~ must designate the property to which the deferral applies, and ~~((shall))~~ must include a statement setting forth (a) a list of all members of the claimant's household, (b) the claimant's equity value in his or her residence, (c) facts establishing the eligibility for the deferral under the provisions of this chapter, and (d) any other relevant information required by the rules of the department. ~~((Each copy shall))~~ The declaration must be signed by the claimant subject to the penalties as provided in chapter 9A.72 RCW for false swearing.

(3) The county assessor ~~((shall))~~ must determine if each claimant ~~((shall be))~~ is granted a deferral for each year but the claimant ~~((shall have))~~ has the right to appeal this determination to the county board of equalization, in accordance with the provisions of RCW 84.40.038, whose decision ~~((shall be))~~ is final as to the deferral of that year.

Sec. 51. RCW 84.38.040 and 2013 c 23 s 353 are each amended to read as follows:

(1) Each claimant electing to defer payment of special assessments and/or real property tax obligations under this chapter ~~((shall))~~ must file with the county assessor, on forms prescribed by the department and supplied by the assessor, a written declaration thereof. The declaration to defer special assessments and/or real property taxes for any year ~~((shall))~~ must be filed no later than thirty days before the tax or assessment is due or thirty days after receiving notice under RCW 84.64.050, whichever is later ~~((+ PROVIDED, That))~~; however, for good cause shown, the department may waive this requirement.

(2) The declaration ~~((shall))~~ must designate the property to which the deferral applies, and ~~((shall))~~ must include a statement setting forth (a) a list of all members of the claimant's household, (b) the claimant's equity value in his or her residence, (c) facts establishing the eligibility for the deferral under the provisions of this chapter, and (d) any other relevant information required by the rules of the department. ~~((Each copy shall))~~ The declaration must be signed by the claimant subject to the penalties as provided in chapter 9A.72 RCW for false swearing. The first declaration to defer filed in a county ~~((shall))~~ must include proof of the claimant's age acceptable to the assessor.

(3) The county assessor ~~((shall))~~ must determine if each claimant ~~((shall be))~~ is granted a deferral for each year but the claimant ~~((shall have))~~ has the right to appeal this determination to the county board of equalization, in accordance with the provisions of RCW 84.40.038, whose decision ~~((shall be))~~ is final as to the deferral of that year.

Sec. 52. RCW 84.38.050 and 1979 ex.s. c 214 s 8 are each amended to read as follows:

(1)(a) Declarations to defer property taxes for all years following the first year may be made by filing with the county assessor no later than thirty days before the tax is due a renewal form ~~((in duplicate))~~, prescribed by the department of revenue and supplied by the county assessor, which affirms the continued eligibility of the claimant.

(b) In January of each year, the county assessor ~~((shall))~~ must send to each claimant who has been granted deferral of ad valorem taxes for the

previous year renewal forms and notice to renew.

(2) Declarations to defer special assessments ~~((shall))~~ must be made by filing with the assessor no later than thirty days before the special assessment is due on a form to be prescribed by the department of revenue and supplied by the county assessor. Upon approval, the full amount of special assessments upon such claimant's residence ~~((shall))~~ must be deferred but not to exceed an amount equal to eighty percent of the claimant's equity value in said property.

Sec. 53. RCW 84.38.110 and 1984 c 220 s 24 are each amended to read as follows:

The county assessor ~~((shall))~~ must:

(1) Immediately transmit ~~((one))~~ a copy of each declaration to defer to the department of revenue. The department may audit any declaration and ~~((shall))~~ must notify the assessor as soon as possible of any claim where any factor appears to disqualify the claimant for the deferral sought.

(2) Transmit ~~((one))~~ a copy of each declaration to defer a special assessment to the local improvement district which imposed such assessment.

(3) Compute the dollar tax rate for the county as if any deferrals provided by this chapter did not exist.

(4) As soon as possible notify the department of revenue and the county treasurer of the amount of real property taxes deferred for that year and notify the department of revenue and the respective treasurers of municipal corporations of the amount of special assessments deferred for each local improvement district within such unit.

Sec. 54. RCW 84.39.020 and 2005 c 253 s 2 are each amended to read as follows:

(1) Each claimant applying for assistance under RCW 84.39.010 ~~((shall))~~ must file a claim with the department, on forms prescribed by the department, no later than thirty days before the tax is due. The department may waive this requirement for good cause shown. The department ~~((shall))~~ must supply forms to the county assessor to allow persons to apply for the program at the county assessor's office.

(2) The claim ~~((shall))~~ must designate the property to which the assistance applies and ~~((shall))~~ must include a statement setting forth (a) a list of all members of the claimant's household, (b) facts establishing the eligibility under this section, and (c) any other relevant information required by the rules of the department. ~~((Each copy shall))~~ The claim must be signed by the claimant subject to the penalties as provided in chapter 9A.72 RCW for false swearing. The first claim ~~((shall))~~ must include proof of the claimant's age acceptable to the department.

(3) The following documentation ~~((shall))~~ must be filed with a claim along with any other documentation required by the department:

(a) The deceased veteran's DD 214 report of separation, or its equivalent, that must be under honorable conditions;

(b) A copy of the applicant's certificate of marriage to the deceased;

(c) A copy of the deceased veteran's death certificate; and

(d) A letter from the United States veterans' administration certifying that the death of the veteran meets the requirements of RCW 84.39.010(2).

(4) The department of veterans affairs ~~((shall))~~ must assist an eligible widow or widower in the preparation and submission of an application and the procurement of necessary substantiating documentation.

~~((4))~~ (5) The department ~~((shall))~~ must determine if each claimant is eligible each year. Any applicant aggrieved by the department's denial of assistance may petition the state board of tax appeals to review the denial and the board ~~((shall))~~ must consider any appeals to determine (a) if the claimant is entitled to assistance and (b) the amount or portion thereof.

Sec. 55. RCW 84.39.030 and 2005 c 253 s 3 are each amended to read as follows:

(1) Claims for assistance for all years following the first year may be made by filing with the department no later than thirty days before the tax is due a renewal form ~~((in duplicate))~~, prescribed by the department, that affirms the continued eligibility of the claimant.

(2) In January of each year, the department (~~(shall)~~) must send to each claimant who has been granted assistance for the previous year a renewal form(~~(s)~~) and notice to renew.

Sec. 56. RCW 84.56.150 and 1961 c 15 s 84.56.150 are each amended to read as follows:

If any person, firm, or corporation (~~(shall remove)~~) removes from one county to another in this state personal property (~~(which)~~) that has been assessed in the former county for a tax (~~(which)~~) that is unpaid at the time of such removal, the treasurer of the county from which the property is removed (~~(shall)~~) must certify to the treasurer of the county to which the property has been (~~(removed)~~) moved a statement of the tax together with all delinquencies and penalties.

Sec. 57. RCW 82.32.805 and 2013 2nd sp.s. c 13 s 1701 are each amended to read as follows:

(1)(a) Except as otherwise provided in this section, every new tax preference expires on the first day of the calendar year that is subsequent to the calendar year that is ten years from the effective date of the tax preference. With respect to any new property tax exemption, the exemption does not apply to taxes levied for collection beginning in the calendar year that is subsequent to the calendar year that is ten years from the effective date of the tax preference.

(b) A future amendment that expands a tax preference does not extend the tax preference beyond the period provided in this subsection unless an extension is expressly and unambiguously stated in the amendment.

(2) Subsection (1) of this section does not apply if legislation creating a new tax preference includes an expiration date for the new tax preference or an exemption from this section in its entirety or from the provisions of subsection (1) of this section, whether or not such exemption is codified.

(3) Subsection (1) of this section does not apply to any existing tax preference that is amended to clarify an ambiguity or correct a technical inconsistency. Future enacted legislation intended to make such clarifications or corrections must explicitly indicate this intent.

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

(a) "New tax preference" means a tax preference that initially takes effect after August 1, 2013, or a tax preference in effect as of August 1, 2013, that is expanded or extended after August 1, 2013, even if the expanding or extending amendment includes any other change to the tax preference.

(b) "Tax preference" has the same meaning as in RCW 43.136.021 with respect to any state tax administered by the department, except does not include the Washington estate and transfer tax in chapter 83.100 RCW.

(5) The department must provide written notice to the office of the code reviser of a ten-year expiration date required under this section for a new tax preference.

Sec. 58. RCW 82.32.808 and 2017 c 135 s 8 are each amended to read as follows:

(1) As provided in this section, every bill enacting a new tax preference must include a tax preference performance statement, unless the legislation enacting the new tax preference contains an explicit exemption from the requirements of this section.

(2) A tax preference performance statement must state the legislative purpose for the new tax preference. The tax preference performance statement must indicate one or more of the following general categories, by reference to the applicable category specified in this subsection, as the legislative purpose of the new tax preference:

(a) Tax preferences intended to induce certain designated behavior by taxpayers;

(b) Tax preferences intended to improve industry competitiveness;

(c) Tax preferences intended to create or retain jobs;

(d) Tax preferences intended to reduce structural inefficiencies in the tax structure;

(e) Tax preferences intended to provide tax relief for certain businesses or individuals; or

(f) A general purpose not identified in (a) through (e) of this subsection.

(3) In addition to identifying the general legislative purpose of the tax preference under subsection (2) of this section, the tax preference performance statement must provide additional detailed information regarding the legislative purpose of the new tax preference.

(4) A new tax preference performance statement must specify clear, relevant, and ascertainable metrics and data requirements that allow the joint legislative audit and review committee and the legislature to measure the effectiveness of the new tax preference in achieving the purpose designated under subsection (2) of this section.

(5) If the tax preference performance statement for a new tax preference indicates a legislative purpose described in subsection (2)(b) or (c) of this section, any taxpayer claiming the new tax preference must file an annual tax performance report in accordance with RCW 82.32.534.

(6)(a) Taxpayers claiming a new tax preference must report the amount of the tax preference claimed by the taxpayer to the department as otherwise required by statute or determined by the department as part of the taxpayer's regular tax reporting responsibilities. For new tax preferences allowing certain types of gross income of the business to be excluded from business and occupation or public utility taxation, the tax return must explicitly report the amount of the exclusion, regardless of whether it is structured as an exemption or deduction, if the taxpayer is otherwise required to report taxes to the department on a monthly or quarterly basis. For a new sales and use tax exemption, the total purchase price or value of the exempt product or service subject to the exemption claimed by the buyer must be reported on an addendum to the buyer's tax return if the buyer is otherwise required to report taxes to the department on a monthly or quarterly basis and the buyer is required to submit an exemption certificate, or similar document, to the seller.

(b) This subsection does not apply to:

- (i) Property tax exemptions;
- (ii) Tax preferences required by constitutional law;

(iii) Tax preferences for which the tax benefit to the taxpayer is less than one thousand dollars per calendar year; or

(iv) Taxpayers who are annual filers.

(c) The department may waive the filing requirements of this subsection for taxpayers who are not required to file electronically any return or report under this chapter.

(7)(a) Except as otherwise provided in this subsection, the amount claimed by a taxpayer for any new tax preference is subject to public disclosure and is not considered confidential tax information under RCW 82.32.330, if the reporting periods subject to disclosure ended at least twenty-four months prior to the date of disclosure and the taxpayer is required to report the amount of the tax preference claimed by the taxpayer to the department under subsection (6) of this section.

(b)(i) The department may waive the public disclosure requirement under (a) of this subsection (7) for good cause. Good cause may be demonstrated by a reasonable showing of economic harm to a taxpayer if the information specified under this subsection is disclosed. The waiver under this subsection (7)(b)(i) only applies to the new tax preferences provided in chapter 13, Laws of 2013 2nd sp. sess.

(ii) The amount of the tax preference claimed by a taxpayer during a calendar year is confidential under RCW 82.32.330 and may not be disclosed under this subsection if the amount for the calendar year is less than ten thousand dollars.

(c) In lieu of the disclosure and waiver requirements under this subsection, the requirements under RCW 82.32.534 apply to any tax preference that requires a tax performance report.

(8) If a new tax preference does not include the information required under subsections (2) through (4) of this section, the joint legislative audit and review committee is not required to perform a tax preference review under chapter 43.136 RCW, and it is legislatively presumed that it is the intent of the legislature to allow the new tax preference to expire upon its scheduled expiration date.

(9) For the purposes of this section, "tax preference" and "new tax preference"

have the same meaning as provided in RCW 82.32.805.

(10) The provisions of this section do not apply to the extent that legislation creating a new tax preference provides an exemption, in whole or in part, from this section, whether or not such exemption is codified.

NEW SECTION. Sec. 59. The following acts or parts of acts are each repealed:

(1)RCW 82.04.4322 (Deductions—Artistic or cultural organization—Compensation from United States, state, etc., for artistic or cultural exhibitions, performances, or programs) and 1981 c 140 s 1;

(2)RCW 82.04.4324 (Deductions—Artistic or cultural organization—Deduction for tax under RCW 82.04.240—Value of articles for use in displaying art objects or presenting artistic or cultural exhibitions, performances, or programs) and 1981 c 140 s 2;

(3)RCW 82.04.4326 (Deductions—Artistic or cultural organizations—Tuition charges for attending artistic or cultural education programs) and 1981 c 140 s 3;

(4)RCW 82.08.02081 (Exemptions—Audio or video programming) and 2009 c 535 s 502;

(5)RCW 82.08.02082 (Exemptions—Digital products or services—Ingredient or component—Made available for free) and 2017 c 323 s 517, 2010 c 111 s 401, & 2009 c 535 s 503;

(6)RCW 82.08.02087 (Exemptions—Digital goods and services—Purchased for business purposes) and 2010 c 111 s 402 & 2009 c 535 s 504;

(7)RCW 82.08.02088 (Exemptions—Digital products—Business buyers—Concurrently available for use within and outside state) and 2017 c 323 s 518 & 2009 c 535 s 701;

(8)RCW 82.12.02081 (Exemptions—Audio or video programming) and 2009 c 535 s 602;

(9)RCW 82.12.02082 (Exemptions—Digital products or services—Made available for free to general public) and 2017 c 323 s 521, 2010 c 111 s 501, & 2009 c 535 s 603;

(10)RCW 82.12.02084 (Exemptions—Digital goods—Use by students) and 2009 c 535 s 604;

(11)RCW 82.12.02085 (Exemptions—Digital goods—Noncommercial—Internal audience—Not for sale) and 2009 c 535 s 605;

(12)RCW 82.12.02086 (Exemptions—Digital products or codes—Free of charge) and 2009 c 535 s 606;

(13)RCW 82.12.02087 (Exemptions—Digital goods, codes, and services—Used for business purposes) and 2010 c 111 s 502 & 2009 c 535 s 607;

(14)RCW 82.32.755 (Sourcing compliance—Taxpayer relief—Interest and penalties—Streamlined sales and use tax agreement) and 2007 c 6 s 1601;

(15)RCW 82.32.760 (Sourcing compliance—Taxpayer relief—Credits—Streamlined sales and use tax agreement) and 2007 c 6 s 1602;

(16)RCW 82.66.010 (Definitions) and 1995 c 352 s 1;

(17)RCW 82.66.020 (Application for deferral—Contents—Ruling) and 1995 c 352 s 2;

(18)RCW 82.66.040 (Repayment schedule—Interest, penalties) and 1998 c 339 s 1 & 1995 c 352 s 4;

(19)RCW 82.66.050 (Applications not confidential) and 1995 c 352 s 6;

(20)RCW 82.66.060 (Administration) and 1995 c 352 s 5; and

(21)RCW 82.66.901 (Effective date—1995 c 352) and 1995 c 352 s 9.

NEW SECTION. Sec. 60. The following sections are decodified:

(1) RCW 82.58.005 (Findings);

(2) RCW 82.58.901 (Effective date—2002 c 267 §§ 1-9); and

(3) RCW 82.58.902 (Contingent effective date—2002 c 267 §§ 10 and 11).

NEW SECTION. Sec. 61. Section 37 of this act takes effect January 1, 2022."

Correct the title.

Signed by Representatives Tarleton, Chair; Walen, Vice Chair; Orcutt, Ranking Minority Member; Young, Assistant Ranking Minority Member; Chapman; Frame; Macri; Orwall; Springer; Stokesbary; Vick and Wylie.

Referred to Committee on Rules for second reading.

March 2, 2020

ESB 5457 Prime Sponsor, Senator Keiser: Naming of subcontractors by prime contract bidders on public works contracts. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass. Signed by Representatives Tharinger, Chair; Callan, Vice Chair; Doglio, Vice Chair; DeBolt, Ranking Minority Member; Steele, Assistant Ranking Minority Member; Davis; Gildon; Leavitt; Lekanoff; Maycumber; Morgan; Pellicciotti; Peterson; Riccelli; Santos; Sells; Stonier and Walsh.

MINORITY recommendation: Without recommendation. Signed by Representatives Smith, Assistant Ranking Minority Member and Corry.

MINORITY recommendation: Do not pass. Signed by Representative Dye.

Referred to Committee on Rules for second reading.

February 29, 2020

E2SSB 5481 Prime Sponsor, Committee on Ways & Means: (REVISED FOR ENGROSSED: Concerning collective bargaining by fish and wildlife officers.) Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Chandler; Chopp; Cody; Corry; Dolan; Fitzgibbon; Hansen; Hudgins; Kilduff; Macri; Mosbrucker; Pettigrew; Ryu; Senn; Springer; Steele; Sullivan; Tarleton; Tharinger and Ybarra.

MINORITY recommendation: Do not pass. Signed by Representatives Stokesbary, Ranking Minority Member; Caldier; Dye; Hoff; Kraft; Schmick and Sutherland.

Referred to Committee on Rules for second reading.

March 2, 2020

2SSB 5572 Prime Sponsor, Committee on Ways & Means: Authorizing modernization grants for small school districts. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass. Signed by Representatives Tharinger, Chair; Callan, Vice Chair; Doglio, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Steele, Assistant Ranking Minority Member; Corry; Davis; Dye; Gildon; Leavitt; Lekanoff; Maycumber; Morgan; Pellicciotti; Peterson; Riccelli; Santos; Sells; Stonier and Walsh.

Referred to Committee on Rules for second reading.

February 29, 2020

2SSB 5601 Prime Sponsor, Committee on Ways & Means: Regulating health care benefit managers. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Appropriations and without amendment by Committee on Health Care & Wellness.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature finds that growth in managed health care systems has shifted substantial authority over health care decisions from providers and patients to health carriers and health care benefit managers. Health care benefit managers acting as intermediaries between carriers, health care providers, and patients exercise broad discretion to affect health care services recommended and delivered by providers and the health care choices of patients. Regularly, these health care benefit managers are making health care decisions on behalf of carriers. However, unlike carriers, health care benefit managers are not currently regulated.

(2) Therefore, the legislature finds that it is in the best interest of the public to create a separate chapter in this title for health care benefit managers.

(3) The legislature intends to protect and promote the health, safety, and welfare of Washington residents by establishing standards for regulatory oversight of health care benefit managers.

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

(1) "Affiliate" or "affiliated employer" means a person who directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another specified person.

(2) "Certification" has the same meaning as in RCW 48.43.005.

(3) "Employee benefits programs" means programs under both the public employees' benefits board established in RCW 41.05.055 and the school employees'

benefits board established in RCW 41.05.740.

(4) (a) "Health care benefit manager" means a person or entity providing services to, or acting on behalf of, a health carrier or employee benefits programs, that directly or indirectly impacts the determination or utilization of benefits for, or patient access to, health care services, drugs, and supplies including, but not limited to:

(i) Prior authorization or preauthorization of benefits or care;

(ii) Certification of benefits or care;

(iii) Medical necessity determinations;

(iv) Utilization review;

(v) Benefit determinations;

(vi) Claims processing and repricing for services and procedures;

(vii) Outcome management;

(viii) Provider credentialing and recredentialing;

(ix) Payment or authorization of payment to providers and facilities for services or procedures;

(x) Dispute resolution, grievances, or appeals relating to determinations or utilization of benefits;

(xi) Provider network management; or

(xii) Disease management.

(b) "Health care benefit manager" includes, but is not limited to, health care benefit managers that specialize in specific types of health care benefit management such as pharmacy benefit managers, radiology benefit managers, laboratory benefit managers, and mental health benefit managers.

(c) "Health care benefit manager" does not include:

(i) Health care service contractors as defined in RCW 48.44.010;

(ii) Health maintenance organizations as defined in RCW 48.46.020;

(iii) Issuers as defined in RCW 48.01.053;

(iv) The public employees' benefits board established in RCW 41.05.055;

(v) The school employees' benefits board established in RCW 41.05.740;

(vi) Discount plans as defined in RCW 48.155.010;

(vii) Direct patient-provider primary care practices as defined in RCW 48.150.010;

(viii) An employer administering its employee benefit plan or the employee benefit plan of an affiliated employer under common management and control;

(ix) A union administering a benefit plan on behalf of its members;

(x) An insurance producer selling insurance or engaged in related activities within the scope of the producer's license;

(xi) A creditor acting on behalf of its debtors with respect to insurance, covering a debt between the creditor and its debtors;

(xii) A behavioral health administrative services organization or other county-managed entity that has been approved by the state health care authority to perform delegated functions on behalf of a carrier;

(xiii) A hospital licensed under chapter 70.41 RCW or ambulatory surgical facility licensed under chapter 70.230 RCW;

(xiv) The Robert Bree collaborative under chapter 70.250 RCW;

(xv) The health technology clinical committee established under RCW 70.14.090; or

(xvi) The prescription drug purchasing consortium established under RCW 70.14.060.

(5) "Health care provider" or "provider" has the same meaning as in RCW 48.43.005.

(6) "Health care service" has the same meaning as in RCW 48.43.005.

(7) "Health carrier" or "carrier" has the same meaning as in RCW 48.43.005.

(8) "Laboratory benefit manager" means a person or entity providing service to, or acting on behalf of, a health carrier, employee benefits programs, or another entity under contract with a carrier, that directly or indirectly impacts the determination or utilization of benefits for, or patient

access to, health care services, drugs, and supplies relating to the use of clinical laboratory services and includes any requirement for a health care provider to submit a notification of an order for such services.

(9) "Mental health benefit manager" means a person or entity providing service to, or acting on behalf of, a health carrier, employee benefits programs, or another entity under contract with a carrier, that directly or indirectly impacts the determination of utilization of benefits for, or patient access to, health care services, drugs, and supplies relating to the use of mental health services and includes any requirement for a health care provider to submit a notification of an order for such services.

(10) "Network" means the group of participating providers, pharmacies, and suppliers providing health care services, drugs, or supplies to beneficiaries of a particular carrier or plan.

(11) "Person" includes, as applicable, natural persons, licensed health care providers, carriers, corporations, companies, trusts, unincorporated associations, and partnerships.

(12)(a) "Pharmacy benefit manager" means a person that contracts with pharmacies on behalf of an insurer, a third-party payor, or the prescription drug purchasing consortium established under RCW 70.14.060 to:

(i) Process claims for prescription drugs or medical supplies or provide retail network management for pharmacies or pharmacists;

(ii) Pay pharmacies or pharmacists for prescription drugs or medical supplies;

(iii) Negotiate rebates with manufacturers for drugs paid for or procured as described in this subsection;

(iv) Manage pharmacy networks; or

(v) Make credentialing determinations.

(b) "Pharmacy benefit manager" does not include a health care service contractor as defined in RCW 48.44.010.

(13)(a) "Radiology benefit manager" means any person or entity providing service to, or acting on behalf of, a

health carrier, employee benefits programs, or another entity under contract with a carrier, that directly or indirectly impacts the determination or utilization of benefits for, or patient access to, the services of a licensed radiologist or to advanced diagnostic imaging services including, but not limited to:

(i) Processing claims for services and procedures performed by a licensed radiologist or advanced diagnostic imaging service provider; or

(ii) Providing payment or payment authorization to radiology clinics, radiologists, or advanced diagnostic imaging service providers for services or procedures.

(b) "Radiology benefit manager" does not include a health care service contractor as defined in RCW 48.44.010, a health maintenance organization as defined in RCW 48.46.020, or an issuer as defined in RCW 48.01.053.

(14) "Utilization review" has the same meaning as in RCW 48.43.005.

NEW SECTION. Sec. 3. (1) To conduct business in this state, a health care benefit manager must register with the commissioner and annually renew the registration.

(2) To apply for registration under this section, a health care benefit manager must:

(a) Submit an application on forms and in a manner prescribed by the commissioner and verified by the applicant by affidavit or declaration under chapter 5.50 RCW. Applications must contain at least the following information:

(i) The identity of the health care benefit manager and of persons with any ownership or controlling interest in the applicant including relevant business licenses and tax identification numbers, and the identity of any entity that the health care benefit manager has a controlling interest in;

(ii) The business name, address, phone number, and contact person for the health care benefit manager;

(iii) Any areas of specialty such as pharmacy benefit management, radiology benefit management, laboratory benefit management, mental health benefit management, or other specialty; and

(iv) Any other information as the commissioner may reasonably require.

(b) Pay an initial registration fee and annual renewal registration fee as established in rule by the commissioner. The fees for each registration must be set by the commissioner in an amount that ensures the registration, renewal, and oversight activities are self-supporting. If one health care benefit manager has a contract with more than one carrier, the health care benefit manager must complete only one application providing the details necessary for each contract.

(3) All receipts from fees collected by the commissioner under this section must be deposited into the insurance commissioner's regulatory account created in RCW 48.02.190.

(4) Before approving an application for or renewal of a registration, the commissioner must find that the health care benefit manager:

(a) Has not committed any act that would result in denial, suspension, or revocation of a registration;

(b) Has paid the required fees; and

(c) Has the capacity to comply with, and has designated a person responsible for, compliance with state and federal laws.

(5) Any material change in the information provided to obtain or renew a registration must be filed with the commissioner within thirty days of the change.

(6) Every registered health care benefit manager must retain a record of all transactions completed for a period of not less than seven years from the date of their creation. All such records as to any particular transaction must be kept available and open to inspection by the commissioner during the seven years after the date of completion of such transaction.

NEW SECTION. Sec. 4. (1) A health care benefit manager may not provide health care benefit management services to a health carrier or employee benefits programs without a written agreement describing the rights and responsibilities of the parties conforming to the provisions of this chapter and any rules adopted by the commissioner to implement or enforce this

chapter including rules governing contract content.

(2) A health care benefit manager must file with the commissioner in the form and manner prescribed by the commissioner, every benefit management contract and contract amendment between the health care benefit manager and a provider, pharmacy, pharmacy services administration organization, or other health care benefit manager, entered into directly or indirectly in support of a contract with a carrier or employee benefits programs, within thirty days following the effective date of the contract or contract amendment.

(3) Contracts filed under this section are confidential and not subject to public inspection under RCW 48.02.120(2), or public disclosure under chapter 42.56 RCW, if filed in accordance with the procedures for submitting confidential filings through the system for electronic rate and form filings and the general filing instructions as set forth by the commissioner. In the event the referenced filing fails to comply with the filing instructions setting forth the process to withhold the contract from public inspection, and the health care benefit manager indicates that the contract is to be withheld from public inspection, the commissioner must reject the filing and notify the health care benefit manager through the system for electronic rate and form filings to amend its filing to comply with the confidentiality filing instructions.

NEW SECTION. Sec. 5. (1) Upon notifying a carrier or health care benefit manager of an inquiry or complaint filed with the commissioner pertaining to the conduct of a health care benefit manager identified in the inquiry or complaint, the commissioner must provide notice of the inquiry or complaint concurrently to the health care benefit manager and any carrier to which the inquiry or complaint pertains.

(2) Upon receipt of an inquiry from the commissioner, a health care benefit manager must provide to the commissioner within fifteen business days, in the form and manner required by the commissioner, a complete response to that inquiry including, but not limited to, providing a statement or testimony, producing its accounts, records, and files, responding to complaints, or responding to surveys and general requests. Failure to make a

complete or timely response constitutes a violation of this chapter.

(3) Subject to chapter 48.04 RCW, if the commissioner finds that a health care benefit manager or any person responsible for the conduct of the health care benefit manager's affairs has:

(a) Violated any insurance law, or violated any rule, subpoena, or order of the commissioner or of another state's insurance commissioner;

(b) Failed to renew the health care benefit manager's registration;

(c) Failed to pay the registration or renewal fees;

(d) Provided incorrect, misleading, incomplete, or materially untrue information to the commissioner, to a carrier, or to a beneficiary;

(e) Used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, or financial irresponsibility in this state or elsewhere; or

(f) Had a health care benefit manager registration, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory;

the commissioner may take any combination of the following actions against a health care benefit manager or any person responsible for the conduct of the health care benefit manager's affairs, other than an employee benefits program:

(i) Place on probation, suspend, revoke, or refuse to issue or renew the health care benefit manager's registration;

(ii) Issue a cease and desist order against the health care benefit manager and contracting carrier;

(iii) Fine the health care benefit manager up to five thousand dollars per violation, and the contracting carrier is subject to a fine for acts conducted under the contract;

(iv) Issue an order requiring corrective action against the health care benefit manager, the contracting carrier acting with the health care benefit manager, or both the health care benefit manager and the contracting carrier acting with the health care benefit manager; and

(v) Temporarily suspend the health care benefit manager's registration by an order served by mail or by personal service upon the health care benefit manager not less than three days prior to the suspension effective date. The order must contain a notice of revocation and include a finding that the public safety or welfare requires emergency action. A temporary suspension under this subsection (3)(f)(v) continues until proceedings for revocation are concluded.

(4) A stay of action is not available for actions the commissioner takes by cease and desist order, by order on hearing, or by temporary suspension.

(5)(a) Health carriers and employee benefits programs are responsible for the compliance of any person or organization acting directly or indirectly on behalf of or at the direction of the carrier or program, or acting pursuant to carrier or program standards or requirements concerning the coverage of, payment for, or provision of health care benefits, services, drugs, and supplies.

(b) A carrier or program contracting with a health care benefit manager is responsible for the health care benefit manager's violations of this chapter, including a health care benefit manager's failure to produce records requested or required by the commissioner.

(c) No carrier or program may offer as a defense to a violation of any provision of this chapter that the violation arose from the act or omission of a health care benefit manager, or other person acting on behalf of or at the direction of the carrier or program, rather than from the direct act or omission of the carrier or program.

NEW SECTION. Sec. 6. A new section is added to chapter 48.43 RCW to read as follows:

(1) A carrier must file with the commissioner in the form and manner prescribed by the commissioner every contract and contract amendment between the carrier and any health care benefit manager registered under section 3 of this act, within thirty days following the effective date of the contract or contract amendment.

(2) For health plans issued or renewed on or after January 1, 2022, carriers must notify health plan enrollees in writing of each health care

benefit manager contracted with the carrier to provide any benefit management services in the administration of the health plan.

(3) Contracts filed under this section are confidential and not subject to public inspection under RCW 48.02.120(2), or public disclosure under chapter 42.56 RCW, if filed in accordance with the procedures for submitting confidential filings through the system for electronic rate and form filings and the general filing instructions as set forth by the commissioner. In the event the referenced filing fails to comply with the filing instructions setting forth the process to withhold the contract from public inspection, and the carrier indicates that the contract is to be withheld from public inspection, the commissioner must reject the filing and notify the carrier through the system for electronic rate and form filings to amend its filing to comply with the confidentiality filing instructions.

(4) For purposes of this section, "health care benefit manager" has the same meaning as in section 2 of this act.

Sec. 7. RCW 48.02.120 and 2011 c 312 s 1 are each amended to read as follows:

(1) The commissioner shall preserve in permanent form records of his or her proceedings, hearings, investigations, and examinations, and shall file such records in his or her office.

(2) The records of the commissioner and insurance filings in his or her office shall be open to public inspection, except as otherwise provided by sections 4 and 6 of this act and this code.

(3) Except as provided in subsection (4) of this section, actuarial formulas, statistics, and assumptions submitted in support of a rate or form filing by an insurer, health care service contractor, or health maintenance organization or submitted to the commissioner upon his or her request shall be withheld from public inspection in order to preserve trade secrets or prevent unfair competition.

(4) For individual and small group health benefit plan rate filings submitted on or after July 1, 2011, subsection (3) of this section applies only to the numeric values of each small group rating factor used by a health carrier as authorized by RCW 48.21.045(3)(a), 48.44.023(3)(a), and

48.46.066(3)(a). Subsection (3) of this section may continue to apply for a period of one year from the date a new individual or small group product filing is submitted or until the next rate filing for the product, whichever occurs earlier, if the commissioner determines that the proposed rate filing is for a new product that is distinct and unique from any of the carrier's currently or previously offered health benefit plans. Carriers must make a written request for a product classification as a new product under this subsection and must receive subsequent written approval by the commissioner for this subsection to apply.

(5) Unless the commissioner has determined that a filing is for a new product pursuant to subsection (4) of this section, for all individual or small group health benefit rate filings submitted on or after July 1, 2011, the health carrier must submit part I rate increase summary and part II written explanation of the rate increase as set forth by the department of health and human services at the time of filing, and the commissioner must:

(a) Make each filing and the part I rate increase summary and part II written explanation of the rate increase available for public inspection on the tenth calendar day after the commissioner determines that the rate filing is complete and accepts the filing for review through the electronic rate and form filing system; and

(b) Prepare a standardized rate summary form, to explain his or her findings after the rate review process is completed. The commissioner's summary form must be included as part of the rate filing documentation and available to the public electronically.

Sec. 8. RCW 48.02.220 and 2016 c 210 s 5 are each amended to read as follows:

(1) The commissioner shall accept registration of (~~(pharmacy)~~) health care benefit managers as established in ((RCW 19.340.030)) section 3 of this act and receipts shall be deposited in the insurance commissioner's regulatory account.

(2) The commissioner shall have enforcement authority over chapter (~~19.340~~) 48.--- RCW (the new chapter created in section 17 of this act) consistent with requirements established

in RCW 19.340.110 (as recodified by this act).

(3) The commissioner may adopt rules to implement chapter ~~((19.340))~~ 48.--- RCW (the new chapter created in section 17 of this act) and to establish registration and renewal fees that ensure the registration, renewal, and oversight activities are self-supporting.

Sec. 9. RCW 42.56.400 and 2019 c 389 s 102 are each amended to read as follows:

The following information relating to insurance and financial institutions is exempt from disclosure under this chapter:

(1) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110;

(2) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state purchased health care program by the authority, or transferred by the authority to a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW;

(3) The names and individual identification data of either all owners or all insureds, or both, received by the insurance commissioner under chapter 48.102 RCW;

(4) Information provided under RCW 48.30A.045 through 48.30A.060;

(5) Information provided under RCW 48.05.510 through 48.05.535, 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600 through 48.46.625;

(6) Examination reports and information obtained by the department of financial institutions from banks under RCW 30A.04.075, from savings banks under RCW 32.04.220, from savings and loan associations under RCW 33.04.110, from credit unions under RCW 31.12.565, from check cashers and sellers under RCW 31.45.030(3), and from securities brokers and investment advisers under RCW 21.20.100, all of which is confidential and privileged information;

(7) Information provided to the insurance commissioner under RCW 48.110.040(3);

(8) Documents, materials, or information obtained by the insurance commissioner under RCW 48.02.065, all of which are confidential and privileged;

(9) Documents, materials, or information obtained by the insurance commissioner under RCW 48.31B.015(2) (l) and (m), 48.31B.025, 48.31B.030, and 48.31B.035, all of which are confidential and privileged;

(10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and 7.70.140 that, alone or in combination with any other data, may reveal the identity of a claimant, health care provider, health care facility, insuring entity, or self-insurer involved in a particular claim or a collection of claims. For the purposes of this subsection:

(a) "Claimant" has the same meaning as in RCW 48.140.010(2).

(b) "Health care facility" has the same meaning as in RCW 48.140.010(6).

(c) "Health care provider" has the same meaning as in RCW 48.140.010(7).

(d) "Insuring entity" has the same meaning as in RCW 48.140.010(8).

(e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);

(11) Documents, materials, or information obtained by the insurance commissioner under RCW 48.135.060;

(12) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.060;

(13) Confidential and privileged documents obtained or produced by the insurance commissioner and identified in RCW 48.37.080;

(14) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.140;

(15) Documents, materials, or information obtained by the insurance commissioner under RCW 48.17.595;

(16) Documents, materials, or information obtained by the insurance commissioner under RCW 48.102.051(1) and 48.102.140 (3) and (7) (a) (ii);

(17) Documents, materials, or information obtained by the insurance

commissioner in the commissioner's capacity as receiver under RCW 48.31.025 and 48.99.017, which are records under the jurisdiction and control of the receivership court. The commissioner is not required to search for, log, produce, or otherwise comply with the public records act for any records that the commissioner obtains under chapters 48.31 and 48.99 RCW in the commissioner's capacity as a receiver, except as directed by the receivership court;

(18) Documents, materials, or information obtained by the insurance commissioner under RCW 48.13.151;

(19) Data, information, and documents provided by a carrier pursuant to section 1, chapter 172, Laws of 2010;

(20) Information in a filing of usage-based insurance about the usage-based component of the rate pursuant to RCW 48.19.040(5)(b);

(21) Data, information, and documents, other than those described in RCW 48.02.210(2) as it existed prior to repeal by section 2, chapter 7, Laws of 2017 3rd sp. sess., that are submitted to the office of the insurance commissioner by an entity providing health care coverage pursuant to RCW 28A.400.275 as it existed on January 1, 2017, and RCW 48.02.210 as it existed prior to repeal by section 2, chapter 7, Laws of 2017 3rd sp. sess.;

(22) Data, information, and documents obtained by the insurance commissioner under RCW 48.29.017;

(23) Information not subject to public inspection or public disclosure under RCW 48.43.730(5);

(24) Documents, materials, or information obtained by the insurance commissioner under chapter 48.05A RCW;

(25) Documents, materials, or information obtained by the insurance commissioner under RCW 48.74.025, 48.74.028, 48.74.100(6), 48.74.110(2)(b) and (c), and 48.74.120 to the extent such documents, materials, or information independently qualify for exemption from disclosure as documents, materials, or information in possession of the commissioner pursuant to a financial conduct examination and exempt from disclosure under RCW 48.02.065;

(26) Nonpublic personal health information obtained by, disclosed to, or in the custody of the insurance

commissioner, as provided in RCW 48.02.068;

(27) Data, information, and documents obtained by the insurance commissioner under RCW 48.02.230;

(28) Documents, materials, or other information, including the corporate annual disclosure obtained by the insurance commissioner under RCW 48.195.020;

(29) Findings and orders disapproving acquisition of a trust institution under RCW 30B.53.100(3); ~~((and))~~

(30) All claims data, including health care and financial related data received under RCW 41.05.890, received and held by the health care authority; and

(31) Contracts not subject to public disclosure under sections 4 and 6 of this act.

Sec. 10. RCW 19.340.020 and 2014 c 213 s 3 are each amended to read as follows:

~~((As used in))~~ The definitions in this section apply throughout this section and RCW 19.340.040 through ((19.340.090+)) 19.340.110 (as recodified by this act) unless the context clearly requires otherwise.

(1) "Audit" means an on-site or remote review of the records of a pharmacy by or on behalf of an entity.

(2) "Claim" means a request from a pharmacy or pharmacist to be reimbursed for the cost of filling or refilling a prescription for a drug or for providing a medical supply or service.

(3) "Clerical error" means a minor error:

(a) In the keeping, recording, or transcribing of records or documents or in the handling of electronic or hard copies of correspondence;

(b) That does not result in financial harm to an entity; and

(c) That does not involve dispensing an incorrect dose, amount, or type of medication, or dispensing a prescription drug to the wrong person.

~~((+3))~~ (4) "Entity" includes:

(a) A pharmacy benefit manager;

(b) An insurer;

(c) A third-party payor;

(d) A state agency; or

(e) A person that represents or is employed by one of the entities described in this subsection.

~~((4))~~ (5) "Fraud" means knowingly and willfully executing or attempting to execute a scheme, in connection with the delivery of or payment for health care benefits, items, or services, that uses false or misleading pretenses, representations, or promises to obtain any money or property owned by or under the custody or control of any person.

(6) "Pharmacist" has the same meaning as in RCW 18.64.011.

(7) "Pharmacy" has the same meaning as in RCW 18.64.011.

(8) "Third-party payor" means a person licensed under RCW 48.39.005.

Sec. 11. RCW 19.340.040 and 2014 c 213 s 4 are each amended to read as follows:

An entity that audits claims or an independent third party that contracts with an entity to audit claims:

(1) Must establish, in writing, a procedure for a pharmacy to appeal the entity's findings with respect to a claim and must provide a pharmacy with a notice regarding the procedure, in writing or electronically, prior to conducting an audit of the pharmacy's claims;

(2) May not conduct an audit of a claim more than twenty-four months after the date the claim was adjudicated by the entity;

(3) Must give at least fifteen days' advance written notice of an on-site audit to the pharmacy or corporate headquarters of the pharmacy;

(4) May not conduct an on-site audit during the first five days of any month without the pharmacy's consent;

(5) Must conduct the audit in consultation with a pharmacist who is licensed by this or another state if the audit involves clinical or professional judgment;

(6) May not conduct an on-site audit of more than two hundred fifty unique prescriptions of a pharmacy in any twelve-month period except in cases of alleged fraud;

(7) May not conduct more than one on-site audit of a pharmacy in any twelve-month period;

(8) Must audit each pharmacy under the same standards and parameters that the entity uses to audit other similarly situated pharmacies;

(9) Must pay any outstanding claims of a pharmacy no more than forty-five days after the earlier of the date all appeals are concluded or the date a final report is issued under RCW 19.340.080(3) (as recodified by this act);

(10) May not include dispensing fees or interest in the amount of any overpayment assessed on a claim unless the overpaid claim was for a prescription that was not filled correctly;

(11) May not recoup costs associated with:

(a) Clerical errors; or

(b) Other errors that do not result in financial harm to the entity or a consumer; and

(12) May not charge a pharmacy for a denied or disputed claim until the audit and the appeals procedure established under subsection (1) of this section are final.

Sec. 12. RCW 19.340.070 and 2014 c 213 s 7 are each amended to read as follows:

For purposes of RCW 19.340.020 and 19.340.040 through 19.340.090 (as recodified by this act), an entity, or an independent third party that contracts with an entity to conduct audits, must allow as evidence of validation of a claim:

(1) An electronic or physical copy of a valid prescription if the prescribed drug was, within fourteen days of the dispensing date:

(a) Picked up by the patient or the patient's designee;

(b) Delivered by the pharmacy to the patient; or

(c) Sent by the pharmacy to the patient using the United States postal service or other common carrier;

(2) Point of sale electronic register data showing purchase of the prescribed drug, medical supply, or service by the patient or the patient's designee; or

(3) Electronic records, including electronic beneficiary signature logs, electronically scanned and stored patient records maintained at or accessible to the audited pharmacy's central operations, and any other reasonably clear and accurate electronic documentation that corresponds to a claim.

Sec. 13. RCW 19.340.080 and 2014 c 213 s 8 are each amended to read as follows:

(1) (a) After conducting an audit, an entity must provide the pharmacy that is the subject of the audit with a preliminary report of the audit. The preliminary report must be received by the pharmacy no later than forty-five days after the date on which the audit was completed and must be sent:

(i) By mail or common carrier with a return receipt requested; or

(ii) Electronically with electronic receipt confirmation.

(b) An entity shall provide a pharmacy receiving a preliminary report under this subsection no fewer than forty-five days after receiving the report to contest the report or any findings in the report in accordance with the appeals procedure established under RCW 19.340.040(1) (as recodified by this act) and ~~((to provide))~~ must allow the submission of additional documentation in support of the claim. The entity shall consider a reasonable request for an extension of time to submit documentation to contest the report or any findings in the report.

(2) If an audit results in the dispute or denial of a claim, the entity conducting the audit shall allow the pharmacy to resubmit the claim using any commercially reasonable method, including facsimile, mail, or ~~((electronic mail))~~ email.

(3) An entity must provide a pharmacy that is the subject of an audit with a final report of the audit no later than sixty days after the later of the date the preliminary report was received or the date the pharmacy contested the report using the appeals procedure established under RCW 19.340.040(1) (as recodified by this act). The final report must include a final accounting of all moneys to be recovered by the entity.

(4) Recoupment of disputed funds from a pharmacy by an entity or repayment of funds to an entity by a pharmacy, unless otherwise agreed to by the entity and the pharmacy, shall occur after the audit and the appeals procedure established under RCW 19.340.040(1) (as recodified by this act) are final. If the identified discrepancy for an individual audit exceeds forty thousand dollars, any future payments to the pharmacy may be withheld by the entity until the audit and the appeals procedure established under RCW 19.340.040(1) (as recodified by this act) are final.

Sec. 14. RCW 19.340.090 and 2014 c 213 s 9 are each amended to read as follows:

RCW 19.340.020 and 19.340.040 through 19.340.090 (as recodified by this act) do not:

(1) Preclude an entity from instituting an action for fraud against a pharmacy;

(2) Apply to an audit of pharmacy records when fraud or other intentional and willful misrepresentation is indicated by physical review, review of claims data or statements, or other investigative methods; or

(3) Apply to a state agency that is conducting audits or a person that has contracted with a state agency to conduct audits of pharmacy records for prescription drugs paid for by the state medical assistance program.

Sec. 15. RCW 19.340.100 and 2016 c 210 s 4 are each amended to read as follows:

(1) ~~((As used in this section.))~~ The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "List" means the list of drugs for which predetermined reimbursement costs have been established, such as a maximum allowable cost or maximum allowable cost list or any other benchmark prices utilized by the pharmacy benefit manager and must include the basis of the methodology and sources utilized to determine multisource generic drug reimbursement amounts.

(b) "Multiple source drug" means a therapeutically equivalent drug that is available from at least two manufacturers.

(c) "Multisource generic drug" means any covered outpatient prescription drug for which there is at least one other drug product that is rated as therapeutically equivalent under the food and drug administration's most recent publication of "Approved Drug Products with Therapeutic Equivalence Evaluations;" is pharmaceutically equivalent or bioequivalent, as determined by the food and drug administration; and is sold or marketed in the state during the period.

(d) "Network pharmacy" means a retail drug outlet licensed as a pharmacy under RCW 18.64.043 that contracts with a pharmacy benefit manager.

(e) "Therapeutically equivalent" has the same meaning as in RCW 69.41.110.

(2) A pharmacy benefit manager:

(a) May not place a drug on a list unless there are at least two therapeutically equivalent multiple source drugs, or at least one generic drug available from only one manufacturer, generally available for purchase by network pharmacies from national or regional wholesalers;

(b) Shall ensure that all drugs on a list are readily available for purchase by pharmacies in this state from national or regional wholesalers that serve pharmacies in Washington;

(c) Shall ensure that all drugs on a list are not obsolete;

(d) Shall make available to each network pharmacy at the beginning of the term of a contract, and upon renewal of a contract, the sources utilized to determine the predetermined reimbursement costs for multisource generic drugs of the pharmacy benefit manager;

(e) Shall make a list available to a network pharmacy upon request in a format that is readily accessible to and usable by the network pharmacy;

(f) Shall update each list maintained by the pharmacy benefit manager every seven business days and make the updated lists, including all changes in the price of drugs, available to network pharmacies in a readily accessible and usable format;

(g) Shall ensure that dispensing fees are not included in the calculation of

the predetermined reimbursement costs for multisource generic drugs;

(h) May not cause or knowingly permit the use of any advertisement, promotion, solicitation, representation, proposal, or offer that is untrue, deceptive, or misleading;

(i) May not charge a pharmacy a fee related to the adjudication of a claim, credentialing, participation, certification, accreditation, or enrollment in a network including, but not limited to, a fee for the receipt and processing of a pharmacy claim, for the development or management of claims processing services in a pharmacy benefit manager network, or for participating in a pharmacy benefit manager network;

(j) May not require accreditation standards inconsistent with or more stringent than accreditation standards established by a national accreditation organization;

(k) May not reimburse a pharmacy in the state an amount less than the amount the pharmacy benefit manager reimburses an affiliate for providing the same pharmacy services; and

(l) May not directly or indirectly retroactively deny or reduce a claim or aggregate of claims after the claim or aggregate of claims has been adjudicated, unless:

(i) The original claim was submitted fraudulently; or

(ii) The denial or reduction is the result of a pharmacy audit conducted in accordance with RCW 19.340.040 (as recodified by this act).

(3) A pharmacy benefit manager must establish a process by which a network pharmacy may appeal its reimbursement for a drug subject to predetermined reimbursement costs for multisource generic drugs. A network pharmacy may appeal a predetermined reimbursement cost for a multisource generic drug if the reimbursement for the drug is less than the net amount that the network pharmacy paid to the supplier of the drug. An appeal requested under this section must be completed within thirty calendar days of the pharmacy submitting the appeal. If after thirty days the network pharmacy has not received the decision on the appeal from the pharmacy benefit manager, then the appeal is considered denied.

The pharmacy benefit manager shall uphold the appeal of a pharmacy with fewer than fifteen retail outlets, within the state of Washington, under its corporate umbrella if the pharmacy or pharmacist can demonstrate that it is unable to purchase a therapeutically equivalent interchangeable product from a supplier doing business in Washington at the pharmacy benefit manager's list price.

(4) A pharmacy benefit manager must provide as part of the appeals process established under subsection (3) of this section:

(a) A telephone number at which a network pharmacy may contact the pharmacy benefit manager and speak with an individual who is responsible for processing appeals; and

(b) If the appeal is denied, the reason for the denial and the national drug code of a drug that has been purchased by other network pharmacies located in Washington at a price that is equal to or less than the predetermined reimbursement cost for the multisource generic drug. A pharmacy with fifteen or more retail outlets, within the state of Washington, under its corporate umbrella may submit information to the commissioner about an appeal under subsection (3) of this section for purposes of information collection and analysis.

(5) (a) If an appeal is upheld under this section, the pharmacy benefit manager shall make a reasonable adjustment on a date no later than one day after the date of determination.

(b) If the request for an adjustment has come from a critical access pharmacy, as defined by the state health care authority by rule for purposes related to the prescription drug purchasing consortium established under RCW 70.14.060, the adjustment approved under (a) of this subsection shall apply only to critical access pharmacies.

(6) Beginning July 1, 2017, if a network pharmacy appeal to the pharmacy benefit manager is denied, or if the network pharmacy is unsatisfied with the outcome of the appeal, the pharmacy or pharmacist may dispute the decision and request review by the commissioner within thirty calendar days of receiving the decision.

(a) All relevant information from the parties may be presented to the commissioner, and the commissioner may enter an order directing the pharmacy benefit manager to make an adjustment to the disputed claim, deny the pharmacy appeal, or take other actions deemed fair and equitable. An appeal requested under this section must be completed within thirty calendar days of the request.

(b) Upon resolution of the dispute, the commissioner shall provide a copy of the decision to both parties within seven calendar days.

(c) The commissioner may authorize the office of administrative hearings, as provided in chapter 34.12 RCW, to conduct appeals under this subsection (6).

(d) A pharmacy benefit manager may not retaliate against a pharmacy for pursuing an appeal under this subsection (6).

(e) This subsection (6) applies only to a pharmacy with fewer than fifteen retail outlets, within the state of Washington, under its corporate umbrella.

(7) This section does not apply to the state medical assistance program.

~~((8) A pharmacy benefit manager shall comply with any requests for information from the commissioner for purposes of the study of the pharmacy chain of supply conducted under section 7, chapter 210, Laws of 2016.))~~

Sec. 16. RCW 19.340.110 and 2016 c 210 s 2 are each amended to read as follows:

(1) The commissioner shall have enforcement authority over this chapter and shall have authority to render a binding decision in any dispute between a pharmacy benefit manager, or third-party administrator of prescription drug benefits, and a pharmacy arising out of an appeal under RCW 19.340.100(6) (as recodified by this act) regarding drug pricing and reimbursement.

(2) Any person, corporation, third-party administrator of prescription drug benefits, pharmacy benefit manager, or business entity which violates any provision of this chapter shall be subject to a civil penalty in the amount of one thousand dollars for each act in violation of this chapter or, if the violation was knowing and willful, a

civil penalty of five thousand dollars for each violation of this chapter.

NEW SECTION. Sec. 17. Sections 1 through 5 of this act constitute a new chapter in Title 48 RCW.

NEW SECTION. Sec. 18. RCW 19.340.020, 19.340.040, 19.340.050, 19.340.060, 19.340.070, 19.340.080, 19.340.090, 19.340.100, and 19.340.110 are each recodified as sections under a subchapter in chapter 48.--- RCW (the new chapter created in section 17 of this act).

NEW SECTION. Sec. 19. The following acts or parts of acts are each repealed:

(1) RCW 19.340.010 (Definitions) and 2016 c 210 s 3 & 2014 c 213 s 1;

(2) RCW 19.340.030 (Pharmacy benefit managers—Registration—Renewal) and 2016 c 210 s 1 & 2014 c 213 s 2; and

(3) RCW 19.365.010 (Registration required—Requirements) and 2015 c 166 s 1.

NEW SECTION. Sec. 20. The insurance commissioner may adopt any rules necessary to implement this act.

NEW SECTION. Sec. 21. (1) Subject to the availability of amounts appropriated for this specific purpose, the pharmacy contract work group is established. The work group membership must consist of the following members appointed by the governor:

(a) A representative from the prescription drug purchasing consortium described in RCW 70.14.060;

(b) A representative from the pharmacy quality assurance commission;

(c) A representative from an association representing pharmacies;

(d) A representative from an association representing hospital pharmacies;

(e) A representative from a health carrier offering at least one health plan in a commercial market in the state;

(f) A representative from a health maintenance organization offering at least one health plan in the state;

(g) A representative from an association representing health carriers;

(h) A representative from the health care authority on behalf of the public

employees' benefits board or the school employees' benefits board;

(i) A representative from the health care authority on behalf of the state medicaid program;

(j) A representative from a pharmacy benefit manager; and

(k) A representative from the office of the insurance commissioner.

(2) The work group must also include:

(a) One member from each of the two largest caucuses of the house of representatives, appointed by the speaker of the house; and

(b) One member from each of the two largest caucuses of the senate, appointed by the president of the senate.

(3) The work group shall:

(a) Review pharmacy fee structures in the delivery of pharmacy benefits; and

(b) Review the use of performance-based contracts in the delivery of pharmacy benefits and develop recommendations on designs and use of performance-based contracts.

(4) Staff support for the work group shall be provided by the office of the insurance commissioner.

(5) The work group shall submit a progress report to the governor and the legislature by January 1, 2021, and a final report by September 1, 2021, detailing the current use of performance-based contracts and pharmacy fee structures in the delivery of pharmacy benefits and any recommendations for designs or use of performance-based contracts in the delivery of pharmacy benefits. The final report must include any statutory changes necessary to implement the recommendations.

NEW SECTION. Sec. 22. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 23. Sections 1 through 19 of this act take effect January 1, 2022.

Correct the title.

Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

February 29, 2020

ESSB 5759 Prime Sponsor, Committee on Health & Long Term Care: Increasing opportunities for the use of remote technology in corrective lens prescriptions. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. This act may be known and cited as the consumer protection in eye care act.

NEW SECTION. Sec. 2. INTENT. (1) The legislature recognizes the importance of allowing licensed practitioners to use their professional judgment, based on their education, training, and expertise, to determine the appropriate use of current and future technologies to enhance patient care. Guidelines for providing health care services through remote technology have been addressed by the medical community, and the legislature intends to complement and clarify those guidelines with respect to using remote technology to provide prescriptions for corrective lenses.

(2) The legislature also recognizes that health care consumers, including eye health care consumers, can benefit from developments in technology that offer advantages such as increased convenience or increased speed in delivery of services. However, the legislature recognizes that health care consumers can be misled or harmed by the use of developments in technology that are not properly supervised by qualified providers.

(3) The legislature recognizes that the use of technology that permits a consumer to submit data to an entity for the purposes of obtaining a prescription for corrective lenses, including contact lenses, may fail to detect serious eye health issues resulting in permanent

vision loss if the patient is not also receiving comprehensive eye care according to standard of care.

(4) Therefore, the legislature concludes that consumers should be protected from improper or unsupervised use of technology for purposes of obtaining a prescription for corrective lenses, without unduly restricting the development and implementation of technology and without unduly restricting licensed practitioners from using such technology where appropriate.

NEW SECTION. Sec. 3. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Contact lens" means any lens placed directly on the surface of the eye, regardless of whether or not it is intended to correct a visual defect. Contact lens includes, but is not limited to, cosmetic, therapeutic, and corrective lenses that are a federally regulated medical device.

(2) "Corrective lenses" means any lenses, including lenses in spectacles and contact lenses, that are manufactured in accordance with the specific terms of a valid prescription for an individual patient for the purpose of correcting the patient's refractive or binocular error.

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

(4) "Diagnostic information and data" mean any and all information and data, including but not limited to photographs and scans, generated by or through the use of any remote technology.

(5) "Patient-practitioner relationship" means the relationship between a provider of medical services, the practitioner, and a receiver of medical services, the patient, based on mutual understanding of their shared responsibility for the patient's health care.

(6) "Prescription" means the written or electronic directive from a qualified provider for corrective lenses and consists of the refractive power as well as contact lens parameters in the case of contact lens prescriptions.

(7) "Qualified provider" means a physician licensed under chapter 18.71 RCW or an osteopathic physician licensed under chapter 18.57 RCW practicing

ophthalmology, or a person licensed under chapter 18.53 RCW to practice optometry.

(8) "Remote qualified provider" means any qualified provider who is not physically present at the time of the examination.

(9) "Remote technology" means any automated equipment or testing device and any application designed to be used on or with a phone, computer, or internet-based device that is used without the physical presence and participation of a qualified provider that generates data for purposes of determining an individual's refractive error. Remote technology does not include the use of telemedicine as defined in RCW 48.43.735 for purposes other than determining an individual's refractive error.

(10) "Spectacles" means any device worn by an individual that has one or more lenses through which the wearer looks. Spectacles are commonly known and referred to as glasses, and may include cosmetic or corrective lenses.

(11) "Standard of care" means those standards developed and defined by the American academy of ophthalmology preferred practice pattern "Comprehensive Adult Medical Eye Evaluation" (Appendix 1), as the preferred practice pattern existed on the effective date of this act.

(12) "Standard of care for contact lenses" means the frequency of eye examinations as recommended for contact lens wearers in the American academy of ophthalmology publication "Refractive Errors & Refractive Surgery Preferred Practice Pattern" (Appendix 2), as the preferred practice pattern existed on the effective date of this act.

NEW SECTION. Sec. 4. USE OF REMOTE TECHNOLOGY FOR CORRECTIVE LENS PRESCRIPTIONS. A qualified provider may prepare a prescription for corrective lenses intended to correct an individual's refractive error by remote technology if:

(1) The prescribing qualified provider is held to the same standard of care applicable to qualified providers providing corrective lens prescriptions in traditional in-person clinical settings;

(2) A patient-practitioner relationship is clearly established by the qualified provider agreeing to

provide a corrective lens prescription, whether or not there was an in-person encounter between the parties. The parameters of the patient-practitioner relationship for the use of remote technology must mirror those that would be expected for similar in-person encounters to provide corrective lens prescriptions;

(3) The remote technology is only offered to patients who meet appropriate screening criteria. A review of the patient's medical and ocular history that meets standard of care is required to determine who may or may not be safely treated with refraction without a concurrent comprehensive eye exam. Patients must also be informed that a refraction alone, whether utilizing remote technology or in person, does not substitute for a comprehensive eye exam;

(4) Continuity of care is maintained. Continuity of care requires but is not limited to:

(a) A qualified provider addressing an adverse event that occurs as a result of the prescription written by the qualified provider by:

(i) Being available to address the patient's vision or medical condition directly, either in-person or remotely, if it is possible to address the adverse event remotely;

(ii) Having an agreement with another qualified provider or licensed medical provider who is available to address the patient's vision or medical condition, either in-person or remotely; or

(iii) Referring the patient to a qualified provider or licensed medical provider who is capable of addressing the patient's condition;

(b) Retaining patient exam documentation for a minimum of ten years and retaining communication between the remote qualified provider who evaluated the patient and prescribed corrective lenses and any applicable providers as they normally would in an in-person setting; and

(5) When prescribing for contact lenses, the examination of the eyes is performed in accordance with the standard of care and standard of care for contact lenses. The components of the eye examination, if done remotely, must be to the same evaluation and standard of care the qualified provider would typically do

in an in-person setting for the same condition. If the eye examination is performed by someone other than the prescribing qualified provider, the prescribing qualified provider must obtain written, faxed, or electronically communicated affirmative verification of the results of that eye examination from the provider who performed the examination. The absence of receipt of affirmative verification within any specified time period cannot be used as presumed affirmative verification.

NEW SECTION. Sec. 5. REMOTE TECHNOLOGY STANDARDS FOR USE. It is unlawful for any person to offer or otherwise make available to consumers in this state remote technology under this chapter without fully complying with the following:

(1) The remote technology must be approved by the United States food and drug administration when applicable;

(2) The remote technology must be designed and operated in a manner that provides any accommodation required by the Americans with disabilities act of 1990, 42 U.S.C. Sec. 12101 et seq. when applicable;

(3) The remote technology, when used for the collection and transmission of diagnostic information and data, must gather and transmit any protected health information in compliance with the federal health insurance portability and accountability act of 1996 and related regulations;

(4) The remote technology, when used for the collection and transmission of diagnostic information and data, may only transmit the diagnostic information and data to a qualified provider, their staff, contracted support staff, or another licensed health care provider for the purposes of collaboration in providing care to the patient. When diagnostic information and data are collected and transmitted through remote technology, that information must be read and interpreted by a qualified provider in order to release a corrective lens prescription to the patient or other entity. Contracted support staff must comply with all requirements of this chapter. Contract support staff and the supervising provider retain personal and professional responsibility for any violation of this chapter by the contracted support staff; and

(5) The owner, lessee, or operator of the remote technology must maintain liability insurance in an amount reasonably sufficient to cover claims which may be made by individuals diagnosed or treated based on information and data by the automated equipment, including but not limited to photographs and scans.

NEW SECTION. Sec. 6. ENFORCEMENT.

(1) The relevant disciplinary authority for the qualified provider shall review any written complaint alleging a violation, or attempted violation, of this chapter or rules adopted pursuant to this chapter, and conduct an investigation.

(2) If the disciplinary authority finds that a person has violated or attempted to violate this chapter, it may:

(a) Upon the first violation or attempted violation that did not result in significant harm to an individual's health, issue a written warning; or

(b) In all other cases, impose a civil penalty of not less than one thousand dollars and not more than ten thousand dollars for each violation.

(3) At the request of the department, the attorney general may file a civil action seeking an injunction or other appropriate relief to enforce this chapter and the rules adopted pursuant to this chapter.

(4) For the purposes of this section, "disciplinary authority" means the same as in RCW 18.130.020.

NEW SECTION. Sec. 7. RULE MAKING. The department shall adopt any rules necessary to implement this chapter.

NEW SECTION. Sec. 8. Sections 2 through 7 of this act constitute a new chapter in Title 18 RCW."

Correct the title.

Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

March 2, 2020

SSB 5789 Prime Sponsor, Committee on Transportation: Establishing additional uses for automated traffic safety cameras for traffic congestion reduction and increased safety. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Chapman; Doglio; Duerr; Entenman; Eslick; Gregerson; Irwin; Kloba; Lovick; Mead; Ortiz-Self; Paul; Riccelli; Shewmake and Van Werven.

MINORITY recommendation: Do not pass. Signed by Representatives Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke; Chambers; Dent; Goehner; McCaslin; Orcutt and Volz.

MINORITY recommendation: Without recommendation. Signed by Representative Ramos.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 5900 Prime Sponsor, Committee on Ways & Means: Promoting access to earned benefits and services for lesbian, gay, bisexual, transgender, and queer veterans. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Tarleton; Tharinger and Ybarra.

MINORITY recommendation: Without recommendation. Signed by Representative Sutherland.

MINORITY recommendation: Do not pass. Signed by Representative Kraft.

Referred to Committee on Rules for second reading.

March 2, 2020

2SSB 5947 Prime Sponsor, Committee on Ways & Means: Establishing the sustainable farms and fields grant program. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass as amended by Committee on Capital Budget and without amendment by Committee on Rural Development, Agriculture, & Natural Resources.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that Washington's working agricultural lands are essential to the economic and social well-being of our rural communities and to the state's overall environment and economy. The legislature further finds that different challenges and opportunities exist to expand the use of precision agriculture for different crops in the state by assisting farmers, ranchers, and aquaculturists to purchase equipment and receive technical assistance to reduce their operations' carbon footprint while ensuring that crops and soils receive exactly what they need for optimum health and productivity. Moreover, the legislature finds that opportunities exist to enhance soil health through carbon farming and regenerative agriculture by increasing soil organic carbon levels while ensuring appropriate carbon to nitrogen ratios, and to store carbon in standing trees, seaweed, and other vegetation. Therefore, it is the intent of the legislature to provide cost-sharing competitive grant opportunities to enable farmers and ranchers to adopt practices that increase appropriate quantities of carbon stored in and above their soil and to initiate or expand the use of precision agriculture on their farms. This act seeks to leverage and enhance existing state and federal cost-sharing programs for farm, ranch, and aquaculture operations.

NEW SECTION. **Sec. 2.** The definitions in this section apply throughout this section and sections 3 through 7 of this act unless the context clearly requires otherwise.

(1) "Carbon dioxide equivalent emission" means a metric measure used to compare the emission impacts from various greenhouse gases based on their relative radiative forcing effect over a specified period of time compared to carbon dioxide emissions.

(2) "Carbon dioxide equivalent impact" means a metric measure of the cumulative radiative forcing impacts of both carbon dioxide equivalent emissions

and the radiative forcing benefits of carbon storage.

(3) "Commission" means the Washington state conservation commission created in this chapter.

(4) "Conservation district" means one or a group of Washington state's conservation districts created in this chapter.

NEW SECTION. Sec. 3. (1) The commission shall develop a sustainable farms and fields grant program in consultation with the department of agriculture, Washington State University, and the United States department of agriculture natural resources conservation service.

(2) As funding allows, the commission shall distribute funds, as appropriate, to conservation districts and other public entities to help implement the projects approved by the commission.

(3) No more than fifteen percent of the funds may be used by the commission to develop, or to consult or contract with private or public entities, such as universities or conservation districts, to develop:

(a) An educational public awareness campaign and outreach about the sustainable farm and field program; or

(b) The grant program, including the production of analytical tools, measurement estimation and verification methods, cost-benefit measurements, and public reporting methods.

(4) No more than five percent of the funds may be used by the commission to cover the administrative costs of the program.

(5) No more than twenty percent of the funds may be awarded to any single grant applicant.

(6) Allowable uses of grant funds include:

(a) Annual payments to enrolled participants for successfully delivered carbon storage or reduction;

(b) Up-front payments for contracted carbon storage;

(c) Down payments on equipment;

(d) Purchases of equipment;

(e) Purchase of seed, seedlings, spores, animal feed, and amendments;

(f) Services to landowners, such as the development of site-specific conservation plans to increase soil organic levels or to increase usage of precision agricultural practices, or design and implementation of best management practices to reduce livestock emissions; and

(g) Other equipment purchases or financial assistance deemed appropriate by the commission to fulfill the intent of sections 2 through 7 of this act.

(7) Grant applications are eligible for costs associated with technical assistance.

(8) Conservation districts and other public entities may apply for a single grant from the commission that serves multiple farmers.

(9) Grant applicants may apply to share equipment purchased with grant funds. Applicants for equipment purchase grants issued under this grant program may be farm, ranch, or aquaculture operations coordinating as individual businesses or as formal cooperative ventures serving farm, ranch, or aquaculture operations. Conservation districts, separately or jointly, may also apply for grant funds to operate an equipment sharing program.

(10) No contract for carbon storage or changes to management practices may exceed twenty-five years. Grant contracts that include up-front payments for future benefits must be conditioned to include penalties for default due to negligence on the part of the recipient.

(11) The commission shall attempt to achieve a geographically fair distribution of funds across a broad group of crop types, soil management practices, and farm sizes.

(12) Any applications involving state lands leased from the department of natural resources must include the department's approval.

NEW SECTION. Sec. 4. (1) When prioritizing grant recipients, the commission, in consultation with the department of agriculture, Washington State University, and the United States department of agriculture natural resources conservation service, shall seek to maximize the benefits of the grant program by leveraging other state, nonstate, public, and private sources of money. The primary metrics used to rank

grant applications must be made public by the commission.

(2) The grant program must prioritize or weight projects based on consideration of the individual project's ability to:

(a) Increase the quantity of organic carbon in topsoil through practices including, but not limited to, cover cropping, no-till and minimum tillage conservation practices, crop rotations, manure application, biochar application, compost application, and changes in grazing management;

(b) Increase the quantity of organic carbon in aquatic soils;

(c) Intentionally integrate trees, shrubs, seaweed, or other vegetation into management of agricultural and aquacultural lands;

(d) Reduce or avoid carbon dioxide equivalent emissions in or from soils;

(e) Reduce nitrous oxide and methane emissions through changes to livestock or soil management; and

(f) Increase usage of precision agricultural practices.

(3) The commission shall develop and approve a prioritization metric to guide the distribution of funds appropriated by the legislature for this purpose, with the goal of producing cost-effective carbon dioxide equivalent impact benefits.

(4) Applicants that create riparian buffers along waterways, or otherwise benefit fish habitat, must receive an enhanced prioritization compared to other grant applications that perform similarly under the prioritization metrics developed by the commission.

(5) The commission shall downgrade a specific grant proposal within its prioritization metric if the proposal is expected to cause significant environmental damage to fish and wildlife habitat.

NEW SECTION. **Sec. 5.** (1) The commission shall determine methods for measuring, estimating, and verifying outcomes under the sustainable farms and fields grant program in consultation with Washington State University, the department of agriculture, and the United States department of agriculture natural resources conservation service.

(2) The commission may require that a grant recipient allow the commission, or contractors hired by the commission, including the Washington State University extension program, access to the grant recipient's property, with reasonable notice, to monitor the results of the project or projects funded by the grant program on the grant recipient's property.

NEW SECTION. **Sec. 6.** (1) By October 15, 2021, and every two years thereafter, the commission shall report to the legislature and the governor on the performance of the sustainable farms and fields grant program.

(2) The commission shall update at least annually a public list of projects and pertinent information including a summary of state and federal funds, private funds spent, landowner and other private cost-share matching expenditures, the total number of projects, and an estimate of carbon sequestered or carbon emissions reduced.

(3) By July 1, 2024, the commission, in consultation with Washington State University and the University of Washington, must evaluate and update the most appropriate carbon equivalency metric to apply to the sustainable farms and fields grant program. Until this equivalency is updated by the commission, or unless the commission identifies a better metric, the commission must initially use a one hundred year storage equivalency that can be linearly annualized to recognize the storage of carbon on an annual basis based on the storage of 3.67 tons of biogenic carbon for one hundred years being assigned a value equal to avoiding one ton of carbon dioxide equivalent emissions.

(4) The grant recipient and other private cost-sharing participants may at their own discretion allow their business or other name to be listed on the public report produced by the commission. All grant recipients must allow anonymized information about the full funding of their project to be made available for public reporting purposes.

NEW SECTION. **Sec. 7.** The sustainable farms and fields account is created in the state treasury. All receipts of money directed to the account must be deposited in the account. Expenditures from the account may be used only for purposes relating to the sustainable farms and fields grant

program established in section 3 of this act. Moneys in the account may be spent only after appropriation.

NEW SECTION. **Sec. 8.** Sections 2 through 7 of this act are each added to chapter 89.08 RCW.

NEW SECTION. **Sec. 9.** No public funds shall be awarded as grants under this act until public funds are appropriated specifically for the sustainable farms and fields grant program."

Correct the title.

Signed by Representatives Tharinger, Chair; Callan, Vice Chair; Doglio, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Steele, Assistant Ranking Minority Member; Davis; Gildon; Leavitt; Lekanoff; Maycumber; Morgan; Pellicciotti; Peterson; Riccelli; Santos; Sells; Stonier and Walsh.

MINORITY recommendation: Without recommendation. Signed by Representative Corry.

MINORITY recommendation: Do not pass. Signed by Representative Dye.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 5976 Prime Sponsor, Committee on Ways & Means: Concerning the access to baby and child dentistry program for children with disabilities. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

MINORITY recommendation: Without recommendation. Signed by Representative Kraft.

Referred to Committee on Rules for second reading.

March 2, 2020

SB 6045 Prime Sponsor, Senator Takko: Concerning vulnerable users of a public way. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke; Chambers; Chapman; Dent; Doglio; Duerr; Entenman; Eslick; Goehner; Gregerson; Irwin; Kloba; Lovick; McCaslin; Mead; Orcutt; Ortiz-Self; Paul; Ramos; Riccelli; Shewmake; Van Werven and Volz.

Referred to Committee on Rules for second reading.

March 2, 2020

SB 6049 Prime Sponsor, Senator Liias: Creating the insurance commissioner's fraud account. Reported by Committee on Finance

MAJORITY recommendation: Do pass. Signed by Representatives Tarleton, Chair; Walen, Vice Chair; Orcutt, Ranking Minority Member; Young, Assistant Ranking Minority Member; Chapman; Frame; Macri; Orwall; Springer; Stokesbary; Vick and Wylie.

Referred to Committee on Rules for second reading.

March 2, 2020

SSB 6068 Prime Sponsor, Committee on Ways & Means: Concerning sales and use tax exemptions for large private airplanes. Reported by Committee on Finance

MAJORITY recommendation: Do pass. Signed by Representatives Tarleton, Chair; Walen, Vice Chair; Orcutt, Ranking Minority Member; Young, Assistant Ranking Minority Member; Chapman; Macri; Orwall; Springer; Stokesbary; Vick and Wylie.

MINORITY recommendation: Without recommendation. Signed by Representative Frame.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 6072 Prime Sponsor, Committee on Ways & Means: Dividing the state wildlife account into the fish, wildlife, and conservation account and the limited fish and wildlife account. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu;

Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

March 2, 2020

SSB 6084 Prime Sponsor, Committee on Transportation: Concerning circular intersections. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke; Chambers; Chapman; Dent; Doglio; Duerr; Entenman; Eslick; Goehner; Gregerson; Irwin; Kloba; Lovick; McCaslin; Mead; Orcutt; Ortiz-Self; Paul; Ramos; Riccelli; Shewmake; Van Werven and Volz.

Referred to Committee on Rules for second reading.

March 2, 2020

SB 6102 Prime Sponsor, Senator Wellman: Adjusting stop signal requirements for school buses. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke; Chambers; Chapman; Dent; Doglio; Duerr; Entenman; Eslick; Goehner; Gregerson; Irwin; Kloba; Lovick; McCaslin; Mead; Orcutt; Ortiz-Self; Paul; Ramos; Riccelli; Shewmake; Van Werven and Volz.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 6113 Prime Sponsor, Committee on Ways & Means: Creating a central insulin purchasing program. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Chandler; Chopp; Cody; Dolan; Fitzgibbon; Hansen; Hudgins; Kilduff; Macri; Pettigrew; Ryu; Schmick; Senn; Springer; Sullivan; Tarleton and Tharinger.

MINORITY recommendation: Do not pass. Signed by Representatives Stokesbary, Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier;

Corry; Dye; Hoff; Kraft; Mosbrucker; Steele; Sutherland and Ybarra.

Referred to Committee on Rules for second reading.

February 29, 2020

2SSB 6139 Prime Sponsor, Committee on Ways & Means: Extending the joint center for aerospace technology innovation program. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

February 29, 2020

SB 6170 Prime Sponsor, Senator Keiser: Concerning plumbing. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

March 2, 2020

SSB 6190 Prime Sponsor, Committee on Health & Long Term Care: Preserving the developmental disabilities community trust. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 71A.20.170 and 2011 1st sp.s. c 30 s 12 are each amended to read as follows:

(1) The developmental disabilities community (~~trust~~) services account is created in the state treasury. (~~All net proceeds from the use of excess property~~

~~identified in the 2002 joint legislative audit and review committee capital study or other studies of the division of developmental disabilities residential habilitation centers that would not impact current residential habilitation center operations must be deposited into the account.))~~

~~(2) ((Proceeds may come from the lease of the land, conservation easements, sale of timber, or other activities short of sale of the property, except as permitted under section 7 of this act.)) The following revenues must be deposited in the account:~~

~~(a) All net proceeds from leases or sales of real property, conservation easements, and sales of timber, from the state properties at the Fircrest residential habilitation center, the Lakeland Village residential habilitation center, the Rainier school, and the Yakima Valley school. However, real property that is determined by the department of social and health services to be required for the operations of the residential habilitation centers is excluded from the real property that may be leased or sold for the benefit of the account. In addition, real property owned by the charitable, educational, penal, and reformatory institutions trust, and revenue therefrom, is excluded; and~~

~~(b) Any other moneys appropriated or transferred to the account by the legislature.~~

~~(3) (("Excess property" includes that portion of the property at Rainier school previously under the cognizance and control of Washington State University for use as a dairy/forage research facility.)) Any sale, lease, or easement under this section must be at fair market value.~~

~~(4) ((Only investment income from the principal of the proceeds deposited into the trust account may be spent from the account. For purposes of this section, "investment income" includes lease payments, rent payments, or other periodic payments deposited into the trust account. For purposes of this section, "principal" is the actual excess land from which proceeds are assigned to the trust account.~~

~~(5)) Moneys in the account may be spent only after appropriation. Expenditures from the account shall be used exclusively ((to provide family support and/or employment/day services~~

~~to eligible persons with developmental disabilities who can be served by community-based developmental disability services. It is the intent of the legislature that the account should not be used to replace, supplant, or reduce existing appropriations.~~

~~(6)) for:~~

~~(a) Supports and services in a community setting to benefit eligible persons with intellectual and developmental disabilities; or~~

~~(b) Investment expenses of the state investment board.~~

~~(5) The department of social and health services must solicit recommendations from the Washington state developmental disabilities council regarding expenditure of moneys from the Dan Thompson memorial developmental disabilities community services account for supports and services in a community setting to benefit eligible persons with developmental disabilities.~~

~~(6) Expenditures from the account must supplement, and may not replace, supplant, or reduce current state expenditure levels for supports and services in the community setting for eligible persons with developmental disabilities.~~

~~(7)(a) The state investment board must invest moneys in the account. The state investment board has the full power to invest, reinvest, manage, contract, sell, or exchange investment money in the account. All investment and operating costs associated with the investment of money shall be paid under RCW 43.33A.160 and 43.84.160.~~

~~(b) All investments made by the state investment board shall be made with the degree of judgment and care required under RCW 43.33A.140 and the investment policy established by the state investment board.~~

~~(c) The state investment board shall routinely consult and communicate with the department of social and health services and the legislature on the investment policy, earnings of the account, and related needs of the account.~~

~~(8) The account shall be known as the Dan Thompson memorial developmental disabilities community ((trust)) services account."~~

Correct the title.

Signed by Representatives Tharinger, Chair; Callan, Vice Chair; Doglio, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Steele, Assistant Ranking Minority Member; Corry; Davis; Dye; Gildon; Leavitt; Lekanoff; Maycumber; Morgan; Pellicciotti; Peterson; Riccelli; Santos; Sells; Stonier and Walsh.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 6191 Prime Sponsor, Committee on Early Learning & K-12 Education: Assessing the prevalence of adverse childhood experiences in middle and high school students to inform decision making and improve services. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Education.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature stated in RCW 70.305.005 that "adverse childhood experiences are a powerful common determinant of a child's ability to be successful at school and, as an adult, to be successful at work, to avoid behavioral and chronic physical health conditions, and to build healthy relationships."

(2) The legislature recognizes that the healthy youth survey is a voluntary and anonymous survey administered every two years to students in sixth, eighth, tenth, and twelfth grades.

(3) The legislature intends to include questions related to adverse childhood experiences in the healthy youth survey to help assess the prevalence of adverse childhood experiences throughout the state. The legislature further intends for these data to help inform school district and community decision making and improve services for students.

NEW SECTION. Sec. 2. A new section is added to chapter 28A.300 RCW to read as follows:

(1) (a) The health care authority, in collaboration with the office of the superintendent of public instruction, the department of health, and the liquor

and cannabis board, must incorporate questions related to adverse childhood experiences into the healthy youth survey that are validated for children and would allow reporting of adverse childhood experiences during childhood to be included in frequency reports. The questions must be administered for two cycles of the healthy youth survey and then evaluated by the agencies for any needed changes.

(b) Student responses to the healthy youth survey are voluntary and must remain anonymous.

(c) The aggregated student responses to the adverse childhood experiences questions must be made publicly available and disaggregated by state, educational service district, and county.

(d) School districts and school buildings must be provided the aggregated student responses of their students.

(e) The student response data specified in (c) and (d) of this subsection must comply with state and federal privacy laws.

(2) School districts are encouraged to use the information about adverse childhood experiences in their decision making and to help improve services for students."

Correct the title.

Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

MINORITY recommendation: Do not pass. Signed by Representative Kraft.

Referred to Committee on Rules for second reading.

March 2, 2020

SSB 6208 Prime Sponsor, Committee on Transportation: Increasing mobility through the modification of stop sign requirements for bicyclists. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Chapman; Dent; Doglio;

Duerr; Entenman; Gregerson; Irwin; Kloba; Lovick; Mead; Orcutt; Ortiz-Self; Paul; Ramos; Riccelli; Shewmake; Van Werven and Volz.

MINORITY recommendation: Do not pass. Signed by Representatives Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke; Chambers; Eslick; Goehner and McCaslin.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 6210 Prime Sponsor, Committee on Ways & Means: Concerning antifouling paints on recreational water vessels. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

February 29, 2020

SSSB 6211 Prime Sponsor, Committee on Ways & Means: Concerning drug offender sentencing. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Public Safety.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 9.94A.660 and 2019 c 325 s 5002 and 2019 c 263 s 502 are each reenacted and amended to read as follows:

(1) An offender is eligible for the special drug offender sentencing alternative if:

(a) The offender is convicted of a felony that is not a violent offense (~~(or sex offense)~~) and the violation does not involve a sentence enhancement under RCW 9.94A.533 (3) or (4);

(b) The offender is convicted of a felony that is not a felony driving while under the influence of intoxicating liquor or any drug under RCW 46.61.502(6) or felony physical control of a vehicle while under the influence of intoxicating

liquor or any drug under RCW 46.61.504(6);

(c) The offender has no current or prior convictions for a sex offense (~~(at any time or)~~) for which the offender is currently or may be required to register pursuant to RCW 9A.44.130;

(d) The offender has no prior convictions in this state, and no prior convictions for an equivalent out-of-state or federal offense, for the following offenses during the following time frames:

(i) Robbery in the second degree that did not involve the use of a firearm and was not reduced from robbery in the first degree within seven years before conviction of the current offense; or

(ii) Any other violent offense within ten years before conviction of the current offense (~~(, in this state, another state, or the United States)~~);

~~((e))~~ (e) For a violation of the Uniform Controlled Substances Act under chapter 69.50 RCW or a criminal solicitation to commit such a violation under chapter 9A.28 RCW, the offense involved only a small quantity of the particular controlled substance as determined by the judge upon consideration of such factors as the weight, purity, packaging, sale price, and street value of the controlled substance;

~~((e))~~ (f) The offender has not been found by the United States attorney general to be subject to a deportation detainer or order and does not become subject to a deportation order during the period of the sentence; and

~~((f) The end of the standard sentence range for the current offense is greater than one year; and))~~

(g) The offender has not received a drug offender sentencing alternative more than once in the prior ten years before the current offense.

(2) A motion for a special drug offender sentencing alternative may be made by the court, the offender, or the state.

(3) If the sentencing court determines that the offender is eligible for an alternative sentence under this section and that the alternative sentence is appropriate, the court shall waive imposition of a sentence within the

standard sentence range and impose a sentence consisting of either a prison-based alternative under RCW 9.94A.662 or a residential substance use disorder treatment-based alternative under RCW 9.94A.664. The residential substance use disorder treatment-based alternative is only available if the midpoint of the standard range is ~~((twenty-four))~~ twenty-six months or less.

(4) (a) To assist the court in making its determination, the court may order the department to complete either or both a risk assessment report and a substance use disorder screening report as provided in RCW 9.94A.500.

(b) To assist the court in making its determination in domestic violence cases, the court shall order the department to complete a presentence investigation and a chemical dependency screening report as provided in RCW 9.94A.500, unless otherwise specifically waived by the court.

(5) ~~((a))~~ If the court is considering imposing a sentence under the residential substance use disorder treatment-based alternative, the court may order an examination of the offender by the department. The examination must be performed by an agency certified by the department of health to provide substance use disorder services. The examination shall, at a minimum, address the following issues:

~~((i))~~ (a) Whether the offender suffers from ~~((drug addiction))~~ a substance use disorder;

~~((ii))~~ (b) Whether the ~~((addiction))~~ substance use disorder is such that there is a probability that criminal behavior will occur in the future;

~~((iii))~~ (c) Whether effective treatment for the offender's ~~((addiction))~~ substance use disorder is available from a provider that has been licensed or certified by the department of health, and where applicable, whether effective domestic violence perpetrator treatment is available from a state-certified domestic violence treatment provider pursuant to chapter 26.50 RCW; and

~~((iv))~~ (d) Whether the offender and the community will benefit from the use of the alternative.

~~((b) The examination report must contain:~~

~~(i) A proposed monitoring plan, including any requirements regarding living conditions, lifestyle requirements, and monitoring by family members and others; and~~

~~(ii) Recommended crime-related prohibitions and affirmative conditions.)~~

(6) When a court imposes a sentence of community custody under this section:

(a) The court may impose conditions as provided in RCW 9.94A.703 and may impose other affirmative conditions as the court considers appropriate. In addition, an offender may be required to pay thirty dollars per month while on community custody to offset the cost of monitoring for alcohol or controlled substances, or in cases of domestic violence for monitoring with global positioning system technology for compliance with a no-contact order.

(b) The department may impose conditions and sanctions as authorized in RCW 9.94A.704 and 9.94A.737.

(7) (a) The court may bring any offender sentenced under this section back into court at any time on its own initiative to evaluate the offender's progress in treatment or to determine if any violations of the conditions of the sentence have occurred.

(b) If the offender is brought back to court, the court may modify the conditions of the community custody or impose sanctions under (c) of this subsection.

(c) The court may order the offender to serve a term of total confinement within the standard range of the offender's current offense at any time during the period of community custody if the offender violates the conditions or requirements of the sentence or if the offender is failing to make satisfactory progress in treatment.

(d) An offender ordered to serve a term of total confinement under (c) of this subsection shall receive credit for ~~((any))~~ time previously served in total or partial confinement and inpatient treatment under this section, and shall receive fifty percent credit for time previously served in community custody under this section.

(8) In serving a term of community custody imposed upon failure to complete, or administrative termination from, the special drug offender sentencing alternative program, the offender shall receive no credit for time served in community custody prior to termination of the offender's participation in the program.

(9) An offender sentenced under this section shall be subject to all rules relating to earned release time with respect to any period served in total confinement.

~~(10) ((Costs of examinations and preparing treatment plans under a special drug offender sentencing alternative may be paid, at the option of the county, from funds provided to the county from the criminal justice treatment account under RCW 71.24.580))~~ The Washington state institute for public policy shall submit a report to the governor and the appropriate committees of the legislature by November 1, 2022, analyzing the effectiveness of the drug offender sentencing alternative in reducing recidivism among various offender populations. An additional report is due November 1, 2028, and every five years thereafter. The Washington state institute for public policy may coordinate with the department and the caseload forecast council in tracking data and preparing the report.

Sec. 2. RCW 9.94A.662 and 2019 c 263 s 503 are each amended to read as follows:

(1) The court may only order a prison-based special drug offender sentencing alternative if the high end of the standard sentence range for the current offense is greater than one year.

(2) A sentence for a prison-based special drug offender sentencing alternative shall include:

(a) A period of total confinement in a state facility for one-half the midpoint of the standard sentence range or twelve months, whichever is greater;

(b) One-half the midpoint of the standard sentence range as a term of community custody, which must include appropriate substance ~~((abuse))~~ use disorder treatment in a program that has been approved by the ~~((division of alcohol and substance abuse of the))~~ department of ~~((social and))~~ health ~~((services))~~, and for co-occurring drug

and domestic violence cases, must also include an appropriate domestic violence treatment program by a state-certified domestic violence treatment provider pursuant to chapter 26.50 RCW;

(c) Crime-related prohibitions, including a condition not to use illegal controlled substances;

(d) A requirement to submit to urinalysis or other testing to monitor that status; and

(e) A term of community custody pursuant to RCW 9.94A.701 to be imposed upon the failure to complete or administrative termination from the special drug offender sentencing alternative program.

~~((2))~~ (3) (a) During incarceration in the state facility, offenders sentenced under this section shall undergo a comprehensive substance ~~((abuse))~~ use disorder assessment and receive, within available resources, treatment services appropriate for the offender. The substance ~~((abuse))~~ use disorder treatment services shall be ~~((designed))~~ licensed by the ~~((division of alcohol and substance abuse of the))~~ department of ~~((social and))~~ health ~~((services, in cooperation with the department of corrections))~~.

(b) When applicable for cases involving domestic violence, domestic violence treatment must be provided by a state-certified domestic violence treatment provider pursuant to chapter 26.50 RCW during the term of community custody.

~~((3))~~ (4) If the department finds that conditions of community custody have been willfully violated, the offender may be reclassified to serve the remaining balance of the original sentence. An offender who fails to complete the program or who is administratively terminated from the program shall be reclassified to serve the unexpired term of his or her sentence as ordered by the sentencing court.

~~((4))~~ (5) If an offender sentenced to the prison-based alternative under this section is found by the United States attorney general to be subject to a deportation order, a hearing shall be held by the department unless waived by the offender, and, if the department finds that the offender is subject to a valid deportation order, the department may administratively terminate the

offender from the program and reclassify the offender to serve the remaining balance of the original sentence.

Sec. 3. RCW 9.94A.664 and 2019 c 325 s 5003 and 2019 c 263 s 504 are each reenacted and amended to read as follows:

(1) (a) A sentence for a residential substance use disorder treatment-based alternative shall include a term of community custody equal to one-half the midpoint of the standard sentence range or two years, whichever is greater, conditioned on the offender entering and remaining in a residential substance use disorder treatment program certified by the department of health for a period set by the court ((between three and) up to six months with treatment completion and continued care delivered in accordance with rules established by the health care authority. In establishing rules pursuant to this subsection, the health care authority must consider criteria established by the American society of addiction medicine.

(b) The sentence may include an indeterminate term of confinement of no more than thirty days in a facility operated or utilized under contract by the county in order to facilitate direct transfer to a residential substance use disorder treatment facility.

(2) (a) During any period of community custody, the court shall impose((, as conditions of community custody,)) treatment and other conditions ((as proposed in the examination report completed pursuant to RCW 9.94A.660)).

(b) ((If the court imposes a term of community custody, the)) The department shall, within available resources, make substance use disorder assessment and treatment services available to the offender during ((the)) any term of community custody, and within available resources, make domestic violence treatment services available to a domestic violence offender during the term of community custody.

(3) (a) If the court imposes a sentence under this section, the treatment provider must send the treatment plan to the court within thirty days of the offender's arrival to the residential substance use disorder treatment program and, when applicable, the domestic violence treatment program.

(b) Upon receipt of the plan, the court shall schedule a progress hearing

during the period of ~~((residential substance use disorder))~~ treatment, and schedule a treatment termination hearing for three months before the expiration of the term of community custody.

(c) Before the progress hearing and treatment termination hearing, the treatment provider and the department shall submit written reports to the court and parties regarding the offender's compliance with treatment and monitoring requirements, and recommendations regarding termination from treatment.

(4) At a progress hearing or treatment termination hearing, the court may:

(a) Authorize the department to terminate the offender's community custody status on the expiration date determined under subsection (1) of this section;

(b) Continue the hearing to a date before the expiration date of community custody, with or without modifying the conditions of community custody; or

(c) Impose a term of total confinement equal to one-half the midpoint of the standard sentence range, followed by a term of community custody under RCW 9.94A.701.

(5) If the court imposes a term of total confinement, the department shall, within available resources, make substance use disorder assessment and treatment services available to the offender during the term of total confinement and subsequent term of community custody.

Sec. 4. RCW 9.94A.030 and 2019 c 331 s 5, 2019 c 271 s 6, 2019 c 187 s 1, and 2019 c 46 s 5007 are each reenacted and amended to read as follows:

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

(1) "Board" means the indeterminate sentence review board created under chapter 9.95 RCW.

(2) "Collect," or any derivative thereof, "collect and remit," or "collect and deliver," when used with reference to the department, means that the department, either directly or through a collection agreement authorized by RCW 9.94A.760, is responsible for monitoring and enforcing the offender's sentence with regard to the legal financial

obligation, receiving payment thereof from the offender, and, consistent with current law, delivering daily the entire payment to the superior court clerk without depositing it in a departmental account.

(3) "Commission" means the sentencing guidelines commission.

(4) "Community corrections officer" means an employee of the department who is responsible for carrying out specific duties in supervision of sentenced offenders and monitoring of sentence conditions.

(5) "Community custody" means that portion of an offender's sentence of confinement in lieu of earned release time or imposed as part of a sentence under this chapter and served in the community subject to controls placed on the offender's movement and activities by the department.

(6) "Community protection zone" means the area within eight hundred eighty feet of the facilities and grounds of a public or private school.

(7) "Community restitution" means compulsory service, without compensation, performed for the benefit of the community by the offender.

(8) "Confinement" means total or partial confinement.

(9) "Conviction" means an adjudication of guilt pursuant to Title 10 or 13 RCW and includes a verdict of guilty, a finding of guilty, and acceptance of a plea of guilty.

(10) "Crime-related prohibition" means an order of a court prohibiting conduct that directly relates to the circumstances of the crime for which the offender has been convicted, and shall not be construed to mean orders directing an offender affirmatively to participate in rehabilitative programs or to otherwise perform affirmative conduct. However, affirmative acts necessary to monitor compliance with the order of a court may be required by the department.

(11) "Criminal history" means the list of a defendant's prior convictions and juvenile adjudications, whether in this state, in federal court, or elsewhere, and any issued certificates of restoration of opportunity pursuant to RCW 9.97.020.

(a) The history shall include, where known, for each conviction (i) whether the defendant has been placed on probation and the length and terms thereof; and (ii) whether the defendant has been incarcerated and the length of incarceration.

(b) A conviction may be removed from a defendant's criminal history only if it is vacated pursuant to RCW 9.96.060, 9.94A.640, 9.95.240, or a similar out-of-state statute, or if the conviction has been vacated pursuant to a governor's pardon. However, when a defendant is charged with a recidivist offense, "criminal history" includes a vacated prior conviction for the sole purpose of establishing that such vacated prior conviction constitutes an element of the present recidivist offense as provided in RCW 9.94A.640(3)(b) and 9.96.060(~~(4)~~) (6)(c).

(c) The determination of a defendant's criminal history is distinct from the determination of an offender score. A prior conviction that was not included in an offender score calculated pursuant to a former version of the sentencing reform act remains part of the defendant's criminal history.

(12) "Criminal street gang" means any ongoing organization, association, or group of three or more persons, whether formal or informal, having a common name or common identifying sign or symbol, having as one of its primary activities the commission of criminal acts, and whose members or associates individually or collectively engage in or have engaged in a pattern of criminal street gang activity. This definition does not apply to employees engaged in concerted activities for their mutual aid and protection, or to the activities of labor and bona fide nonprofit organizations or their members or agents.

(13) "Criminal street gang associate or member" means any person who actively participates in any criminal street gang and who intentionally promotes, furthers, or assists in any criminal act by the criminal street gang.

(14) "Criminal street gang-related offense" means any felony or misdemeanor offense, whether in this state or elsewhere, that is committed for the benefit of, at the direction of, or in association with any criminal street gang, or is committed with the intent to promote, further, or assist in any

criminal conduct by the gang, or is committed for one or more of the following reasons:

(a) To gain admission, prestige, or promotion within the gang;

(b) To increase or maintain the gang's size, membership, prestige, dominance, or control in any geographical area;

(c) To exact revenge or retribution for the gang or any member of the gang;

(d) To obstruct justice, or intimidate or eliminate any witness against the gang or any member of the gang;

(e) To directly or indirectly cause any benefit, aggrandizement, gain, profit, or other advantage for the gang, its reputation, influence, or membership; or

(f) To provide the gang with any advantage in, or any control or dominance over any criminal market sector, including, but not limited to, manufacturing, delivering, or selling any controlled substance (chapter 69.50 RCW); arson (chapter 9A.48 RCW); trafficking in stolen property (chapter 9A.82 RCW); promoting prostitution (chapter 9A.88 RCW); human trafficking (RCW 9A.40.100); promoting commercial sexual abuse of a minor (RCW 9.68A.101); or promoting pornography (chapter 9.68 RCW).

(15) "Day fine" means a fine imposed by the sentencing court that equals the difference between the offender's net daily income and the reasonable obligations that the offender has for the support of the offender and any dependents.

(16) "Day reporting" means a program of enhanced supervision designed to monitor the offender's daily activities and compliance with sentence conditions, and in which the offender is required to report daily to a specific location designated by the department or the sentencing court.

(17) "Department" means the department of corrections.

(18) "Determinate sentence" means a sentence that states with exactitude the number of actual years, months, or days of total confinement, of partial confinement, of community custody, the number of actual hours or days of

community restitution work, or dollars or terms of a legal financial obligation. The fact that an offender through earned release can reduce the actual period of confinement shall not affect the classification of the sentence as a determinate sentence.

(19) "Disposable earnings" means that part of the earnings of an offender remaining after the deduction from those earnings of any amount required by law to be withheld. For the purposes of this definition, "earnings" means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonuses, or otherwise, and, notwithstanding any other provision of law making the payments exempt from garnishment, attachment, or other process to satisfy a court-ordered legal financial obligation, specifically includes periodic payments pursuant to pension or retirement programs, or insurance policies of any type, but does not include payments made under Title 50 RCW, except as provided in RCW 50.40.020 and 50.40.050, or Title 74 RCW.

(20) "Domestic violence" has the same meaning as defined in RCW 10.99.020 and 26.50.010.

(21) "Drug offender sentencing alternative" is a sentencing option available to persons convicted of a felony offense (~~either than a violent offense or a sex offense and~~) who are eligible for the option under RCW 9.94A.660.

(22) "Drug offense" means:

(a) Any felony violation of chapter 69.50 RCW except possession of a controlled substance (RCW 69.50.4013) or forged prescription for a controlled substance (RCW 69.50.403);

(b) Any offense defined as a felony under federal law that relates to the possession, manufacture, distribution, or transportation of a controlled substance; or

(c) Any out-of-state conviction for an offense that under the laws of this state would be a felony classified as a drug offense under (a) of this subsection.

(23) "Earned release" means earned release from confinement as provided in RCW 9.94A.728.

(24) "Electronic monitoring" means tracking the location of an individual, whether pretrial or posttrial, through the use of technology that is capable of determining or identifying the monitored individual's presence or absence at a particular location including, but not limited to:

(a) Radio frequency signaling technology, which detects if the monitored individual is or is not at an approved location and notifies the monitoring agency of the time that the monitored individual either leaves the approved location or tampers with or removes the monitoring device; or

(b) Active or passive global positioning system technology, which detects the location of the monitored individual and notifies the monitoring agency of the monitored individual's location.

(25) "Escape" means:

(a) Sexually violent predator escape (RCW 9A.76.115), escape in the first degree (RCW 9A.76.110), escape in the second degree (RCW 9A.76.120), willful failure to return from furlough (RCW 72.66.060), willful failure to return from work release (RCW 72.65.070), or willful failure to be available for supervision by the department while in community custody (RCW 72.09.310); or

(b) Any federal or out-of-state conviction for an offense that under the laws of this state would be a felony classified as an escape under (a) of this subsection.

(26) "Felony traffic offense" means:

(a) Vehicular homicide (RCW 46.61.520), vehicular assault (RCW 46.61.522), eluding a police officer (RCW 46.61.024), felony hit-and-run injury-accident (RCW 46.52.020(4)), felony driving while under the influence of intoxicating liquor or any drug (RCW 46.61.502(6)), or felony physical control of a vehicle while under the influence of intoxicating liquor or any drug (RCW 46.61.504(6)); or

(b) Any federal or out-of-state conviction for an offense that under the laws of this state would be a felony classified as a felony traffic offense under (a) of this subsection.

(27) "Fine" means a specific sum of money ordered by the sentencing court to

be paid by the offender to the court over a specific period of time.

(28) "First-time offender" means any person who has no prior convictions for a felony and is eligible for the first-time offender waiver under RCW 9.94A.650.

(29) "Home detention" is a subset of electronic monitoring and means a program of partial confinement available to offenders wherein the offender is confined in a private residence twenty-four hours a day, unless an absence from the residence is approved, authorized, or otherwise permitted in the order by the court or other supervising agency that ordered home detention, and the offender is subject to electronic monitoring.

(30) "Homelessness" or "homeless" means a condition where an individual lacks a fixed, regular, and adequate nighttime residence and who has a primary nighttime residence that is:

(a) A supervised, publicly or privately operated shelter designed to provide temporary living accommodations;

(b) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; or

(c) A private residence where the individual stays as a transient invitee.

(31) "Legal financial obligation" means a sum of money that is ordered by a superior court of the state of Washington for legal financial obligations which may include restitution to the victim, statutorily imposed crime victims' compensation fees as assessed pursuant to RCW 7.68.035, court costs, county or interlocal drug funds, court-appointed attorneys' fees, and costs of defense, fines, and any other financial obligation that is assessed to the offender as a result of a felony conviction. Upon conviction for vehicular assault while under the influence of intoxicating liquor or any drug, RCW 46.61.522(1)(b), or vehicular homicide while under the influence of intoxicating liquor or any drug, RCW 46.61.520(1)(a), legal financial obligations may also include payment to a public agency of the expense of an emergency response to the incident resulting in the conviction, subject to RCW 38.52.430.

(32) "Minor child" means a biological or adopted child of the offender who is

under age eighteen at the time of the offender's current offense.

(33) "Most serious offense" means any of the following felonies or a felony attempt to commit any of the following felonies:

(a) Any felony defined under any law as a class A felony or criminal solicitation of or criminal conspiracy to commit a class A felony;

(b) Assault in the second degree;

(c) Assault of a child in the second degree;

(d) Child molestation in the second degree;

(e) Controlled substance homicide;

(f) Extortion in the first degree;

(g) Incest when committed against a child under age fourteen;

(h) Indecent liberties;

(i) Kidnapping in the second degree;

(j) Leading organized crime;

(k) Manslaughter in the first degree;

(l) Manslaughter in the second degree;

(m) Promoting prostitution in the first degree;

(n) Rape in the third degree;

(o) Sexual exploitation;

(p) Vehicular assault, when caused by the operation or driving of a vehicle by a person while under the influence of intoxicating liquor or any drug or by the operation or driving of a vehicle in a reckless manner;

(q) Vehicular homicide, when proximately caused by the driving of any vehicle by any person while under the influence of intoxicating liquor or any drug as defined by RCW 46.61.502, or by the operation of any vehicle in a reckless manner;

(r) Any other class B felony offense with a finding of sexual motivation;

(s) Any other felony with a deadly weapon verdict under RCW 9.94A.825;

(t) Any felony offense in effect at any time prior to December 2, 1993, that is comparable to a most serious offense under this subsection, or any federal or out-of-state conviction for an offense

that under the laws of this state would be a felony classified as a most serious offense under this subsection;

(u)(i) A prior conviction for indecent liberties under RCW 9A.44.100(1) (a), (b), and (c), chapter 260, Laws of 1975 1st ex. sess. as it existed until July 1, 1979, RCW 9A.44.100(1) (a), (b), and (c) as it existed from July 1, 1979, until June 11, 1986, and RCW 9A.44.100(1) (a), (b), and (d) as it existed from June 11, 1986, until July 1, 1988;

(ii) A prior conviction for indecent liberties under RCW 9A.44.100(1) (c) as it existed from June 11, 1986, until July 1, 1988, if: (A) The crime was committed against a child under the age of fourteen; or (B) the relationship between the victim and perpetrator is included in the definition of indecent liberties under RCW 9A.44.100(1) (c) as it existed from July 1, 1988, through July 27, 1997, or RCW 9A.44.100(1) (d) or (e) as it existed from July 25, 1993, through July 27, 1997;

(v) Any out-of-state conviction for a felony offense with a finding of sexual motivation if the minimum sentence imposed was ten years or more; provided that the out-of-state felony offense must be comparable to a felony offense under this title and Title 9A RCW and the out-of-state definition of sexual motivation must be comparable to the definition of sexual motivation contained in this section.

(34) "Nonviolent offense" means an offense which is not a violent offense.

(35) "Offender" means a person who has committed a felony established by state law and is eighteen years of age or older or is less than eighteen years of age but whose case is under superior court jurisdiction under RCW 13.04.030 or has been transferred by the appropriate juvenile court to a criminal court pursuant to RCW 13.40.110. In addition, for the purpose of community custody requirements under this chapter, "offender" also means a misdemeanor or gross misdemeanor probationer ordered by a superior court to probation pursuant to RCW 9.92.060, 9.95.204, or 9.95.210 and supervised by the department pursuant to RCW 9.94A.501 and 9.94A.5011. Throughout this chapter, the terms "offender" and "defendant" are used interchangeably.

(36) "Partial confinement" means confinement for no more than one year in a facility or institution operated or utilized under contract by the state or any other unit of government, or, if home detention, electronic monitoring, or work crew has been ordered by the court or home detention has been ordered by the department as part of the parenting program or the graduated reentry program, in an approved residence, for a substantial portion of each day with the balance of the day spent in the community. Partial confinement includes work release, home detention, work crew, electronic monitoring, and a combination of work crew, electronic monitoring, and home detention.

(37) "Pattern of criminal street gang activity" means:

(a) The commission, attempt, conspiracy, or solicitation of, or any prior juvenile adjudication of or adult conviction of, two or more of the following criminal street gang-related offenses:

(i) Any "serious violent" felony offense as defined in this section, excluding Homicide by Abuse (RCW 9A.32.055) and Assault of a Child 1 (RCW 9A.36.120);

(ii) Any "violent" offense as defined by this section, excluding Assault of a Child 2 (RCW 9A.36.130);

(iii) Deliver or Possession with Intent to Deliver a Controlled Substance (chapter 69.50 RCW);

(iv) Any violation of the firearms and dangerous weapon act (chapter 9.41 RCW);

(v) Theft of a Firearm (RCW 9A.56.300);

(vi) Possession of a Stolen Firearm (RCW 9A.56.310);

(vii) Hate Crime (RCW 9A.36.080);

(viii) Harassment where a subsequent violation or deadly threat is made (RCW 9A.46.020(2)(b));

(ix) Criminal Gang Intimidation (RCW 9A.46.120);

(x) Any felony conviction by a person eighteen years of age or older with a special finding of involving a juvenile in a felony offense under RCW 9.94A.833;

(xi) Residential Burglary (RCW 9A.52.025);

(xii) Burglary 2 (RCW 9A.52.030);

(xiii) Malicious Mischief 1 (RCW 9A.48.070);

(xiv) Malicious Mischief 2 (RCW 9A.48.080);

(xv) Theft of a Motor Vehicle (RCW 9A.56.065);

(xvi) Possession of a Stolen Motor Vehicle (RCW 9A.56.068);

(xvii) Taking a Motor Vehicle Without Permission 1 (RCW 9A.56.070);

(xviii) Taking a Motor Vehicle Without Permission 2 (RCW 9A.56.075);

(xix) Extortion 1 (RCW 9A.56.120);

(xx) Extortion 2 (RCW 9A.56.130);

(xxi) Intimidating a Witness (RCW 9A.72.110);

(xxii) Tampering with a Witness (RCW 9A.72.120);

(xxiii) Reckless Endangerment (RCW 9A.36.050);

(xxiv) Coercion (RCW 9A.36.070);

(xxv) Harassment (RCW 9A.46.020); or

(xxvi) Malicious Mischief 3 (RCW 9A.48.090);

(b) That at least one of the offenses listed in (a) of this subsection shall have occurred after July 1, 2008;

(c) That the most recent committed offense listed in (a) of this subsection occurred within three years of a prior offense listed in (a) of this subsection; and

(d) Of the offenses that were committed in (a) of this subsection, the offenses occurred on separate occasions or were committed by two or more persons.

(38) "Persistent offender" is an offender who:

(a)(i) Has been convicted in this state of any felony considered a most serious offense; and

(ii) Has, before the commission of the offense under (a) of this subsection, been convicted as an offender on at least two separate occasions, whether in this state or elsewhere, of felonies that under the laws of this state would be considered most serious offenses and

would be included in the offender score under RCW 9.94A.525; provided that of the two or more previous convictions, at least one conviction must have occurred before the commission of any of the other most serious offenses for which the offender was previously convicted; or

(b)(i) Has been convicted of: (A) Rape in the first degree, rape of a child in the first degree, child molestation in the first degree, rape in the second degree, rape of a child in the second degree, or indecent liberties by forcible compulsion; (B) any of the following offenses with a finding of sexual motivation: Murder in the first degree, murder in the second degree, homicide by abuse, kidnapping in the first degree, kidnapping in the second degree, assault in the first degree, assault in the second degree, assault of a child in the first degree, assault of a child in the second degree, or burglary in the first degree; or (C) an attempt to commit any crime listed in this subsection (38)(b)(i); and

(ii) Has, before the commission of the offense under (b)(i) of this subsection, been convicted as an offender on at least one occasion, whether in this state or elsewhere, of an offense listed in (b)(i) of this subsection or any federal or out-of-state offense or offense under prior Washington law that is comparable to the offenses listed in (b)(i) of this subsection. A conviction for rape of a child in the first degree constitutes a conviction under (b)(i) of this subsection only when the offender was sixteen years of age or older when the offender committed the offense. A conviction for rape of a child in the second degree constitutes a conviction under (b)(i) of this subsection only when the offender was eighteen years of age or older when the offender committed the offense.

(39) "Predatory" means: (a) The perpetrator of the crime was a stranger to the victim, as defined in this section; (b) the perpetrator established or promoted a relationship with the victim prior to the offense and the victimization of the victim was a significant reason the perpetrator established or promoted the relationship; or (c) the perpetrator was: (i) A teacher, counselor, volunteer, or other person in authority in any public or private school and the victim was a student of the school under his or her

authority or supervision. For purposes of this subsection, "school" does not include home-based instruction as defined in RCW 28A.225.010; (ii) a coach, trainer, volunteer, or other person in authority in any recreational activity and the victim was a participant in the activity under his or her authority or supervision; (iii) a pastor, elder, volunteer, or other person in authority in any church or religious organization, and the victim was a member or participant of the organization under his or her authority; or (iv) a teacher, counselor, volunteer, or other person in authority providing home-based instruction and the victim was a student receiving home-based instruction while under his or her authority or supervision. For purposes of this subsection: (A) "Home-based instruction" has the same meaning as defined in RCW 28A.225.010; and (B) "teacher, counselor, volunteer, or other person in authority" does not include the parent or legal guardian of the victim.

(40) "Private school" means a school regulated under chapter 28A.195 or 28A.205 RCW.

(41) "Public school" has the same meaning as in RCW 28A.150.010.

(42) "Recidivist offense" means a felony offense where a prior conviction of the same offense or other specified offense is an element of the crime including, but not limited to:

(a) Assault in the fourth degree where domestic violence is pleaded and proven, RCW 9A.36.041(3);

(b) Cyberstalking, RCW 9.61.260(3)(a);

(c) Harassment, RCW 9A.46.020(2)(b)(i);

(d) Indecent exposure, RCW 9A.88.010(2)(c);

(e) Stalking, RCW 9A.46.110(5)(b)(i) and (iii);

(f) Telephone harassment, RCW 9.61.230(2)(a); and

(g) Violation of a no-contact or protection order, RCW 26.50.110(5).

(43) "Repetitive domestic violence offense" means any:

(a)(i) Domestic violence assault that is not a felony offense under RCW 9A.36.041;

(ii) Domestic violence violation of a no-contact order under chapter 10.99 RCW that is not a felony offense;

(iii) Domestic violence violation of a protection order under chapter 26.09, 26.10, 26.26A, 26.26B, or 26.50 RCW that is not a felony offense;

(iv) Domestic violence harassment offense under RCW 9A.46.020 that is not a felony offense; or

(v) Domestic violence stalking offense under RCW 9A.46.110 that is not a felony offense; or

(b) Any federal, out-of-state, tribal court, military, county, or municipal conviction for an offense that under the laws of this state would be classified as a repetitive domestic violence offense under (a) of this subsection.

(44) "Restitution" means a specific sum of money ordered by the sentencing court to be paid by the offender to the court over a specified period of time as payment of damages. The sum may include both public and private costs.

(45) "Risk assessment" means the application of the risk instrument recommended to the department by the Washington state institute for public policy as having the highest degree of predictive accuracy for assessing an offender's risk of reoffense.

(46) "Serious traffic offense" means:

(a) Nonfelony driving while under the influence of intoxicating liquor or any drug (RCW 46.61.502), nonfelony actual physical control while under the influence of intoxicating liquor or any drug (RCW 46.61.504), reckless driving (RCW 46.61.500), or hit-and-run an attended vehicle (RCW 46.52.020(5)); or

(b) Any federal, out-of-state, county, or municipal conviction for an offense that under the laws of this state would be classified as a serious traffic offense under (a) of this subsection.

(47) "Serious violent offense" is a subcategory of violent offense and means:

(a) (i) Murder in the first degree;
 (ii) Homicide by abuse;
 (iii) Murder in the second degree;
 (iv) Manslaughter in the first degree;

(v) Assault in the first degree;

(vi) Kidnapping in the first degree;

(vii) Rape in the first degree;

(viii) Assault of a child in the first degree; or

(ix) An attempt, criminal solicitation, or criminal conspiracy to commit one of these felonies; or

(b) Any federal or out-of-state conviction for an offense that under the laws of this state would be a felony classified as a serious violent offense under (a) of this subsection.

(48) "Sex offense" means:

(a) (i) A felony that is a violation of chapter 9A.44 RCW other than RCW 9A.44.132;

(ii) A violation of RCW 9A.64.020;

(iii) A felony that is a violation of chapter 9.68A RCW other than RCW 9.68A.080;

(iv) A felony that is, under chapter 9A.28 RCW, a criminal attempt, criminal solicitation, or criminal conspiracy to commit such crimes; or

(v) A felony violation of RCW 9A.44.132(1) (failure to register as a sex offender) if the person has been convicted of violating RCW 9A.44.132(1) (failure to register as a sex offender) or 9A.44.130 prior to June 10, 2010, on at least one prior occasion;

(b) Any conviction for a felony offense in effect at any time prior to July 1, 1976, that is comparable to a felony classified as a sex offense in (a) of this subsection;

(c) A felony with a finding of sexual motivation under RCW 9.94A.835 or 13.40.135; or

(d) Any federal or out-of-state conviction for an offense that under the laws of this state would be a felony classified as a sex offense under (a) of this subsection.

(49) "Sexual motivation" means that one of the purposes for which the defendant committed the crime was for the purpose of his or her sexual gratification.

(50) "Standard sentence range" means the sentencing court's discretionary range in imposing a nonappealable sentence.

(51) "Statutory maximum sentence" means the maximum length of time for which an offender may be confined as punishment for a crime as prescribed in chapter 9A.20 RCW, RCW 9.92.010, the statute defining the crime, or other statute defining the maximum penalty for a crime.

(52) "Stranger" means that the victim did not know the offender twenty-four hours before the offense.

(53) "Total confinement" means confinement inside the physical boundaries of a facility or institution operated or utilized under contract by the state or any other unit of government for twenty-four hours a day, or pursuant to RCW 72.64.050 and 72.64.060.

(54) "Transition training" means written and verbal instructions and assistance provided by the department to the offender during the two weeks prior to the offender's successful completion of the work ethic camp program. The transition training shall include instructions in the offender's requirements and obligations during the offender's period of community custody.

(55) "Victim" means any person who has sustained emotional, psychological, physical, or financial injury to person or property as a direct result of the crime charged.

(56) "Violent offense" means:

(a) Any of the following felonies:

(i) Any felony defined under any law as a class A felony or an attempt to commit a class A felony;

(ii) Criminal solicitation of or criminal conspiracy to commit a class A felony;

(iii) Manslaughter in the first degree;

(iv) Manslaughter in the second degree;

(v) Indecent liberties if committed by forcible compulsion;

(vi) Kidnapping in the second degree;

(vii) Arson in the second degree;

(viii) Assault in the second degree;

(ix) Assault of a child in the second degree;

(x) Extortion in the first degree;

(xi) Robbery in the second degree;

(xii) Drive-by shooting;

(xiii) Vehicular assault, when caused by the operation or driving of a vehicle by a person while under the influence of intoxicating liquor or any drug or by the operation or driving of a vehicle in a reckless manner; and

(xiv) Vehicular homicide, when proximately caused by the driving of any vehicle by any person while under the influence of intoxicating liquor or any drug as defined by RCW 46.61.502, or by the operation of any vehicle in a reckless manner;

(b) Any conviction for a felony offense in effect at any time prior to July 1, 1976, that is comparable to a felony classified as a violent offense in (a) of this subsection; and

(c) Any federal or out-of-state conviction for an offense that under the laws of this state would be a felony classified as a violent offense under (a) or (b) of this subsection.

(57) "Work crew" means a program of partial confinement consisting of civic improvement tasks for the benefit of the community that complies with RCW 9.94A.725.

(58) "Work ethic camp" means an alternative incarceration program as provided in RCW 9.94A.690 designed to reduce recidivism and lower the cost of corrections by requiring offenders to complete a comprehensive array of real-world job and vocational experiences, character-building work ethics training, life management skills development, substance abuse rehabilitation, counseling, literacy training, and basic adult education.

(59) "Work release" means a program of partial confinement available to offenders who are employed or engaged as a student in a regular course of study at school.

NEW SECTION. Sec. 5. This act takes effect January 1, 2021."

Correct the title.

Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff;

Macri; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

MINORITY recommendation: Do not pass. Signed by Representatives Chandler; Kraft and Mosbrucker.

Referred to Committee on Rules for second reading.

March 2, 2020

SB 6212 Prime Sponsor, Senator Das: Concerning the authority of counties, cities, and towns to exceed statutory property tax limitations for the purpose of financing affordable housing for very low-income households and low-income households. Reported by Committee on Finance

MAJORITY recommendation: Do pass. Signed by Representatives Tarleton, Chair; Walen, Vice Chair; Orcutt, Ranking Minority Member; Young, Assistant Ranking Minority Member; Chapman; Frame; Macri; Orwall; Springer; Stokesbary; Vick and Wylie.

Referred to Committee on Rules for second reading.

March 2, 2020

SB 6218 Prime Sponsor, Senator Schoeler: Modifying the definition of salary for the Washington state patrol retirement system. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke; Chambers; Chapman; Dent; Doglio; Duerr; Entenman; Eslick; Goehner; Gregerson; Irwin; Kloba; Lovick; McCaslin; Mead; Orcutt; Ortiz-Self; Paul; Ramos; Riccelli; Shewmake; Van Werven and Volz.

Referred to Committee on Rules for second reading.

February 29, 2020

SB 6229 Prime Sponsor, Senator Kuderer: Streamlining reporting for recipients of housing-related state funding by removing Washington state quality award program requirements. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Orwall; Springer; Stokesbary; Vick and Wylie.

Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

March 2, 2020

SSB 6256 Prime Sponsor, Committee on Environment, Energy & Technology: Concerning the heating oil insurance program. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass. Signed by Representatives Tharinger, Chair; Callan, Vice Chair; Doglio, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Steele, Assistant Ranking Minority Member; Corry; Davis; Dye; Gildon; Leavitt; Lekanoff; Maycumber; Morgan; Pellicciotti; Peterson; Riccelli; Santos; Sells; Stonier and Walsh.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 6267 Prime Sponsor, Committee on Health & Long Term Care: Modifying the long-term services and supports trust program by clarifying the ability for individuals with existing long-term care insurance to opt-out of the premium assessment and making technical corrections. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

MINORITY recommendation: Do not pass. Signed by Representative Hoff.

Referred to Committee on Rules for second reading.

March 2, 2020

SSB 6319 Prime Sponsor, Committee on Ways & Means: Concerning administration of the senior property tax exemption program. Reported by Committee on Finance

MAJORITY recommendation: Do pass. Signed by Representatives Tarleton, Chair; Walen, Vice Chair; Orcutt, Ranking Minority Member; Young, Assistant Ranking Minority Member; Chapman; Frame; Macri; Orwall; Springer; Stokesbary; Vick and Wylie.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 6358 Prime Sponsor, Committee on Health & Long Term Care: Requiring medicaid managed care organizations to provide reimbursement of health care services provided by substitute providers. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

March 2, 2020

SB 6363 Prime Sponsor, Senator Takko: Concerning tracked and wheeled all-terrain vehicles. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke; Chambers; Chapman; Dent; Doglio; Duerr; Entenman; Eslick; Goehner; Gregerson; Irwin; Kloba; Lovick; McCaslin; Mead; Orcutt; Ortiz-Self; Paul; Ramos; Riccelli; Shewmake; Van Werven and Volz.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 6397 Prime Sponsor, Committee on Ways & Means: Concerning nonparticipating providers. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 74.09.522 and 2019 c 325 s 4004 are each amended to read as follows:

(1) For the purposes of this section:

(a) "Managed health care system" means any health care organization, including health care providers, insurers, health care service contractors, health maintenance organizations, health insuring organizations, or any combination thereof, that provides directly or by contract health care services covered under this chapter or other applicable law and rendered by licensed providers, on a prepaid capitated basis and that meets the requirements of section 1903(m) (1) (A) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;

(b) "Nonparticipating provider" means a person, health care provider, practitioner, facility, or entity, acting within their scope of practice, that does not have a written contract to participate in a managed health care system's provider network, but provides health care services to enrollees of programs authorized under this chapter or other applicable law whose health care services are provided by the managed health care system.

(2) The authority shall enter into agreements with managed health care systems to provide health care services to recipients of medicaid under the following conditions:

(a) Agreements shall be made for at least thirty thousand recipients statewide;

(b) Agreements in at least one county shall include enrollment of all recipients of programs as allowed for in the approved state plan amendment or federal waiver for Washington state's medicaid program;

(c) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act, recipients shall have a choice of systems in which to enroll and shall have the right to terminate their enrollment in a system: PROVIDED, That the authority may limit recipient termination of enrollment without cause to the first month of a period of enrollment, which period shall not exceed twelve months: AND PROVIDED FURTHER, That the authority shall not restrict a recipient's right to

terminate enrollment in a system for good cause as established by the authority by rule;

(d) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act, participating managed health care systems shall not enroll a disproportionate number of medical assistance recipients within the total numbers of persons served by the managed health care systems, except as authorized by the authority under federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;

(e)(i) In negotiating with managed health care systems the authority shall adopt a uniform procedure to enter into contractual arrangements, including:

(A) Standards regarding the quality of services to be provided;

(B) The financial integrity of the responding system;

(C) Provider reimbursement methods that incentivize chronic care management within health homes, including comprehensive medication management services for patients with multiple chronic conditions consistent with the findings and goals established in RCW 74.09.5223;

(D) Provider reimbursement methods that reward health homes that, by using chronic care management, reduce emergency department and inpatient use;

(E) Promoting provider participation in the program of training and technical assistance regarding care of people with chronic conditions described in RCW 43.70.533, including allocation of funds to support provider participation in the training, unless the managed care system is an integrated health delivery system that has programs in place for chronic care management;

(F) Provider reimbursement methods within the medical billing processes that incentivize pharmacists or other qualified providers licensed in Washington state to provide comprehensive medication management services consistent with the findings and goals established in RCW 74.09.5223;

(G) Evaluation and reporting on the impact of comprehensive medication management services on patient clinical outcomes and total health care costs,

including reductions in emergency department utilization, hospitalization, and drug costs; and

(H) Established consistent processes to incentivize integration of behavioral health services in the primary care setting, promoting care that is integrated, collaborative, colocated, and preventive.

(ii)(A) Health home services contracted for under this subsection may be prioritized to enrollees with complex, high cost, or multiple chronic conditions.

(B) Contracts that include the items in (e)(i)(C) through (G) of this subsection must not exceed the rates that would be paid in the absence of these provisions;

(f) The authority shall seek waivers from federal requirements as necessary to implement this chapter;

(g) The authority shall, wherever possible, enter into prepaid capitation contracts that include inpatient care. However, if this is not possible or feasible, the authority may enter into prepaid capitation contracts that do not include inpatient care;

(h) The authority shall define those circumstances under which a managed health care system is responsible for out-of-plan services and assure that recipients shall not be charged for such services;

(i) Nothing in this section prevents the authority from entering into similar agreements for other groups of people eligible to receive services under this chapter; and

(j) The authority must consult with the federal center for medicare and medicaid innovation and seek funding opportunities to support health homes.

(3) The authority shall ensure that publicly supported community health centers and providers in rural areas, who show serious intent and apparent capability to participate as managed health care systems are seriously considered as contractors. The authority shall coordinate its managed care activities with activities under chapter 70.47 RCW.

(4) The authority shall work jointly with the state of Oregon and other states in this geographical region in order to

develop recommendations to be presented to the appropriate federal agencies and the United States congress for improving health care of the poor, while controlling related costs.

(5) The legislature finds that competition in the managed health care marketplace is enhanced, in the long term, by the existence of a large number of managed health care system options for medicaid clients. In a managed care delivery system, whose goal is to focus on prevention, primary care, and improved enrollee health status, continuity in care relationships is of substantial importance, and disruption to clients and health care providers should be minimized. To help ensure these goals are met, the following principles shall guide the authority in its healthy options managed health care purchasing efforts:

(a) All managed health care systems should have an opportunity to contract with the authority to the extent that minimum contracting requirements defined by the authority are met, at payment rates that enable the authority to operate as far below appropriated spending levels as possible, consistent with the principles established in this section.

(b) Managed health care systems should compete for the award of contracts and assignment of medicaid beneficiaries who do not voluntarily select a contracting system, based upon:

(i) Demonstrated commitment to or experience in serving low-income populations;

(ii) Quality of services provided to enrollees;

(iii) Accessibility, including appropriate utilization, of services offered to enrollees;

(iv) Demonstrated capability to perform contracted services, including ability to supply an adequate provider network;

(v) Payment rates; and

(vi) The ability to meet other specifically defined contract requirements established by the authority, including consideration of past and current performance and participation in other state or federal health programs as a contractor.

(c) Consideration should be given to using multiple year contracting periods.

(d) Quality, accessibility, and demonstrated commitment to serving low-income populations shall be given significant weight in the contracting, evaluation, and assignment process.

(e) All contractors that are regulated health carriers must meet state minimum net worth requirements as defined in applicable state laws. The authority shall adopt rules establishing the minimum net worth requirements for contractors that are not regulated health carriers. This subsection does not limit the authority of the Washington state health care authority to take action under a contract upon finding that a contractor's financial status seriously jeopardizes the contractor's ability to meet its contract obligations.

(f) Procedures for resolution of disputes between the authority and contract bidders or the authority and contracting carriers related to the award of, or failure to award, a managed care contract must be clearly set out in the procurement document.

(6) The authority may apply the principles set forth in subsection (5) of this section to its managed health care purchasing efforts on behalf of clients receiving supplemental security income benefits to the extent appropriate.

(7) Any contract with a managed health care system to provide services to medical assistance enrollees shall require that managed health care systems offer contracts to mental health providers and substance use disorder treatment providers to provide access to primary care services integrated into behavioral health clinical settings, for individuals with behavioral health and medical comorbidities.

(8) Managed health care system contracts effective on or after April 1, 2016, shall serve geographic areas that correspond to the regional service areas established in RCW 74.09.870.

(9) A managed health care system shall pay a nonparticipating provider that provides a service covered under this chapter or other applicable law to the system's enrollee no more than the lowest amount paid for that service under the managed health care system's contracts with similar providers in the state if the managed health care system

has made good faith efforts to contract with the nonparticipating provider.

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(10) For services covered under this chapter or other applicable law to medical assistance or medical care services enrollees, nonparticipating providers must accept as payment in full the amount paid by the managed health care system under subsection (9) of this section in addition to any deductible, coinsurance, or copayment that is due from the enrollee for the service provided. An enrollee is not liable to any nonparticipating provider for covered services, except for amounts due for any deductible, coinsurance, or copayment under the terms and conditions set forth in the managed health care system contract to provide services under this section.

(11) Pursuant to federal managed care access standards, 42 C.F.R. Sec. 438, managed health care systems must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the authority, including hospital-based physician services. The authority will monitor and periodically report on the proportion of services provided by contracted providers and nonparticipating providers, by county, for each managed health care system to ensure that managed health care systems are meeting network adequacy requirements. No later than January 1st of each year, the authority will review and report its findings to the appropriate policy and fiscal committees of the legislature for the preceding state fiscal year.

(12) Payments under RCW 74.60.130 are exempt from this section.

~~((413) Subsections (9) through (11) of this section expire July 1, 2021.)) "~~

Correct the title.

Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

SSB 6415

Prime Sponsor, Committee on Local Government: Allowing a permanent fire protection district benefit charge with voter approval. Reported by Committee on Finance

MAJORITY recommendation: Do pass. Signed by Representatives Tarleton, Chair; Walen, Vice Chair; Young, Assistant Ranking Minority Member; Chapman; Frame; Macri; Orwall; Springer; Stokesbary and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member and Vick.

Referred to Committee on Rules for second reading.

February 29, 2020

SB 6417

Prime Sponsor, Senator Holy: Allowing retirees to change their survivor option election after retirement. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

February 29, 2020

ESSB 6419

Prime Sponsor, Committee on Human Services, Reentry & Rehabilitation: Concerning implementation of the recommendations of the December 2019 report from the William D. Ruckelshaus center regarding residential habilitation center clients. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

March 2, 2020

SSB 6429 Prime Sponsor, Committee on Transportation: Providing a designation on a driver's license or identicaid that a person has a developmental disability. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke; Chambers; Chapman; Dent; Doglio; Duerr; Entenman; Eslick; Goehner; Gregerson; Irwin; Kloba; Lovick; McCaslin; Mead; Orcutt; Ortiz-Self; Paul; Ramos; Riccelli; Shewmake; Van Werven and Volz.

Referred to Committee on Rules for second reading.

February 29, 2020

ESSB 6440 Prime Sponsor, Committee on Labor & Commerce: Concerning industrial insurance medical examinations. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Labor & Workplace Standards.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A new section is added to chapter 51.08 RCW to read as follows:

"New medical issue" means a medical issue not covered by a previous medical examination requested by the department or the self-insurer such as an issue regarding medical causation, medical treatment, work restrictions, or evaluating permanent partial disability.

Sec. 2. RCW 51.32.110 and 1997 c 325 s 3 are each amended to read as follows:

(1) ~~((Any))~~ As required under RCW 51.36.070, any worker entitled to receive any benefits or claiming such under this title shall, if requested by the department or self-insurer, submit himself or herself for medical examination, ~~((at a time and from time to time))~~ at a place reasonably convenient for the worker ~~((and as may be provided by the rules of the department))~~. An injured worker, whether an alien or other injured worker, who is not residing in the United States at the time that a medical examination is requested may be required to submit to an examination at any location in the United States

determined by the department or self-insurer.

(2) If the worker refuses to submit to medical examination, or obstructs the same, or, if any injured worker shall persist in unsanitary or injurious practices which tend to imperil or retard his or her recovery, or shall refuse to submit to such medical or surgical treatment as is reasonably essential to his or her recovery or refuse or obstruct evaluation or examination for the purpose of vocational rehabilitation or does not cooperate in reasonable efforts at such rehabilitation, the department or the self-insurer upon approval by the department, with notice to the worker may suspend any further action on any claim of such worker so long as such refusal, obstruction, noncooperation, or practice continues and reduce, suspend, or deny any compensation for such period: PROVIDED, That ~~((the))~~ (a) The department or the self-insurer shall not suspend any further action on any claim of a worker or reduce, suspend, or deny any compensation if a worker has good cause for refusing to submit to or to obstruct any examination, evaluation, treatment or practice requested by the department or required under this section and (b) the department may not assess a no-show fee against the worker if the worker gives at least five business days' notice of the worker's intent not to attend the examination.

(3) If the worker necessarily incurs traveling expenses in attending the examination pursuant to the request of the department, such traveling expenses shall be repaid to him or her out of the accident fund upon proper voucher and audit or shall be repaid by the self-insurer, as the case may be.

(4) (a) If the medical examination required by this section causes the worker to be absent from his or her work without pay:

(i) In the case of a worker insured by the department, the worker shall be paid compensation out of the accident fund in an amount equal to his or her usual wages for the time lost from work while attending the medical examination; or

(ii) In the case of a worker of a self-insurer, the self-insurer shall pay the worker an amount equal to his or her usual wages for the time lost from work while attending the medical examination.

(b) This subsection (4) shall apply prospectively to all claims regardless of the date of injury.

Sec. 3. RCW 51.36.070 and 2001 c 152 s 2 are each amended to read as follows:

(1) (a) Whenever the ((director)) department or the self-insurer deems it necessary in order to ((resolve any)) (i) make a decision regarding claim allowance or reopening, (ii) resolve a new medical issue, an appeal, or case progress, or (iii) evaluate the worker's permanent disability or work restriction, a worker shall submit to examination by a physician or physicians selected by the ((director)) department, with the rendition of a report to the person ordering the examination, the attending physician, and the injured worker.

(b) The examination must be at a place reasonably convenient to the injured worker, or alternatively utilize telemedicine if the department determines telemedicine is appropriate for the examination. For purposes of this subsection, "reasonably convenient" means at a place where residents in the injured worker's community would normally travel to seek medical care for the same specialty as the examiner. The department must address in rule how to accommodate the injured worker if no approved medical examiner in the specialty needed is available in that community.

(2) The department or self-insurer shall provide the physician performing an examination with all relevant medical records from the worker's claim file. The director, in his or her discretion, may charge the cost of such examination or examinations to the self-insurer or to the medical aid fund as the case may be. The cost of said examination shall include payment to the worker of reasonable expenses connected therewith.

(3) For purposes of this section, "examination" means a physical or mental examination by a medical care provider licensed to practice medicine, osteopathy, podiatry, chiropractic, dentistry, or psychiatry at the request of the department or self-insured employer or by order of the board of industrial insurance appeals.

(4) This section applies prospectively to all claims regardless of the date of injury.

NEW SECTION. Sec. 4. (1) An independent medical examination work group is established within the department of labor and industries, with members as provided in this subsection.

(a) The speaker of the house of representatives shall appoint two members from the house of representatives, with one member appointed from each of the two largest caucuses of the house of representatives;

(b) The president of the senate shall appoint two members from the senate, with one member appointed from each of the two largest caucuses of the senate;

(c) The department of labor and industries shall appoint one business representative representing employers participating in the state fund;

(d) The department of labor and industries shall appoint one business representative representing employers who are self-insured for purposes of workers' compensation insurance;

(e) The department of labor and industries shall appoint two labor representatives;

(f) The department of labor and industries shall appoint one representative of both an association representing physicians who perform examinations for purposes of workers' compensation insurance and the panel companies that work with them; and

(g) The department of labor and industries shall appoint one attorney who represents injured workers.

(2) The work group must:

(a) Develop strategies for reducing the number of medical examinations per claim while considering claim duration and medical complexity;

(b) Develop strategies for improving access to medical records, including records and reports created during the course of or pursuant to an examination;

(c) Consider whether the department of labor and industries should do all the scheduling of independent medical examinations;

(d) Consider the circumstances for which independent medical examiners should be randomly selected or specified;

(e) Consider workers' rights in the independent medical examination process

including attendance, specialist consultations, the audio or video recording of examinations, and the distance and location of examinations;

(f) Recommend changes to improve the efficiency of the independent medical examination process; and

(g) Identify barriers to increasing the supply of in-state physicians willing to do independent medical examinations in the workers' compensation system.

(3) The department of labor and industries must report its findings and recommendations to the legislature by December 11, 2020.

(4) This section expires December 31, 2020.

NEW SECTION. **Sec. 5.** A new section is added to chapter 51.36 RCW to read as follows:

(1) The department may adopt rules to implement section 3 of this act.

(2) The department must adopt rules, policies, and processes governing the use of telemedicine for independent medical examinations under section 3 of this act. Development of rules may include a pilot project. Consideration should be given to all available research regarding the use of telemedicine for independent medical examinations.

NEW SECTION. **Sec. 6.** Sections 1 through 3 of this act take effect January 1, 2021."

Correct the title.

Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 6476 Prime Sponsor, Committee on Human Services, Reentry & Rehabilitation: Increasing and expanding access of inmates and immediate family members of inmates to services provided within correctional facilities. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Dolan; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Macri; Pettigrew; Ryu; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton and Tharinger.

MINORITY recommendation: Without recommendation. Signed by Representative Corry.

MINORITY recommendation: Do not pass. Signed by Representatives Dye; Kraft; Mosbrucker; Schmick and Ybarra.

Referred to Committee on Rules for second reading.

March 2, 2020

SB 6493 Prime Sponsor, Senator Liias: Concerning the Cooper Jones active transportation safety council. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Young, Assistant Ranking Minority Member; Chapman; Dent; Doglio; Duerr; Entenman; Eslick; Goehner; Gregerson; Irwin; Kloba; Lovick; Mead; Orcutt; Ortiz-Self; Paul; Ramos; Riccelli; Shewmake; Van Werven and Volz.

MINORITY recommendation: Do not pass. Signed by Representatives Boehnke; Chambers and McCaslin.

MINORITY recommendation: Without recommendation. Signed by Representative Walsh, Assistant Ranking Minority Member.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 6495 Prime Sponsor, Committee on Ways & Means: Regarding essential needs and housing support eligibility. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 6521 Prime Sponsor, Committee on Early Learning & K-12 Education: Creating an innovative learning pilot program. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

February 29, 2020

ESSB 6540 Prime Sponsor, Committee on Ways & Means: Concerning working connections child care payment authorizations. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

March 2, 2020

SB 6565 Prime Sponsor, Senator Randall: Establishing permissible methods of parking a motorcycle. Reported by Committee on Transportation

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 46.61.575 and 1977 ex.s. c 151 s 41 are each amended to read as follows:

(1) Except as otherwise provided in this section, every vehicle stopped or parked upon a two-way roadway shall be so stopped or parked with the right-hand wheels parallel to and within twelve inches of the right-hand curb or as close as practicable to the right edge of the right-hand shoulder.

(2) Except when otherwise provided by local ordinance, every vehicle stopped or parked upon a one-way roadway shall be so stopped or parked parallel to the curb or edge of the roadway, in the direction of authorized traffic movement, with its right-hand wheels within twelve inches of the right-hand curb or as close as practicable to the right edge of the right-hand shoulder, or with its left-hand wheels within twelve inches of the left-hand curb or as close as practicable to the left edge of the left-hand shoulder. This subsection does not apply to the parking of motorcycles, unless a local jurisdiction prohibits angle parking as permitted under subsection (3)(a)(i) of this section and does not otherwise specify the manner in which a motorcycle must park.

(3)(a)(i) Every motorcycle stopped or parked on a one-way or two-way highway shall be so stopped or parked parallel or at an angle to the curb or edge of the highway with at least one wheel or fender within twelve inches of the curb nearest to which the motorcycle is parked or as close as practicable to the edge of the shoulder nearest to which the motorcycle is parked. A motorcycle may not be parked in such a manner that it extends into the roadway.

(ii) A county, city, or town may by ordinance prohibit the angle stopping or parking of a motorcycle as specified in (a)(i) of this subsection, but must post visible signage in a location to provide notice of the prohibition on angle stopping or parking for the prohibition to apply to that location.

(b)(i) More than one motorcycle may occupy a parking space, provided that the parked motorcycles occupying the parking space do not exceed the boundaries of that parking space.

(ii) All motor vehicle parking laws and penalties for the unlawful parking of a motor vehicle apply to each motorcycle parked in a parking space when multiple motorcycles are parked in that space to the same extent that motor vehicle parking laws apply to a single motor vehicle when it is the sole motor vehicle parked in a parking space. When proof of payment is required to be displayed by each motor vehicle parking at a location, all motorcycles must display such proof of payment, even if more than one motorcycle is parked in the same parking space. However, parking spaces that are metered by the space may not require

payment multiple times for the use of a single parking space by multiple motorcycles during the same period of time.

(4) Local authorities may by ordinance or resolution permit angle parking on any roadway, except that angle parking shall not be permitted on any federal-aid or state highway unless the secretary of transportation has determined by order that the roadway is of sufficient width to permit angle parking without interfering with the free movement of traffic. The angle parking of motorcycles, which is governed under subsection (3) of this section, is not subject to this determination by the secretary of transportation.

~~((44))~~ (5) The secretary with respect to highways under his or her jurisdiction may place official traffic control devices prohibiting, limiting, or restricting the stopping, standing, or parking of vehicles on any highway where the secretary has determined by order, such stopping, standing, or parking is dangerous to those using the highway or where the stopping, standing, or parking of vehicles would unduly interfere with the free movement of traffic thereon. No person shall stop, stand, or park any vehicle in violation of the restrictions indicated by such devices."

Correct the title.

Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke; Chambers; Chapman; Dent; Doglio; Duerr; Entenman; Eslick; Goehner; Gregerson; Irwin; Kloba; Lovick; McCaslin; Mead; Orcutt; Ortiz-Self; Paul; Ramos; Riccelli; Shewmake; Van Werven and Volz.

Referred to Committee on Rules for second reading.

March 2, 2020

SB 6580 Prime Sponsor, Senator Mullet:
Concerning organ transport vehicles.
Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke; Chambers; Chapman; Dent; Doglio; Duerr; Entenman; Eslick; Goehner; Gregerson; Irwin;

Kloba; Lovick; McCaslin; Mead; Orcutt; Ortiz-Self; Paul; Ramos; Riccelli; Shewmake; Van Werven and Volz.

Referred to Committee on Rules for second reading.

March 2, 2020

ESSB 6592 Prime Sponsor, Committee on Local Government: Concerning tourism authorities. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended by Committee on Finance and without amendment by Committee on Innovation, Technology & Economic Development.

On page 2, line 29, after "area." insert "To impose the additional charge, signatures of the persons who operate lodging businesses who would pay sixty percent or more of the proposed charges must be provided together with the proposed uses and projects to which the proposed revenue from the additional charge shall be put, the total estimate costs, and the estimated rate for the charge with a proposed breakdown by class of lodging business if such classification is to be used."

On page 3, line 13, after "charge." insert "The legislative authority may determine the timing of when to remove the charge so that the effective date of the expiration of the charge will not adversely impact existing contractual obligations not to exceed twelve months. The legislative authority may not be held liable for any financial obligations, contractual obligations, or damages for removing the charge."

Signed by Representatives Tarleton, Chair; Walen, Vice Chair; Orcutt, Ranking Minority Member; Young, Assistant Ranking Minority Member; Chapman; Frame; Macri; Orwall; Springer; Stokesbary; Vick and Wylie.

Referred to Committee on Rules for second reading.

February 29, 2020

SSB 6605 Prime Sponsor, Committee on Labor & Commerce: Licensing security guards. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Consumer Protection & Business.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 18.170.040 and 1991 c 334 s 4 are each amended to read as follows:

(1) An applicant must meet the following minimum requirements to obtain an armed private security guard license:

(a) Be licensed as a private security guard;

(b) Be at least twenty-one years of age;

(c) Have a current firearms certificate issued by the commission; and

(d) Pay the fee established by the director, which must be clearly itemized on each application and renewal form.

(2) An armed private security guard license may take the form of an endorsement to the security guard license if deemed appropriate by the director.

Sec. 2. RCW 18.170.130 and 1995 c 277 s 10 are each amended to read as follows:

(1) Applications for licenses required under this chapter shall be filed with the director on a form provided by the director. The director may require any information and documentation that reasonably relates to the need to determine whether the applicant meets the criteria.

(2) After receipt of an application for ~~(a license)~~ licensure or renewal, the director shall conduct an investigation to determine whether the facts set forth in the application are true and shall request that the Washington state patrol compare the fingerprints submitted with the application to fingerprint records available to the Washington state patrol. The Washington state patrol shall forward the fingerprints of applicants for an armed private security guard license to the federal bureau of investigation for a national criminal history records check. The director may require that fingerprint cards of licensees be periodically reprocessed to identify criminal convictions subsequent to registration.

(3) The director shall solicit comments from the chief law enforcement officer of the county and city or town in which the applicant's employer is located

on issuance of a permanent private security guard license.

(4) A summary of the information acquired under this section, to the extent that it is public information, shall be forwarded by the department to the applicant's employer.

NEW SECTION. **Sec. 3.** This act takes effect January 1, 2021."

Correct the title.

Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Dye; Fitzgibbon; Hansen; Hoff; Hudgins; Kilduff; Kraft; Macri; Mosbrucker; Pettigrew; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Sutherland; Tarleton; Tharinger and Ybarra.

Referred to Committee on Rules for second reading.

March 2, 2020

SSB 6632

Prime Sponsor, Committee on Ways & Means: Providing additional funding for the business licensing service program administered by the department of revenue. Reported by Committee on Finance

MAJORITY recommendation: Do pass. Signed by Representatives Tarleton, Chair; Walen, Vice Chair; Orcutt, Ranking Minority Member; Chapman; Frame; Macri; Orwall; Springer; Vick and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Young, Assistant Ranking Minority Member and Stokesbary.

Referred to Committee on Rules for second reading.

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

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

MOTION

There being no objection, the Committee on Rules was relieved of the following bills and the bills were placed on the second reading calendar:

ENGROSSED SENATE BILL NO. 5165
ENGROSSED SECOND SUBSTITUTE SENATE
BILL NO. 5291
ENGROSSED SUBSTITUTE SENATE BILL NO.
5395

ENGROSSED SUBSTITUTE SENATE BILL NO. 5434	SUBSTITUTE SENATE BILL NO. 6526
ENGROSSED SUBSTITUTE SENATE BILL NO. 5473	SUBSTITUTE SENATE BILL NO. 6531 SENATE BILL NO. 6551
SECOND SUBSTITUTE SENATE BILL NO. 5488	ENGROSSED SUBSTITUTE SENATE BILL NO. 6617
ENGROSSED SUBSTITUTE SENATE BILL NO. 5522	ENGROSSED SUBSTITUTE SENATE BILL NO. 6641
ENGROSSED SUBSTITUTE SENATE BILL NO. 5591	SUBSTITUTE SENATE BILL NO. 6663 SUBSTITUTE SENATE BILL NO. 6670 SENATE JOINT MEMORIAL NO. 8014
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SUBSTITUTE SENATE BILL NO. 5640	
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SENATE BILL NO. 6507	

There being no objection, the House adjourned until 10:00 a.m., March 3, 2020, the 51st Day of the Regular Session.

Laurie Jinkins, Speaker

Bernard Dean, Chief Clerk

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