

SIXTY SEVENTH LEGISLATURE - REGULAR SESSION

FIFTY FOURTH DAY

House Chamber, Olympia, Friday, March 4, 2022

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

The Speaker (Representative Bronoske presiding) led the Chamber in the Pledge of Allegiance.

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 eighth order of business.

MOTION

There being no objection, the Committee on Rules was relieved of the following bill and the bill was placed on the second reading calendar:

SENATE BILL NO. 5615

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

MESSAGE FROM THE SENATE

March 3, 2022

Mme. SPEAKER:

The Senate has passed:

- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1241,
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 1497,
- SUBSTITUTE HOUSE BILL NO. 1617,
- HOUSE BILL NO. 1622,
- HOUSE BILL NO. 1647,
- HOUSE BILL NO. 1651,
- SUBSTITUTE HOUSE BILL NO. 1701,
- SUBSTITUTE HOUSE BILL NO. 1708,
- HOUSE BILL NO. 1738,
- SUBSTITUTE HOUSE BILL NO. 1768,
- HOUSE BILL NO. 1907,
- SUBSTITUTE HOUSE BILL NO. 1955,
- SUBSTITUTE HOUSE BILL NO. 1961,
- SUBSTITUTE HOUSE BILL NO. 2001,
- SUBSTITUTE HOUSE BILL NO. 2050,

and the same are herewith transmitted.

Sarah Bannister, Secretary

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

INTRODUCTION & FIRST READING

HB 2136 by Representatives Shewmake and Paul

AN ACT Relating to establishing the Washington state rural commission; adding a new chapter to Title 43 RCW; and creating a new section.

Referred to Committee on State Government & Tribal Relations.

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

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

SECOND READING

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5796, by Senate Committee on Ways & Means (originally sponsored by Saldaña, Stanford, Keiser, Liias and Wilson, C.)

Restructuring cannabis revenue appropriations.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Appropriations was not adopted. (For Committee amendment, see Journal, Day 50, February 28, 2022).

Amendment (1320) was ruled out of order.

Representative Sullivan moved the adoption of striking amendment (1333):

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 69.50.530 and 2018 c 299 s 909 are each amended to read as follows:

The dedicated ((~~marijuana~~)) cannabis account is created in the state treasury. All moneys received by the ((~~state liquor and cannabis~~)) board, or any employee thereof, from marijuana-related activities must be deposited in the account. Unless otherwise provided in chapter 4, Laws of 2015 2nd sp. sess., all marijuana excise taxes collected from sales of marijuana, useable marijuana,

marijuana concentrates, and marijuana-infused products under RCW 69.50.535, and the license fees, penalties, and forfeitures derived under this chapter from marijuana producer, marijuana processor, marijuana researcher, and marijuana retailer licenses, must be deposited in the account. Moneys in the account may only be spent after appropriation. ~~((During the 2015-2017 and 2017-2019 fiscal biennia, the legislature may transfer from the dedicated marijuana account to the basic health plan trust account such amounts as reflect the excess fund balance of the account.))~~

Sec. 2. RCW 69.50.540 and 2021 c 334 s 986 are each amended to read as follows:

~~((The legislature must annually appropriate moneys in the dedicated marijuana account created in RCW 69.50.530 as follows:))~~

(1) For the purposes ~~((listed in))~~ of this subsection (1), the legislature must appropriate ~~((to the respective agencies amounts sufficient to make the following expenditures on a quarterly basis or as))~~ the amounts provided in this subsection:

(a) ~~((One hundred twenty-five thousand dollars to the health care authority to design and administer the Washington state healthy youth survey, analyze the collected data, and produce reports, in collaboration with the office of the superintendent of public instruction, department of health, department of commerce, family policy council, and board. The survey must be conducted at least every two years and include questions regarding, but not necessarily limited to, academic achievement, age at time of substance use initiation, antisocial behavior of friends, attitudes toward antisocial behavior, attitudes toward substance use, laws and community norms regarding antisocial behavior, family conflict, family management, parental attitudes toward substance use, peer rewarding of antisocial behavior, perceived risk of substance use, and rebelliousness. Funds disbursed under this subsection may be used to expand administration of the healthy youth survey to student populations attending institutions of higher education in Washington.))~~

~~((b) Fifty thousand dollars to the health care authority for the purpose of contracting with the Washington state~~

~~institute for public policy to conduct the cost-benefit evaluation and produce the reports described in RCW 69.50.550. This appropriation ends after production of the final report required by RCW 69.50.550.))~~

~~((c) Five thousand dollars to the University of Washington alcohol and drug abuse institute for the creation, maintenance, and timely updating of web-based public education materials providing medically and scientifically accurate information about the health and safety risks posed by marijuana use.))~~

~~((d)(i) An amount not less than one million two hundred fifty thousand dollars to the board for administration of this chapter as appropriated in the omnibus appropriations act.))~~

~~((ii) One million three hundred twenty-three thousand dollars for fiscal year 2020 to the health professions account established under RCW 43.70.320 for the development and administration of the marijuana authorization database by the department of health.))~~

~~((iii) Two million four hundred fifty-three thousand dollars for fiscal year 2020 and two million four hundred twenty-three thousand dollars for fiscal years 2021, 2022, and 2023 to the Washington state patrol for a drug enforcement task force. It is the intent of the legislature that this policy will be continued in the 2021-2023 fiscal biennium; and))~~

~~((iv) Ninety-eight thousand dollars for fiscal year 2019 to the department of ecology for research on accreditation of marijuana product testing laboratories.))~~

~~((e) Four hundred sixty-five thousand dollars for fiscal year 2020, four hundred sixty-four thousand dollars for fiscal year 2021, two hundred seventy thousand dollars in fiscal year 2022, and two hundred seventy-six thousand dollars in fiscal year 2023 to the department of ecology for implementation of accreditation of marijuana product testing laboratories.))~~

~~((f) One hundred eighty-nine thousand dollars for fiscal year 2020 to the department of health for rule making regarding compassionate care renewals.))~~

~~((g) Eight hundred eight thousand dollars for each of fiscal years 2020 through 2023 to the department of health~~

for the administration of the marijuana authorization database;

~~(h) Six hundred thirty-five thousand dollars for fiscal year 2020, six hundred thirty-five thousand dollars for fiscal year 2021, six hundred twenty-one thousand dollars for fiscal year 2022, and six hundred twenty-seven thousand dollars for fiscal year 2023 to the department of agriculture for compliance based laboratory analysis of pesticides in marijuana;~~

~~(i) One million six hundred fifty thousand dollars for fiscal year 2022 and one million six hundred fifty thousand dollars for fiscal year 2023 to the department of commerce to fund the marijuana social equity technical assistance competitive grant program under RCW 43.330.540; and~~

~~(j) One hundred sixty-three thousand dollars for fiscal year 2022 and one hundred fifty-nine thousand dollars for fiscal year 2023 to the department of commerce to establish a roster of mentors as part of the cannabis social equity technical assistance grant program under Engrossed Substitute House Bill No. 1443 (cannabis industry/equity) and~~

~~(2) From the amounts in the dedicated marijuana account after appropriation of the amounts identified in subsection (1) of this section, the legislature must appropriate for the purposes listed in this subsection (2) as follows:~~

~~(a)(i) Up to fifteen percent to the health care authority for the development, implementation, maintenance, and evaluation of programs and practices aimed at the prevention or reduction of maladaptive substance use, substance use disorder, substance abuse or substance dependence, as these terms are defined in the Diagnostic and Statistical Manual of Mental Disorders, among middle school and high school-age students, whether as an explicit goal of a given program or practice or as a consistently corresponding effect of its implementation, mental health services for children and youth, and services for pregnant and parenting women; PROVIDED, That:~~

~~(A) Of the funds appropriated under (a)(i) of this subsection for new programs and new services, at least eighty-five percent must be directed to evidence-based or research-based programs and practices that produce objectively measurable results and, by~~

~~September 1, 2020, are cost-beneficial; and~~

~~(B) Up to fifteen percent of the funds appropriated under (a)(i) of this subsection for new programs and new services may be directed to proven and tested practices, emerging best practices, or promising practices.~~

~~(ii) In deciding which programs and practices to fund, the director of the health care authority must consult, at least annually, with the University of Washington's social development research group and the University of Washington's alcohol and drug abuse institute.~~

~~(iii) For each fiscal year, the legislature must appropriate a minimum of twenty-five million five hundred thirty-six thousand dollars under this subsection (2)(a);~~

~~(b)(i) Up to ten percent to the department of health for the following, subject to (b)(ii) of this subsection (2):~~

~~(A) Creation, implementation, operation, and management of a marijuana education and public health program that contains the following:~~

~~(I) A marijuana use public health hotline that provides referrals to substance abuse treatment providers, utilizes evidence-based or research-based public health approaches to minimizing the harms associated with marijuana use, and does not solely advocate an abstinence-only approach;~~

~~(II) A grants program for local health departments or other local community agencies that supports development and implementation of coordinated intervention strategies for the prevention and reduction of marijuana use by youth; and~~

~~(III) Media-based education campaigns across television, internet, radio, print, and out-of-home advertising, separately targeting youth and adults, that provide medically and scientifically accurate information about the health and safety risks posed by marijuana use; and~~

~~(B) The Washington poison control center.~~

~~(ii) For each fiscal year, the legislature must appropriate a minimum of nine million seven hundred fifty thousand dollars under this subsection (2)(b);~~

~~(e)(i) Up to six tenths of one percent to the University of Washington and four tenths of one percent to Washington State University for research on the short and long term effects of marijuana use, to include but not be limited to formal and informal methods for estimating and measuring intoxication and impairment, and for the dissemination of such research.~~

~~(ii) For each fiscal year, except for the 2019-2021 and 2021-2023 fiscal biennia, the legislature must appropriate a minimum of one million twenty-one thousand dollars to the University of Washington. For each fiscal year, except for the 2019-2021 and 2021-2023 fiscal biennia, the legislature must appropriate a minimum of six hundred eighty-one thousand dollars to Washington State University under this subsection (2)(c). It is the intent of the legislature that this policy will be continued in the 2023-2025 fiscal biennium;~~

~~(d) Fifty percent to the state basic health plan trust account to be administered by the Washington basic health plan administrator and used as provided under chapter 70.47 RCW;~~

~~(e) Five percent to the Washington state health care authority to be expended exclusively through contracts with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services as provided under RCW 41.05.220;~~

~~(f)(i) Up to three tenths of one percent to the office of the superintendent of public instruction to fund grants to building bridges programs under chapter 28A.175 RCW.~~

~~(ii) For each fiscal year, the legislature must appropriate a minimum of five hundred eleven thousand dollars to the office of the superintendent of public instruction under this subsection (2)(f); and~~

~~(g) At the end of each fiscal year, the treasurer must transfer any amounts in the dedicated marijuana account that are not appropriated pursuant to subsection (1) of this section and this subsection (2) into the general fund, except as provided in (g)(i) of this subsection (2).~~

~~(i) Beginning in fiscal year 2018, if marijuana excise tax collections~~

~~deposited into the general fund in the prior fiscal year exceed twenty-five million dollars, then each fiscal year the legislature must appropriate an amount equal to thirty percent of all marijuana excise taxes deposited into the general fund the prior fiscal year to the treasurer for distribution to counties, cities, and towns as follows:~~

~~(A) Thirty percent must be distributed to counties, cities, and towns where licensed marijuana retailers are physically located. Each jurisdiction must receive a share of the revenue distribution under this subsection (2)(g)(i)(A) based on the proportional share of the total revenues generated in the individual jurisdiction from the taxes collected under RCW 69.50.535, from licensed marijuana retailers physically located in each jurisdiction. For purposes of this subsection (2)(g)(i)(A), one hundred percent of the proportional amount attributed to a retailer physically located in a city or town must be distributed to the city or town.~~

~~(B) Seventy percent must be distributed to counties, cities, and towns ratably on a per capita basis. Counties must receive sixty percent of the distribution, which must be disbursed based on each county's total proportional population. Funds may only be distributed to jurisdictions that do not prohibit the siting of any state licensed marijuana producer, processor, or retailer.~~

~~(ii) Distribution amounts allocated to each county, city, and town must be distributed in four installments by the last day of each fiscal quarter.~~

~~(iii) By September 15th of each year, the board must provide the state treasurer the annual distribution amount, if any, for each county and city as determined in (g)(i) of this subsection (2).~~

~~(iv) The total share of marijuana excise tax revenues distributed to counties and cities in (g)(i) of this subsection (2) may not exceed fifteen million dollars in fiscal years 2018, 2019, 2020, and 2021, and twenty million dollars per fiscal year thereafter)) \$12,500,000 annually to the board for administration of this chapter as appropriated in the omnibus appropriations act;~~

~~(b) \$11,000,000 annually to the department of health for the following:~~

(i) Creation, implementation, operation, and management of a marijuana, vapor product, and commercial tobacco education and public health program that contains the following:

(A) A marijuana use public health hotline that provides referrals to substance abuse treatment providers, uses evidence-based or research-based public health approaches to minimizing the harms associated with marijuana use, and does not solely advocate an abstinence-only approach;

(B) Programs that support development and implementation of coordinated intervention strategies for the prevention and reduction of commercial tobacco, vapor product, and marijuana use by youth and marijuana cessation treatment services, including grant programs to local health departments or other local community agencies;

(C) Media-based education campaigns across television, internet, radio, print, and out-of-home advertising, separately targeting youth and adults, that provide medically and scientifically accurate information about the health and safety risks posed by marijuana use; and

(D) Outreach to priority populations regarding commercial tobacco, vapor product, and marijuana use, prevention, and cessation; and

(ii) The Washington poison control center;

(c)(i) \$3,000,000 annually to the department of commerce to fund cannabis social equity grants under RCW 43.330.540; and

(ii) \$200,000 annually to the department of commerce to fund technical assistance through a roster of mentors under RCW 43.330.540;

(d) \$200,000 annually, until June 30, 2032, to the health care authority to contract with the Washington state institute for public policy to conduct the cost-benefit evaluations and produce the reports described in RCW 69.50.550;

(e) \$25,000 annually to the University of Washington alcohol and drug abuse institute for the creation, maintenance, and timely updating of web-based public education materials providing medically and scientifically accurate information about the health and safety risks posed by marijuana use;

(f) \$300,000 annually to the University of Washington and \$175,000 annually to the Washington State University for research on the short-term and long-term effects of marijuana use to include, but not be limited to, formal and informal methods for estimating and measuring intoxication and impairments, and for the dissemination of such research;

(g) \$550,000 annually to the office of the superintendent of public instruction to fund grants to building bridges programs under chapter 28A.175 RCW;

(h) \$2,423,000 for fiscal year 2022 and \$2,423,000 for fiscal year 2023 to the Washington state patrol for a drug enforcement task force;

(i) \$270,000 for fiscal year 2022 and \$290,000 for fiscal year 2023 to the department of ecology for implementation of accreditation of marijuana product testing laboratories;

(j) \$800,000 for each of fiscal years 2020 through 2023 to the department of health for the administration of the marijuana authorization database; and

(k) \$621,000 for fiscal year 2022 and \$635,000 for fiscal year 2023 to the department of agriculture for compliance-based laboratory analysis of pesticides in marijuana.

(2) Subsections (1)(a) through (g) of this section must be adjusted annually based on the United States bureau of labor statistics' consumer price index for the Seattle area.

(3) After appropriation of the amounts identified in subsection (1) of this section, the legislature must annually appropriate such remaining amounts for the purposes listed in this subsection (3) as follows:

(a) Fifty-two percent to the state basic health plan trust account to be administered by the Washington basic health plan administrator and used as provided under chapter 70.47 RCW;

(b) Eleven percent to the health care authority to:

(i) Design and administer the Washington state healthy youth survey, analyze the collected data, and produce reports, in collaboration with the office of the superintendent of public instruction, department of health, department of commerce, family policy

council, and board. The survey must be conducted at least every two years and include questions regarding, but not necessarily limited to, academic achievement, age at time of substance use initiation, antisocial behavior of friends, attitudes toward antisocial behavior, attitudes toward substance use, laws and community norms regarding antisocial behavior, family conflict, family management, parental attitudes toward substance use, peer rewarding of antisocial behavior, perceived risk of substance use, and rebelliousness. Funds disbursed under this subsection may be used to expand administration of the healthy youth survey to student populations attending institutions of higher education in Washington;

(ii) Develop, implement, maintain, and evaluate programs and practices aimed at the prevention or reduction of maladaptive substance use, substance use disorder, substance abuse or substance dependence, as these terms are defined in the diagnostic and statistical manual of mental disorders, among middle school and high school-age students, whether as an explicit goal of a given program or practice or as a consistently corresponding effect of its implementation, mental health services for children and youth, and services for pregnant and parenting women. In deciding which programs and practices to fund under this subsection (3)(b)(ii), the director of the health care authority must consult, at least annually, with the University of Washington's social development research group and the University of Washington's alcohol and drug abuse institute; and

(iii) Contract with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services as provided under RCW 41.05.220;

(c)(i) One and one-half percent to counties, cities, and towns where licensed marijuana retailers are physically located. Each jurisdiction must receive a share of the revenue distribution under this subsection (3)(c)(i) based on the proportional share of the total revenues generated in the individual jurisdiction from the taxes collected under RCW 69.50.535, from licensed marijuana retailers physically located in each jurisdiction. For purposes of this subsection (3)(c), 100 percent of the proportional amount

attributed to a retailer physically located in a city or town must be distributed to the city or town;

(ii) Three and one-half percent to counties, cities, and towns ratably on a per capita basis. Counties must receive 60 percent of the distribution based on each county's total proportional population. Funds may only be distributed to jurisdictions that do not prohibit the siting of any state licensed marijuana producer, processor, or retailer;

(iii) By September 15th of each year, the board must provide the state treasurer the annual distribution amount made under this subsection (3)(c), if any, for each county and city as determined in (c)(i) and (ii) of this subsection; and

(iv) Distribution amounts allocated to each county, city, and town in (c)(i) and (ii) of this subsection must be distributed in four installments by the last day of each fiscal quarter; and

(d) Thirty-two percent must be deposited in the state general fund.

NEW SECTION. Sec. 3. The joint legislative audit and review committee shall conduct a review of the appropriation and expenditure of cannabis revenues pursuant to RCW 69.50.540 and report to the appropriate legislative committees by December 1, 2023. The report shall include an examination on the appropriation and expenditure of these funds to evaluate: How these funds have been appropriated and expended; whether the appropriations and expenditures are consistent with the provisions of RCW 69.50.540; and whether information related to the appropriations and expenditures is readily available to the general public. The report shall include options for increasing the transparency and accountability related to the appropriation and expenditure of cannabis-related revenues."

Correct the title.

Representative MacEwen moved the adoption of amendment (1357) to striking amendment (1333):

On page 6, at the beginning of line 36, strike "marijuana" and insert "cannabis"

On page 6, line 38, after "A" strike "marijuana" and insert "cannabis"

On page 7, line 1, after "with" strike "marijuana" and insert "cannabis"

On page 7, line 5, after "product, and" strike "marijuana" and insert "cannabis"

On page 7, at the beginning of line 6, strike "marijuana" and insert "cannabis"

On page 7, line 11, after "by" strike "marijuana" and insert "cannabis"

On page 7, line 14, after "product, and" strike "marijuana" and insert "cannabis"

On page 7, line 30, after "by" strike "marijuana" and insert "cannabis"

On page 7, line 33, after "of" strike "marijuana" and insert "cannabis"

On page 8, line 6, after "of" strike "marijuana" and insert "cannabis"

On page 8, line 8, after "of the" strike "marijuana" and insert "cannabis"

On page 8, line 12, after "in" strike "marijuana" and insert "cannabis"

On page 9, line 16, after "licensed" strike "marijuana" and insert "cannabis"

On page 9, line 20, after "licensed" strike "marijuana" and insert "cannabis"

On page 9, line 29, after "licensed" strike "marijuana" and insert "cannabis"

Representative MacEwen spoke in favor of the adoption of the amendment to the striking amendment.

Amendment (1357) to striking amendment (1333) was adopted.

Representative Schmick moved the adoption of amendment (1345) to striking amendment (1333):

On page 9, line 15 of the striking amendment, after "(c)(i)" strike "One and one-half" and insert "Three"

On page 9, line 24 of the striking amendment, after "city or town" insert ".
Half the amounts provided under this subsection (3)(c)(i) must be used to increase local law enforcement resources"

On page 9, line 25 of the striking amendment, after "(ii)" strike "Three and one-half" and insert "Seven"

On page 9, line 30 of the striking amendment, after "or retailer" insert ".
Half the amounts provided under this subsection (3)(c)(ii) must be used to

increase local law enforcement resources"

On page 9, line 38 of the striking amendment, after "(d)" strike "Thirty-two" and insert "Twenty-seven"

Representatives Schmick, Chambers, Schmick (again), Walsh, Jacobsen, Eslick, Harris, Goehner, Hoff, Dye, Volz, Chambers (again), Orcutt, Dufault, Dent, Klippert and MacEwen spoke in favor of the adoption of the amendment to the striking amendment.

Representative Sullivan spoke against the adoption of the amendment to the striking amendment.

Amendment (1345) to striking amendment (1333) was not adopted.

Representative Sullivan spoke in favor of the adoption of the striking amendment, as amended.

Representative MacEwen spoke against the adoption of the striking amendment, as amended.

Striking amendment (1333), as amended, was adopted.

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

Representatives Sullivan and MacEwen spoke in favor of the passage of the bill.

MOTIONS

On motion of Representative Riccelli, Representative Chopp was excused.

On motion of Representative MacEwen, Representative Sutherland was excused.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Engrossed Second Substitute Senate Bill No. 5796, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5796, as amended by the House, and the bill passed the House by the following vote: Yeas, 78; Nays, 18; Absent, 0; Excused, 2.

Voting yea: Representatives Barkis, Bateman, Berg, Bergquist, Berry, Bronoske, Callan, Chambers, Chandler, Chapman, Cody, Corry, Davis, Dolan, Donaghy, Duerr, Entenman, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Kloba, Leavitt, Lekanoff, MacEwen, Macri, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude,

Rule, Ryu, Santos, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Wicks, Wilcox, Wylie, Young and Mme. Speaker.

Voting nay: Representatives Abbarno, Boehnke, Caldier, Chase, Dent, Dufault, Dye, Eslick, Klicker, Klippert, Kraft, Kretz, Maycumber, McCaslin, McEntire, Schmick, Walsh and Ybarra.

Excused: Representatives Chopp and Sutherland.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5796, as amended by the House, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 5745, by Senate Committee on Ways & Means (originally sponsored by Liias, Keiser, Conway, Nobles and Wilson, C.)

Increasing the personal needs allowance for persons receiving state financed care.

The bill was read the second time.

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

Representatives Gregerson, Corry and Chambers spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5745.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5745, and the bill passed the House by the following vote: Yeas, 96; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Excused: Representatives Chopp and Sutherland.

SUBSTITUTE SENATE BILL NO. 5745, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 5555, by Senate Committee on State Government & Elections (originally sponsored by Van De Wege, Hunt, Mullet and Randall)

Concerning public safety telecommunicators.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Community & Economic Development was adopted. (For Committee amendment, see Journal, Day 44, February 22, 2022).

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

Representatives Paul, Boehnke and Goodman spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5555, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5555, as amended by the House, and the bill passed the House by the following vote: Yeas, 96; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Excused: Representatives Chopp and Sutherland.

SUBSTITUTE SENATE BILL NO. 5555, as amended by the House, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 5196, by Senators Billig, Braun, Fortunato, Holy, Hunt, Van De Wege, Wagoner and Wilson, C.

Describing how the legislature may convene a special session.

The bill was read the second time.

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

Representatives Valdez and Volz spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Senate Bill No. 5196.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5196, and the bill passed the House by the following vote: Yeas, 95; Nays, 1; Absent, 0; Excused, 2.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra and Mme. Speaker.

Voting nay: Representative Young.

Excused: Representatives Chopp and Sutherland.

SENATE BILL NO. 5196, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 5749, by Senate Committee on Housing & Local Government (originally sponsored by Trudeau, Salomon, Hasegawa, Nobles and Wilson, C.)

Concerning rent payments made by residential tenants. Revised for 1st Substitute: Concerning rent payments made by residential and manufactured housing community tenants.

The bill was read the second time.

With the consent of the House, amendments (1306), (1307), (1308), (1309), (1310), (1311) and (1312) were withdrawn.

Representative Gilday moved the adoption of amendment (1358):

On page 1, line 8, after "tenant" insert ", except that a landlord is not required to accept a personal check from any tenant that has had a personal check written to the landlord or the landlord's

agent that has been returned for nonsufficient funds or account closure within the previous nine months"

On page 1, line 9, after "mail" strike "or at" and insert "unless the landlord provides"

On page 3, line 27, after "tenant" insert ", except that a landlord is not required to accept a personal check from any tenant that has had a personal check written to the landlord or the landlord's agent that has been returned for nonsufficient funds or account closure within the previous nine months"

On page 3, line 28, after "mail" strike "or at" and insert "unless the landlord provides"

Representatives Gilday and Peterson spoke in favor of the adoption of the amendment.

Amendment (1358) was adopted.

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

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

Representative Dufault spoke against the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5749, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5749, as amended by the House, and the bill passed the House by the following vote: Yeas, 91; Nays, 5; Absent, 0; Excused, 2.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Wicks, Wilcox, Wylie, Ybarra and Mme. Speaker.

Voting nay: Representatives Dufault, Kraft, McCaslin, Walsh and Young.

Excused: Representatives Chopp and Sutherland.

SUBSTITUTE SENATE BILL NO. 5749, as amended by the House, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 5505, by Senators Rolfes, Warnick, Hasegawa, Lovelett, Lovick, Mullet, Pedersen, Van De Wege, Wagoner and Wilson, C.

Reinstating a property tax exemption for property owned by certain nonprofit organizations where a portion of the property is used for the purpose of a farmers market.

The bill was read the second time.

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

Representatives Berg and Steele spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Senate Bill No. 5505.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5505, and the bill passed the House by the following vote: Yeas, 96; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Excused: Representatives Chopp and Sutherland.

SENATE BILL NO. 5505, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 5728, by Senate Committee on Ways & Means (originally sponsored by Holy, Dhingra and Nobles)

Concerning the state's portion of civil asset forfeiture collections.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Appropriations was adopted. (For Committee amendment, see Journal, Day 50, February 28, 2022).

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

Representatives Bergquist and Graham spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5728, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5728, as amended by the House, and the bill passed the House by the following vote: Yeas, 94; Nays, 2; Absent, 0; Excused, 2.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra and Mme. Speaker.

Voting nay: Representatives Kraft and Young.

Excused: Representatives Chopp and Sutherland.

SUBSTITUTE SENATE BILL NO. 5728, as amended by the House, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 5644, by Senate Committee on Behavioral Health Subcommittee to Health & Long Term Care (originally sponsored by Wagoner and Frockt)

Concerning providing quality behavioral health co-response services

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on College & Workforce Development was adopted. (For Committee amendment, see Journal, Day 46, February 24, 2022).

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

Representatives Chambers, Orwall, Eslick, Rule and Kraft spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5644, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5644, as amended by the House, and the bill passed the House by the following vote: Yeas, 96; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Excused: Representatives Chopp and Sutherland.

SUBSTITUTE SENATE BILL NO. 5644, as amended by the House, having received the necessary constitutional majority, was declared passed.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5268, by Senate Committee on Health & Long Term Care (originally sponsored by Keiser, Braun and Nguyen)

Transforming services for individuals with intellectual and developmental disabilities by increasing the capabilities of community residential settings and redesigning the long-term nature of intermediate care facilities.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Housing, Human Services & Veterans was not adopted. (For Committee amendment, see Journal, Day 46, February 24, 2022).

There being no objection, the committee striking amendment by the Committee on Appropriations was adopted. (For Committee amendment, see Journal, Day 50, February 28, 2022).

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

Representatives Peterson, Gilday and Orwall spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5268, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5268, as amended by the House, and the bill passed the House by the following vote: Yeas, 96; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Excused: Representatives Chopp and Sutherland.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5268, as amended by the House, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 5756, by Senate Committee on State Government & Elections (originally sponsored by Hunt, Muzzall and Conway)

Establishing the semiquincentennial committee.

The bill was read the second time.

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

Representatives Lekanoff and Volz spoke in favor of the passage of the bill.

Representative Dufault spoke against the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5756.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5756, and the bill passed the House by the following vote: Yeas, 70; Nays, 26; Absent, 0; Excused, 2.

Voting yea: Representatives Barkis, Bateman, Berg, Bergquist, Berry, Bronoske, Callan, Chandler, Chapman, Cody, Corry, Davis, Dolan, Donaghy, Duerr, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goodman, Gregerson, Hackney, Hansen, Harris-Talley, Jacobsen, J. Johnson, Kirby, Kloba, Leavitt, Lekanoff, Macri, Morgan, Mosbrucker, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Volz, Walen, Wicks, Wilcox, Wylie, Ybarra and Mme. Speaker.

Voting nay: Representatives Abbarno, Boehnke, Caldier, Chambers, Chase, Dent, Dufault, Dye, Goehner, Graham, Griffey, Harris, Hoff, Klicker, Klippert, Kraft, Kretz, MacEwen, Maycumber, McCaslin, McEntire, Orcutt, Schmick, Vick, Walsh and Young.

Excused: Representatives Chopp and Sutherland.

SUBSTITUTE SENATE BILL NO. 5756, having received the necessary constitutional majority, was declared passed.

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

MESSAGES FROM THE SENATE

March 4, 2022

Mme. SPEAKER:

The Senate has passed:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1753,
SECOND SUBSTITUTE HOUSE BILL NO. 1905,

and the same are herewith transmitted.

Sarah Bannister, Secretary

March 4, 2022

Mme. SPEAKER:

The President has signed:

SUBSTITUTE HOUSE BILL NO. 1717,
SUBSTITUTE HOUSE BILL NO. 1747,
ENGROSSED HOUSE BILL NO. 1752,
ENGROSSED HOUSE BILL NO. 1784,
HOUSE BILL NO. 1888,
SUBSTITUTE HOUSE BILL NO. 1980,
SUBSTITUTE HOUSE BILL NO. 1984,
HOUSE BILL NO. 2074,

and the same are herewith transmitted.

Sarah Bannister, Secretary

The Speaker (Representative Bronoske presiding) called upon Representative Leavitt to preside.

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. 5017
ENGROSSED SENATE BILL NO. 5919
SENATE BILL NO. 5519

The Speaker (Representative Leavitt presiding) called upon Representative Bronoske to preside.

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

SECOND READING

SUBSTITUTE SENATE BILL NO. 5818, by Senate Committee on Housing & Local Government (originally sponsored by Salomon, Lias, Kuderer, Saldaña and Short)

Promoting housing construction in cities through amendments to and limiting appeals under the state environmental policy act and growth management act.

The bill was read the second time.

Representative Fitzgibbon moved the adoption of striking amendment (1284):

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 36.70A.600 and 2020 c 173 s 1 are each amended to read as follows:

(1) A city planning pursuant to RCW 36.70A.040 is encouraged to take the following actions in order to increase its residential building capacity:

(a) Authorize development in one or more areas of not fewer than five hundred acres that include at least one train station served by commuter rail or light rail with an average of at least fifty residential units per acre that require no more than an average of one on-site parking space per two bedrooms in the portions of multifamily zones that are located within the areas;

(b) Authorize development in one or more areas of not fewer than two hundred acres in cities with a population greater than forty thousand or not fewer than one hundred acres in cities with a population less than forty thousand that include at least one bus stop served by scheduled bus service of at least four times per hour for twelve or more hours per day with an average of at least twenty-five residential units per acre that require no more than an average of one on-site parking space per two bedrooms in portions of the multifamily zones that are located within the areas;

(c) Authorize at least one duplex, triplex, quadplex, sixplex, stacked flat, townhouse, or courtyard apartment on each parcel in one or more zoning districts that permit single-family residences unless a city documents a specific infrastructure of physical constraint that would make this requirement unfeasible for a particular parcel;

(d) Authorize a duplex, triplex, quadplex, sixplex, stacked flat, townhouse, or courtyard apartment on one or more parcels for which they are not currently authorized;

(e) Authorize cluster zoning or lot size averaging in all zoning districts that permit single-family residences;

(f) Adopt a subarea plan pursuant to RCW 43.21C.420;

(g) Adopt a planned action pursuant to RCW 43.21C.440(1)(b)(ii), except that an environmental impact statement pursuant to RCW 43.21C.030 is not required for such an action;

(h) Adopt increases in categorical exemptions pursuant to RCW 43.21C.229 for residential or mixed-use development;

(i) Adopt a form-based code in one or more zoning districts that permit residential uses. "Form-based code" means a land development regulation that uses physical form, rather than separation of use, as the organizing principle for the code;

(j) Authorize a duplex on each corner lot within all zoning districts that permit single-family residences;

(k) Allow for the division or redivision of land into the maximum number of lots through the short subdivision process provided in chapter 58.17 RCW;

(l) Authorize a minimum net density of six dwelling units per acre in all residential zones, where the residential development capacity will increase within the city. For purposes of this subsection, the calculation of net density does not include the square footage of areas that are otherwise prohibited from development, such as critical areas, the area of buffers around critical areas, and the area of roads and similar features;

(m) Create one or more zoning districts of medium density in which individual lots may be no larger than three thousand five hundred square feet and single-family residences may be no larger than one thousand two hundred square feet;

(n) Authorize accessory dwelling units in one or more zoning districts in which they are currently prohibited;

(o) Remove minimum residential parking requirements related to accessory dwelling units;

(p) Remove owner occupancy requirements related to accessory dwelling units;

(q) Adopt new square footage requirements related to accessory dwelling units that are less restrictive than existing square footage requirements related to accessory dwelling units;

(r) Adopt maximum allowable exemption levels in WAC 197-11-800(1) as it existed on June 11, 2020, or such subsequent date as may be provided by the department of ecology by rule, consistent with the purposes of this section;

(s) Adopt standards for administrative approval of final plats pursuant to RCW 58.17.100;

(t) Adopt ordinances authorizing administrative review of preliminary plats pursuant to RCW 58.17.095;

(u) Adopt other permit process improvements where it is demonstrated that the code, development regulation, or ordinance changes will result in a more efficient permit process for customers;

(v) Update use matrices and allowable use tables that eliminate conditional use permits and administrative conditional use permits for all housing types, including single-family homes, townhomes, multifamily housing, low-

income housing, and senior housing, but excluding essential public facilities;

(w) Allow off-street parking to compensate for lack of on-street parking when private roads are utilized or a parking demand study shows that less parking is required for the project;

(x) Develop a local program that offers homeowners a combination of financing, design, permitting, or construction support to build accessory dwelling units. A city may condition this program on a requirement to provide the unit for affordable home ownership or rent the accessory dwelling unit for a defined period of time to either tenants in a housing subsidy program as defined in RCW 43.31.605(14) or to tenants whose income is less than eighty percent of the city or county median family income. If the city includes an affordability requirement under the program, it must provide additional incentives, such as:

- (i) Density bonuses;
- (ii) Height and bulk bonuses;
- (iii) Fee waivers or exemptions;
- (iv) Parking reductions; or
- (v) Expedited permitting; and

(y) Develop a local program that offers homeowners a combination of financing, design, permitting, or construction support to convert a single-family home into a duplex, triplex, or quadplex where those housing types are authorized. A local government may condition this program on a requirement to provide a certain number of units for affordable home ownership or to rent a certain number of the newly created units for a defined period of time to either tenants in a housing subsidy program as defined in RCW 43.31.605(14) or to tenants whose income is less than eighty percent of the city or county median family income. If the city includes an affordability requirement, it must provide additional incentives, such as:

- (i) Density bonuses;
- (ii) Height and bulk bonuses;
- (iii) Fee waivers or exemptions;
- (iv) Parking reductions; or
- (v) Expedited permitting.

(2) A city planning pursuant to RCW 36.70A.040 may adopt a housing action plan as described in this subsection. The

goal of any such housing plan must be to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market. A housing action plan may utilize data compiled pursuant to RCW 36.70A.610. The housing action plan should:

(a) Quantify existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cost-burdened households;

(b) Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified in (a) of this subsection;

(c) Analyze population and employment trends, with documentation of projections;

(d) Consider strategies to minimize displacement of low-income residents resulting from redevelopment;

(e) Review and evaluate the current housing element adopted pursuant to RCW 36.70A.070, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions;

(f) Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups; and

(g) Include a schedule of programs and actions to implement the recommendations of the housing action plan.

(3) ~~((If adopted by April 1, 2023,))~~ The adoption of ordinances, development regulations and amendments to ((development)) such regulations, and other nonproject actions taken by a city to implement the actions specified in subsection (1) of this section, with the exception of the action specified in subsection (1)(f) of this section, are not subject to administrative or judicial appeal under chapter 43.21C RCW.

(4) Any action taken by a city prior to April 1, 2023, to amend ~~((their))~~ its comprehensive plan ~~((or))~~ or adopt or amend ordinances or development regulations, solely to enact provisions under

subsection (1) of this section is not subject to legal challenge under this chapter.

(5) In taking action under subsection (1) of this section, cities are encouraged to utilize strategies that increase residential building capacity in areas with frequent transit service and with the transportation and utility infrastructure that supports the additional residential building capacity.

(6) A city that is planning to take at least two actions under subsection (1) of this section, and that action will occur between July 28, 2019, and April 1, 2021, is eligible to apply to the department for planning grant assistance of up to one hundred thousand dollars, subject to the availability of funds appropriated for that purpose. The department shall develop grant criteria to ensure that grant funds awarded are proportionate to the level of effort proposed by a city, and the potential increase in housing supply or regulatory streamlining that could be achieved. Funding may be provided in advance of, and to support, adoption of policies or ordinances consistent with this section. A city can request, and the department may award, more than one hundred thousand dollars for applications that demonstrate extraordinary potential to increase housing supply or regulatory streamlining.

(7) A city seeking to develop a housing action plan under subsection (2) of this section is eligible to apply to the department for up to one hundred thousand dollars.

(8) The department shall establish grant award amounts under subsections (6) and (7) of this section based on the expected number of cities that will seek grant assistance, to ensure that all cities can receive some level of grant support. If funding capacity allows, the department may consider accepting and funding applications from cities with a population of less than twenty thousand if the actions proposed in the application will create a significant amount of housing capacity or regulatory streamlining and are consistent with the actions in this section.

(9) In implementing chapter 348, Laws of 2019, cities are encouraged to prioritize the creation of affordable, inclusive neighborhoods and to consider

the risk of residential displacement, particularly in neighborhoods with communities at high risk of displacement.

Sec. 2. RCW 36.70A.070 and 2021 c 254 s 2 are each amended to read as follows:

The comprehensive plan of a county or city that is required or chooses to plan under RCW 36.70A.040 shall consist of a map or maps, and descriptive text covering objectives, principles, and standards used to develop the comprehensive plan. The plan shall be an internally consistent document and all elements shall be consistent with the future land use map. A comprehensive plan shall be adopted and amended with public participation as provided in RCW 36.70A.140. Each comprehensive plan shall include a plan, scheme, or design for each of the following:

(1) A land use element designating the proposed general distribution and general location and extent of the uses of land, where appropriate, for agriculture, timber production, housing, commerce, industry, recreation, open spaces, general aviation airports, public utilities, public facilities, and other land uses. The land use element shall include population densities, building intensities, and estimates of future population growth. The land use element shall provide for protection of the quality and quantity of groundwater used for public water supplies. Wherever possible, the land use element should consider utilizing urban planning approaches that promote physical activity. Where applicable, the land use element shall review drainage, flooding, and stormwater runoff in the area and nearby jurisdictions and provide guidance for corrective actions to mitigate or cleanse those discharges that pollute waters of the state, including Puget Sound or waters entering Puget Sound.

(2) A housing element ensuring the vitality and character of established residential neighborhoods that:

(a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth, as provided by the department of commerce, including:

(i) Units for moderate, low, very low, and extremely low-income households; and

(ii) Emergency housing, emergency shelters, and permanent supportive housing;

(b) Includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences, and within an urban growth area boundary, moderate density housing options including, but not limited to, duplexes, triplexes, and townhomes;

(c) Identifies sufficient capacity of land for housing including, but not limited to, government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing, and within an urban growth area boundary, consideration of duplexes, triplexes, and townhomes;

(d) Makes adequate provisions for existing and projected needs of all economic segments of the community, including:

(i) Incorporating consideration for low, very low, extremely low, and moderate-income households;

(ii) Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations;

(iii) Consideration of housing locations in relation to employment location; and

(iv) Consideration of the role of accessory dwelling units in meeting housing needs;

(e) Identifies local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:

(i) Zoning that may have a discriminatory effect;

(ii) Disinvestment; and

(iii) Infrastructure availability;

(f) Identifies and implements policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions;

(g) Identifies areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and

(h) Establishes antidisplacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.

In counties and cities subject to the review and evaluation requirements of RCW 36.70A.215, any revision to the housing element shall include consideration of prior review and evaluation reports and any reasonable measures identified. The housing element should link jurisdictional goals with overall county goals to ensure that the housing element goals are met.

The adoption of ordinances, development regulations and amendments to such regulations, and other nonproject actions taken by a city that is required or chooses to plan under RCW 36.70A.040 that increase housing capacity, increase housing affordability, and mitigate displacement as required under this subsection (2) and that apply outside of critical areas are not subject to administrative or judicial appeal under chapter 43.21C RCW unless the adoption of such ordinances, development regulations and amendments to such regulations, or other nonproject actions has a probable significant adverse impact on fish habitat.

(3) A capital facilities plan element consisting of: (a) An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities; (b) a forecast of the future needs for such capital facilities; (c) the proposed locations and capacities of expanded or new capital facilities; (d) at least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and (e) a requirement to reassess the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities plan

element, and financing plan within the capital facilities plan element are coordinated and consistent. Park and recreation facilities shall be included in the capital facilities plan element.

(4) A utilities element consisting of the general location, proposed location, and capacity of all existing and proposed utilities, including, but not limited to, electrical lines, telecommunication lines, and natural gas lines.

(5) Rural element. Counties shall include a rural element including lands that are not designated for urban growth, agriculture, forest, or mineral resources. The following provisions shall apply to the rural element:

(a) Growth management act goals and local circumstances. Because circumstances vary from county to county, in establishing patterns of rural densities and uses, a county may consider local circumstances, but shall develop a written record explaining how the rural element harmonizes the planning goals in RCW 36.70A.020 and meets the requirements of this chapter.

(b) Rural development. The rural element shall permit rural development, forestry, and agriculture in rural areas. The rural element shall provide for a variety of rural densities, uses, essential public facilities, and rural governmental services needed to serve the permitted densities and uses. To achieve a variety of rural densities and uses, counties may provide for clustering, density transfer, design guidelines, conservation easements, and other innovative techniques that will accommodate appropriate rural economic advancement, densities, and uses that are not characterized by urban growth and that are consistent with rural character.

(c) Measures governing rural development. The rural element shall include measures that apply to rural development and protect the rural character of the area, as established by the county, by:

(i) Containing or otherwise controlling rural development;

(ii) Assuring visual compatibility of rural development with the surrounding rural area;

(iii) Reducing the inappropriate conversion of undeveloped land into

sprawling, low-density development in the rural area;

(iv) Protecting critical areas, as provided in RCW 36.70A.060, and surface water and groundwater resources; and

(v) Protecting against conflicts with the use of agricultural, forest, and mineral resource lands designated under RCW 36.70A.170.

(d) Limited areas of more intensive rural development. Subject to the requirements of this subsection and except as otherwise specifically provided in this subsection (5)(d), the rural element may allow for limited areas of more intensive rural development, including necessary public facilities and public services to serve the limited area as follows:

(i) Rural development consisting of the infill, development, or redevelopment of existing commercial, industrial, residential, or mixed-use areas, whether characterized as shoreline development, villages, hamlets, rural activity centers, or crossroads developments.

(A) A commercial, industrial, residential, shoreline, or mixed-use area are subject to the requirements of (d)(iv) of this subsection, but are not subject to the requirements of (c)(ii) and (iii) of this subsection.

(B) Any development or redevelopment other than an industrial area or an industrial use within a mixed-use area or an industrial area under this subsection (5)(d)(i) must be principally designed to serve the existing and projected rural population.

(C) Any development or redevelopment in terms of building size, scale, use, or intensity shall be consistent with the character of the existing areas. Development and redevelopment may include changes in use from vacant land or a previously existing use so long as the new use conforms to the requirements of this subsection (5);

(ii) The intensification of development on lots containing, or new development of, small-scale recreational or tourist uses, including commercial facilities to serve those recreational or tourist uses, that rely on a rural location and setting, but that do not include new residential development. A small-scale recreation or tourist use is

not required to be principally designed to serve the existing and projected rural population. Public services and public facilities shall be limited to those necessary to serve the recreation or tourist use and shall be provided in a manner that does not permit low-density sprawl;

(iii) The intensification of development on lots containing isolated nonresidential uses or new development of isolated cottage industries and isolated small-scale businesses that are not principally designed to serve the existing and projected rural population and nonresidential uses, but do provide job opportunities for rural residents. Rural counties may allow the expansion of small-scale businesses as long as those small-scale businesses conform with the rural character of the area as defined by the local government according to RCW 36.70A.030(23). Rural counties may also allow new small-scale businesses to utilize a site previously occupied by an existing business as long as the new small-scale business conforms to the rural character of the area as defined by the local government according to RCW 36.70A.030(23). Public services and public facilities shall be limited to those necessary to serve the isolated nonresidential use and shall be provided in a manner that does not permit low-density sprawl;

(iv) A county shall adopt measures to minimize and contain the existing areas or uses of more intensive rural development, as appropriate, authorized under this subsection. Lands included in such existing areas or uses shall not extend beyond the logical outer boundary of the existing area or use, thereby allowing a new pattern of low-density sprawl. Existing areas are those that are clearly identifiable and contained and where there is a logical boundary delineated predominately by the built environment, but that may also include undeveloped lands if limited as provided in this subsection. The county shall establish the logical outer boundary of an area of more intensive rural development. In establishing the logical outer boundary, the county shall address (A) the need to preserve the character of existing natural neighborhoods and communities, (B) physical boundaries, such as bodies of water, streets and highways, and land forms and contours, (C) the prevention of abnormally irregular boundaries, and (D) the ability

to provide public facilities and public services in a manner that does not permit low-density sprawl;

(v) For purposes of (d) of this subsection, an existing area or existing use is one that was in existence:

(A) On July 1, 1990, in a county that was initially required to plan under all of the provisions of this chapter;

(B) On the date the county adopted a resolution under RCW 36.70A.040(2), in a county that is planning under all of the provisions of this chapter under RCW 36.70A.040(2); or

(C) On the date the office of financial management certifies the county's population as provided in RCW 36.70A.040(5), in a county that is planning under all of the provisions of this chapter pursuant to RCW 36.70A.040(5).

(e) Exception. This subsection shall not be interpreted to permit in the rural area a major industrial development or a master planned resort unless otherwise specifically permitted under RCW 36.70A.360 and 36.70A.365.

(6) A transportation element that implements, and is consistent with, the land use element.

(a) The transportation element shall include the following subelements:

(i) Land use assumptions used in estimating travel;

(ii) Estimated traffic impacts to state-owned transportation facilities resulting from land use assumptions to assist the department of transportation in monitoring the performance of state facilities, to plan improvements for the facilities, and to assess the impact of land-use decisions on state-owned transportation facilities;

(iii) Facilities and services needs, including:

(A) An inventory of air, water, and ground transportation facilities and services, including transit alignments and general aviation airport facilities, to define existing capital facilities and travel levels as a basis for future planning. This inventory must include state-owned transportation facilities within the city or county's jurisdictional boundaries;

(B) Level of service standards for all locally owned arterials and transit routes to serve as a gauge to judge performance of the system. These standards should be regionally coordinated;

(C) For state-owned transportation facilities, level of service standards for highways, as prescribed in chapters 47.06 and 47.80 RCW, to gauge the performance of the system. The purposes of reflecting level of service standards for state highways in the local comprehensive plan are to monitor the performance of the system, to evaluate improvement strategies, and to facilitate coordination between the county's or city's six-year street, road, or transit program and the office of financial management's ten-year investment program. The concurrency requirements of (b) of this subsection do not apply to transportation facilities and services of statewide significance except for counties consisting of islands whose only connection to the mainland are state highways or ferry routes. In these island counties, state highways and ferry route capacity must be a factor in meeting the concurrency requirements in (b) of this subsection;

(D) Specific actions and requirements for bringing into compliance locally owned transportation facilities or services that are below an established level of service standard;

(E) Forecasts of traffic for at least ten years based on the adopted land use plan to provide information on the location, timing, and capacity needs of future growth;

(F) Identification of state and local system needs to meet current and future demands. Identified needs on state-owned transportation facilities must be consistent with the statewide multimodal transportation plan required under chapter 47.06 RCW;

(iv) Finance, including:

(A) An analysis of funding capability to judge needs against probable funding resources;

(B) A multiyear financing plan based on the needs identified in the comprehensive plan, the appropriate parts of which shall serve as the basis for the six-year street, road, or transit program required by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and

RCW 35.58.2795 for public transportation systems. The multiyear financing plan should be coordinated with the ten-year investment program developed by the office of financial management as required by RCW 47.05.030;

(C) If probable funding falls short of meeting identified needs, a discussion of how additional funding will be raised, or how land use assumptions will be reassessed to ensure that level of service standards will be met;

(v) Intergovernmental coordination efforts, including an assessment of the impacts of the transportation plan and land use assumptions on the transportation systems of adjacent jurisdictions;

(vi) Demand-management strategies;

(vii) Pedestrian and bicycle component to include collaborative efforts to identify and designate planned improvements for pedestrian and bicycle facilities and corridors that address and encourage enhanced community access and promote healthy lifestyles.

(b) After adoption of the comprehensive plan by jurisdictions required to plan or who choose to plan under RCW 36.70A.040, local jurisdictions must adopt and enforce ordinances which prohibit development approval if the development causes the level of service on a locally owned transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan, unless transportation improvements or strategies to accommodate the impacts of development are made concurrent with the development. These strategies may include increased public transportation service, ride-sharing programs, demand management, and other transportation systems management strategies. For the purposes of this subsection (6), "concurrent with the development" means that improvements or strategies are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years. If the collection of impact fees is delayed under RCW 82.02.050(3), the six-year period required by this subsection (6)(b) must begin after full payment of all impact fees is due to the county or city.

(c) The transportation element described in this subsection (6), the

six-year plans required by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795 for public transportation systems, and the ten-year investment program required by RCW 47.05.030 for the state, must be consistent.

(7) An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. A city that has chosen to be a residential community is exempt from the economic development element requirement of this subsection.

(8) A park and recreation element that implements, and is consistent with, the capital facilities plan element as it relates to park and recreation facilities. The element shall include: (a) Estimates of park and recreation demand for at least a ten-year period; (b) an evaluation of facilities and service needs; and (c) an evaluation of intergovernmental coordination opportunities to provide regional approaches for meeting park and recreational demand.

(9) It is the intent that new or amended elements required after January 1, 2002, be adopted concurrent with the scheduled update provided in RCW 36.70A.130. Requirements to incorporate any such new or amended elements shall be null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130.

Sec. 3. RCW 43.21C.495 and 2020 c 173 s 2 are each amended to read as follows:

~~((If adopted by April 1, 2023, amendments to development regulations))~~ Adoption of ordinances, development regulations and amendments to such regulations, and other nonproject actions taken by a city to implement: The actions specified in section 2, chapter . . . , Laws of 2022 (this act) unless the adoption of such ordinances, development regulations and amendments to such regulations, or other nonproject actions has a probable significant adverse impact on fish habitat; and the increased residential building capacity actions identified in RCW 36.70A.600(1) ~~((~~4~~))~~, with the exception of the action specified in RCW 36.70A.600(1)(f), are

not subject to administrative or judicial appeals under this chapter.

Sec. 4. RCW 43.21C.501 and 2019 c 348 s 6 are each amended to read as follows:

(1) Project actions described in this section that pertain to residential, multifamily, or mixed-use development evaluated under this chapter by a city or town planning under RCW 36.70A.040 are exempt from appeals under this chapter on the basis of the evaluation of or impacts to the following elements of the environment, provided that the appropriate requirements for a particular element of the environment, as set forth in subsections (2) and (3) of this section, are met.

(2)(a) Transportation. A project action pertaining to residential, multifamily, or mixed-use development evaluated under this chapter by a city or town planning under RCW 36.70A.040 is exempt from appeals under this chapter on the basis of the evaluation of or impacts to transportation elements of the environment, so long as ((the project does not present significant adverse impacts to the state-owned transportation system as determined by the department of transportation and)) the project is:

((~~(a)(i)~~)) (i)(A) Consistent with a locally adopted transportation plan; or

((~~(ii)~~)) (B) Consistent with the transportation element of a comprehensive plan; and

((~~(b)(i)~~)) (ii)(A) A project for which traffic or parking impact fees are imposed pursuant to RCW 82.02.050 through 82.02.090; or

((~~(ii)~~)) (B) A project for which traffic or parking impacts are ((expressly)) mitigated by an ordinance, or ordinances, of general application adopted by the city or town.

((~~(2)~~)) (b) The exemption under this subsection (2) does not apply if the department of transportation has found that the project will present significant adverse impacts to the state-owned transportation system.

(3)(a) Aesthetics. A project action pertaining to residential, multifamily, or mixed-use development evaluated under this chapter by a city or town planning under RCW 36.70A.040 is exempt from appeals under this chapter on the basis of the evaluation of or impacts to the

aesthetics element of the environment, so long as the project is subject to design review pursuant to adopted design review requirements at the local government level.

(b) Light and glare. A project action pertaining to residential, multifamily, or mixed-use development evaluated under this chapter by a city or town planning under RCW 36.70A.040 is exempt from appeals under this chapter on the basis of the evaluation of or impacts to the light and glare element of the environment, so long as the project is subject to design review pursuant to adopted design review requirements at the local government level.

(4) For purposes of this section ((~~"impacts~~)):

(a) "Design review" means a formally adopted local government process by which projects are reviewed for compliance with design standards for the type of use adopted through local ordinance.

(b) "Impacts to transportation elements of the environment" include impacts to transportation systems; vehicular traffic; waterborne, rail, and air traffic; parking; movement or circulation of people or goods; and traffic hazards.

NEW SECTION. Sec. 5. (1) The legislature recognizes that certain rule-based categorical exemption thresholds to chapter 43.21C RCW, found in WAC 197-11-800, have not been updated in recent years, and should be modified in light of the increased environmental protections in place under chapters 36.70A and 90.58 RCW, the current affordable housing crisis, and other laws. It is the intent of the legislature to direct the department of ecology to conduct expedited rule making to modify the thresholds for the categorical exemptions described under subsection (2) of this section.

(2) By December 31, 2022, the department of ecology shall modify the rule-based categorical exemptions to chapter 43.21C RCW found in WAC 197-11-800 as follows:

(a) Include four attached single-family residential units to the current exemption under WAC 197-11-800(1)(b)(i);

(b) Create a new exemption level under WAC 197-11-800(1)(d) for single-family residential project types with a total

square footage of fewer than 1,500 square feet in incorporated urban growth areas of at least 100 units;

(c) Increase the exemption level under WAC 197-11-800(1)(d) for multifamily residential project types in incorporated urban growth areas from 60 units to 200 units; and

(d) Add the following sentence to WAC 197-11-800(1)(c)(i): "The city, town, or county must document the result of its outreach with the department of transportation on impacts to state-owned transportation facilities, including consideration of whether mitigation is necessary for impacts to state-owned transportation facilities."

(3) This section expires January 1, 2024.

NEW SECTION. Sec. 6. A new section is added to chapter 43.21C RCW to read as follows:

Any applicant whose project qualifies as exempt or categorically exempt under either this chapter or under rules adopted pursuant to this chapter is not required to file an environmental checklist if other information is available to establish that a project qualifies for an exemption."

Correct the title.

Representatives Fitzgibbon and Dye spoke in favor of the adoption of the striking amendment.

Striking amendment (1284) was adopted.

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

Representatives Fitzgibbon and Dye spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5818, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5818, as amended by the House, and the bill passed the House by the following vote: Yeas, 97; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner,

Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representative Kraft.

SUBSTITUTE SENATE BILL NO. 5818, as amended by the House, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 5498, by Senators Wilson, C., Billig, Das, Lovelett, Lovick, Nobles, Wagoner and Wellman

Awarding diplomas posthumously.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Education was adopted. (For Committee amendment, see Journal, Day 46, February 24, 2022).

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

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

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Senate Bill No. 5498, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5498, as amended by the House, and the bill passed the House by the following vote: Yeas, 97; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick,

Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representative Kraft.

SENATE BILL NO. 5498, as amended by the House, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 5678, by Senate Committee on Environment, Energy & Technology (originally sponsored by Short, Carlyle, Frockt and Mullet)

Concerning energy transformation, nonemitting electric generation, and renewable resource project analysis and declaratory orders.

The bill was read the second time.

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

Representatives Fitzgibbon and Dye spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5678.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5678, and the bill passed the House by the following vote: Yeas, 97; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representative Kraft.

SUBSTITUTE SENATE BILL NO. 5678, having received the necessary constitutional majority, was declared passed.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5758, by Senate Committee on Housing & Local Government (originally sponsored by Gildon and Rivers)

Concerning condominium conversions.

The bill was read the second time.

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

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

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5758.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5758, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5758, having received the necessary constitutional majority, was declared passed.

ENGROSSED SENATE BILL NO. 5017, by Senators Wellman, Honeyford, Mullet and Wilson, C.

Clarifying school district procurement requirements for personal service contracts for construction management, value engineering, constructibility review, and building commissioning. (REVISED FOR ENGROSSED: Clarifying school district procurement requirements for service contracts for construction management, value engineering, constructibility review, and building commissioning.)

The bill was read the second time.

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

Representatives Tharinger and Steele spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Engrossed Senate Bill No. 5017.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Senate Bill No. 5017, and the bill passed the House by the following vote: Yeas, 96; Nays, 2; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra and Mme. Speaker.

Voting nay: Representatives McCaslin and Young.

ENGROSSED SENATE BILL NO. 5017, having received the necessary constitutional majority, was declared passed.

HOUSE BILL NO. 1990, by Representatives Duerr, Slatter, Kloba, Walen and Fey

Concerning a sales and use tax deferral for projects to improve the state route number 167 and Interstate 405 corridor.

The bill was read the second time.

Representative Duerr moved the adoption of amendment (1206):

On page 2, line 8, after "in the" strike "fifth" and insert "tenth"

On page 2, line 12, after "the" strike "fifth" and insert "tenth"

Representatives Duerr and Barkis spoke in favor of the adoption of the amendment.

Amendment (1206) was adopted.

The bill was ordered engrossed.

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

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

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 1990.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 1990, and the bill passed the House by the following vote: Yeas, 96; Nays, 2; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representatives Dufault and Kraft.

ENGROSSED HOUSE BILL NO. 1990, having received the necessary constitutional majority, was declared passed.

ENGROSSED SENATE BILL NO. 5919, by Senators Van De Wege, Mullet, Conway, Gildon, Honeyford, Lovick, Randall, Salomon and Wagoner

Concerning the standard for law enforcement authority to detain or pursue persons. (REVISED FOR ENGROSSED: Concerning the definition of "physical force," "necessary," and "totality of the circumstances," and the standard for law enforcement authority to use physical force and providing the authority for a peace officer to engage in a vehicular pursuit when there is reasonable suspicion a person has violated the law and the officer follows appropriate safety standards.)

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Public Safety was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 46, February 24, 2022).

Representative Graham moved the adoption of amendment (1368) to the committee striking amendment:

On page 1, line 9 of the striking amendment, after "violent offense" strike "~~(or sex offense)~~" and insert "or sex offense"

Representatives Graham and Goodman spoke in favor of the adoption of the amendment to the committee striking amendment.

Amendment (1368) to the committee striking amendment was adopted.

Representative Goodman moved the adoption of amendment (1366) to the committee striking amendment:

On page 1, beginning on line 14 of the striking amendment, after "(b)" strike all material through "person" on line 17 and insert "The pursuit is necessary for the purpose of identifying or apprehending the person;

(c) The person poses ~~((an imminent threat to the safety of))~~ a serious risk of harm to others"

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

Representatives Goodman and Mosbrucker spoke in favor of the adoption of the amendment to the committee striking amendment.

Amendment (1366) to the committee striking amendment was adopted.

Representative Rule moved the adoption of amendment (1369) to the committee striking amendment:

On page 1, beginning on line 20, after "circumstances;" strike all material through "pursuit" on line 29 and insert "and

~~((and))~~ (c)(i) Except as provided in ~~((and))~~(c)(ii) of this subsection, the ~~((officer has received authorization to engage in the pursuit from))~~ pursuing officer notifies a supervising officer ~~((and))~~ immediately upon initiating the vehicular pursuit; there is supervisory ~~((control))~~ oversight of the pursuit ~~((The))~~; and the pursuing officer, in consultation with the supervising officer ~~((must consider)),~~ considers alternatives to the vehicular pursuit ~~((The supervisor must consider)),~~ the justification for the vehicular pursuit,"

On page 2, beginning on line 2, after "~~not~~" strike all material through "~~The~~" on line 10 and insert "~~met~~";

(ii) For those jurisdictions with fewer than 10 commissioned officers, if a supervisor is not on duty at the time, the pursuing officer (~~will request~~) requests the on-call supervisor be notified of the pursuit according to the agency's procedures (~~The~~), and the pursuing officer (~~must consider~~) considers alternatives to the vehicular pursuit, the justification for the vehicular pursuit, and other safety considerations, including but not limited to speed, weather, traffic, road conditions, and the known presence of minors in the vehicle. (~~The~~"

On page 2, beginning on line 12, after "~~not~~" strike all material through "~~comply~~" on line 14 and insert "~~met~~");

(2) (~~A~~) In any vehicular pursuit under this section:

(a) The pursuing officer and supervising officer, if applicable, shall comply"

On page 2, at the beginning of line 18, strike "~~f~~" insert "~~b~~"

On page 2, at the beginning of line 19, strike "~~notifies~~" and insert "~~shall notify~~"

On page 2, line 22, after "~~officer~~" insert "~~, if applicable, shall~~"

On page 2, at the beginning of line 25, strike "~~(g) The pursuing officer is~~" and insert "~~(c) The pursuing officer must be~~"

On page 2, line 26, after "~~officer,~~" insert "~~if applicable,~~"

On page 2, at the beginning of line 29, strike "~~h~~" and insert "~~d~~"

On page 2, line 30, after "~~supervising officer,~~" insert "~~if applicable,~~"

On page 2, at the beginning of line 31, strike "~~develops~~" and insert "~~shall develop~~"

On page 2, at the beginning of line 36, strike all of subsection (1)(i) and insert the following:

"(e) The pursuing officer must have completed an emergency vehicle operator's course, must have completed updated emergency vehicle operator training in the previous two years, where

applicable, and must be certified in at least one pursuit intervention option."

On page 3, at the beginning of line 1, strike "~~2~~" and insert "~~3~~"

Re-number the remaining subsections consecutively and correct any internal references accordingly.

On page 3, at the beginning of line 2, strike "~~subsection (1) of~~"

Representatives Rule and Mosbrucker spoke in favor of the adoption of the amendment to the committee striking amendment.

Amendment (1369) to the committee striking amendment was adopted.

The committee striking amendment, as amended, was adopted.

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

Representatives Goodman and Mosbrucker spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Engrossed Senate Bill No. 5919, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Senate Bill No. 5919, as amended by the House, and the bill passed the House by the following vote: Yeas, 86; Nays, 12; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Eslick, Fey, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Hoff, Jacobsen, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Tharinger, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representatives Berry, Chopp, Entenman, Fitzgibbon, Frame, Harris-Talley, J. Johnson, Macri, Pollet, Santos, Thai and Valdez.

ENGROSSED SENATE BILL NO. 5919, as amended by the House, having received the necessary constitutional majority, was declared passed.

HOUSE BILL NO. 1846, by Representatives Berg and Ramel

Providing a tax preference for rural and nonrural data centers.

The bill was read the second time.

There being no objection, Substitute House Bill No. 1846 was substituted for House Bill No. 1846 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1846 was read the second time.

Representative Berg moved the adoption of striking amendment (1340):

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature finds that data centers are a cornerstone for strong internet infrastructure that is critical to the continuing prosperity of Washington's vibrant digital economy.

(2) The legislature further finds that the data center industry is experiencing explosive growth across the nation and the competition among states for data center investments has increased dramatically. A department of commerce study, *2018 State of the Data Center Industry, An Analysis of Washington's Competitiveness*, found that data center growth in rural Washington is at the lower end of the growth rate experienced by other major competitive markets.

(3) The legislature recognizes that rural county data center investments are necessary but insufficient for the state's total economy and competitiveness. Washington is the only state that restricts incentives geographically. As a result, data centers serving urban counties requiring higher performance and that offer colocation services for multiple tenants that foster technology ecosystems are lost to other states, particularly neighboring Oregon.

(4) The legislature further finds that data centers are one of the most energy-intensive building types, consuming 10 to 50 times the energy per floor space of a typical commercial office building. In addition, the legislature finds that it is imperative that the economic expansion of data centers not result in negative environmental impacts to the communities in which the data centers are located. To

this end, the legislature encourages data centers to be good environmental stewards for their community through adopting practices to mitigate negative environmental impacts of data centers, such as the use of energy derived from renewable resources, redirecting waste heat for alternative uses, or other industrial symbiosis practices.

(5) The legislature therefore intends to encourage additional investments in data technology facilities through expanding and extending the current sales and use tax exemption for rural county data centers and establishing a sales and use tax exemption pilot program for data centers in counties with populations over 800,000, which will in turn incentivize local economic development, increased local tax revenues, and construction and trade jobs across Washington through the development of additional data center facilities.

NEW SECTION. Sec. 2. (1) This section is the tax preference performance statement for the tax preferences contained in sections 3, 4, 5, and 6, chapter . . . , Laws of 2022 (sections 3, 4, 5, and 6 of this act). 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 sales and use tax exemptions on eligible server equipment and eligible power infrastructure equipment at eligible computer data centers as ones intended to: Induce certain designated behavior by taxpayers as indicated in RCW 82.32.808(2)(a); improve industry competitiveness as indicated in RCW 82.32.808(2)(b); create or retain jobs as indicated in RCW 82.32.808(2)(c); and reduce structural inefficiencies in the tax structure as indicated in RCW 82.32.808(2)(d).

(3) It is the legislature's specific public policy objective to:

(a) Maintain and grow the existing data center sector in Washington state, and encourage development of new data center facilities and refurbishment of existing data centers, thereby increasing the competitiveness of Washington's tax structure, which will increase or maintain construction and

trade job growth in rural areas, and increase local tax revenue streams.

(b) Improve industry competitiveness and to increase, create, or retain jobs in computer data centers in counties with a population over 800,000, as determined by the April 1, 2021, office of financial management population estimates, thereby increasing family wage jobs. It is the legislature's intent to establish a pilot program that would provide a sales and use tax exemption on eligible server equipment and power infrastructure installed in eligible computer data centers, charges made for labor and services rendered in respect to installing eligible server equipment, and for construction, installation, repair, alteration, or improvement of eligible power infrastructures in order to increase investment in data center construction, leasing, and other investment throughout rural counties and counties with a population over 800,000, as determined by the April 1, 2021, office of financial management population estimates, thereby growing employment in the technology industry while adding real and personal property to state and local property tax rolls, thereby increasing the county tax base.

(4) The legislature intends to extend the expiration date of the tax preference. The joint legislative audit and review committee shall conduct a review and determine if the tax preference is (a) generating capital investment in new computer data centers, refurbished data centers, or existing data centers (e.g., replacement server equipment), (b) generating state and local tax collections from data center investment and operations, and (c) generating or maintaining construction and trade jobs in the state. The review must factor in changing economic conditions.

(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 any available data source, including data available from the department of revenue regarding rural county property tax assessments and employment data from the employment security department.

Sec. 3. RCW 82.08.986 and 2017 c 135 s 26 are each amended to read as follows:

(1)(a) An exemption from the tax imposed by RCW 82.08.020 is provided for sales to qualifying businesses and to qualifying tenants of eligible server equipment to be installed, without intervening use, in an eligible computer data center to which a valid exemption certificate applies, and to charges made for labor and services rendered in respect to installing eligible server equipment. ~~((Until January 1, 2026, the))~~

(b) This exemption also applies to sales to qualifying businesses and to qualifying tenants of eligible power infrastructure, including labor and services rendered in respect to constructing, installing, repairing, altering, or improving eligible power infrastructure at an eligible computer data center for which an exemption certificate has been issued.

(c) No new exemption certificates may be issued on or after July 1, 2036.

(d) The exemptions provided in this section expire July 1, 2048.

(e) Each calendar year, the department may issue no more than six certificates for data centers which qualify through refurbishment. Certificates are available for refurbished data centers on a first-in-time basis based on the date the application required under this section is received by the department. Each qualifying business may apply for only one certificate for a refurbished data center each calendar year.

(2)(a) In order to ~~((claim the exemption))~~ obtain an exemption certificate under this section, a qualifying business or a qualifying tenant must submit an application to the department for an exemption certificate. The application must include the information necessary, as required by the department, to determine that a business or tenant qualifies for the exemption under this section. The department must issue exemption certificates to qualifying businesses and qualifying tenants. The department may assign a unique identification number to each exemption certificate issued under this section.

(b) A qualifying business or a qualifying tenant claiming the exemption under this section must present 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.

(c) With respect to computer data centers for which the commencement of construction occurs after July 1, 2015, but before July 1, 2019, the exemption provided in this section is limited to no more than eight computer data centers, with total eligible data centers provided under this section limited to twelve from July 1, 2015, through ~~((July 1, 2025))~~ the effective date of this section. Tenants of qualified data centers do not constitute additional data centers under the limit. The exemption is available on a first-in-time basis based on the date the application required under this section is received by the department.

(d) The exemption certificate is effective on the date the application is received by the department, which is deemed to be the date of issuance. Only purchases on or after the date of issuance qualify for the exemption under this section. No tax refunds are authorized for purchases made before the effective date of the exemption certificate.

(e) Exemption certificates expire two years after the date of issuance, unless construction has been commenced.

(3) (a) (i) Within six years of the date that the department issued an exemption certificate under this section to a qualifying business or a qualifying tenant with respect to an eligible computer data center, the qualifying business or qualifying tenant must establish that net employment ~~((at the))~~ assigned to an eligible computer data center has increased by a minimum of:

~~((i))~~ (A) Thirty-five family wage employment positions; or, if lower

~~((ii))~~ (B) Three family wage employment positions for each twenty thousand square feet of space or less that is newly dedicated to housing working servers at the eligible computer data center. For qualifying tenants, the number of family wage employment positions that must be increased under this subsection (3) (a) ~~((i))~~ (i) (B) is based only on the space occupied by the qualifying tenant in the eligible computer data center.

(ii) After the minimum number of family wage employment positions as required under (a) (i) of this subsection (3) is established, a qualifying business

or a qualifying tenant must maintain the minimum family wage employment positions required under (a) (i) of this subsection (3) while the exemption certificate is valid.

(b) In calculating the net increase in family wage employment positions:

(i) The owner of an eligible computer data center, in addition to its own net increase in family wage employment positions, may include:

(A) The net increase, since the date of issuance of the qualifying business's exemption certificate, in family wage employment positions employed by qualifying tenants; and

(B) The net increase in family wage employment positions described in (c) (ii) (B) of this subsection (3).

(ii) (A) Qualifying tenants, in addition to their own net increase in family wage employment positions, may include:

(I) A portion of the net increase in family wage employment positions employed by the owner; and

(II) A portion of the net increase in family wage employment positions described in (c) (ii) (B) of this subsection (3).

(B) The portion of the net increase in family wage employment positions to be counted under this subsection (3) (b) (ii) by each qualifying tenant ~~((must be in proportion to the amount of space in the eligible computer data center occupied by the qualifying tenant compared to the total amount of space in the eligible computer data center occupied by all qualifying tenants))~~ is equal to the net increase in family wage employment positions assigned to an eligible computer data center as described in (b) (ii) (A) (I) and (II) of this subsection (3), multiplied by the percentage of total space within the eligible computer data center occupied by the qualifying tenant. Any combination of qualifying business and qualifying tenant family wage employment positions may meet this requirement.

(C) (I) In the instance of an existing data center facility that was ineligible, regardless of the date of commencement of construction, that later obtains an exemption certificate under this section, the data center may count the existing employment positions that are

dedicated to the data center toward the family wage employment position requirements if the employment positions meet the requirements of a family wage employment position as described in (c) (i) (B) and (C) of this subsection (3).

(II) In the instance of the refurbishment of an existing data center that previously qualified under the data center program, the data center may count the existing employment positions dedicated to the data center toward the family wage employment position requirements if the employment positions meet the requirements of a family wage employment position as described in (c) (i) (B) and (C) of this subsection (3).

(c) (i) For purposes of this subsection ~~(7)~~ :

(A) For exemption certificates issued before the effective date of this section, family wage employment positions are new permanent employment positions requiring forty hours of weekly work, or their equivalent, on a full-time basis ~~(at the)~~ assigned to an eligible computer data center and receiving a wage equivalent to or greater than one hundred fifty percent of the per capita personal income of the county in which the qualified project is located as published by the employment security department. The per capita personal income to be used to determine qualification for any year is the amount that was established for the immediate prior year.

(B) For exemption certificates issued on or after the effective date of this section, family wage employment positions are new permanent employment positions requiring 40 hours of weekly work, or their equivalent, on a full-time basis assigned to an eligible computer data center and receiving a wage equivalent to or greater than 125 percent of the per capita personal income of the county in which the qualified project is located as published by the employment security department. The per capita personal income to be used to determine qualification for any year is the amount that was established for the immediate prior year.

(C) An employment position may not be counted as a family wage employment position unless the employment position is entitled to health insurance coverage provided by the employer of the employment position. ~~(For purposes of this subsection (3) (c), "new)~~

(D) "New permanent employment position" means an employment position that did not exist or that had not previously been filled as of the date that the department issued an exemption certificate to the ~~(owner)~~ qualifying business or qualifying tenant of an eligible computer data center, as the case may be.

(ii) (A) Family wage employment positions include positions filled by employees of the ~~(owner of the eligible computer data center)~~ qualifying business and by employees of qualifying tenants.

(B) Family wage employment positions also include individuals performing work at an eligible computer data center as an independent contractor hired by the owner of the eligible computer data center or as an employee of an independent contractor hired by the owner of the eligible computer data center, if the work is necessary for the operation of the computer data center, such as security and building maintenance, and provided that all of the applicable requirements in (c) (i) of this subsection (3) are met.

~~(d) ((All)) (i) For a qualifying business or qualifying tenant that does not meet the requirements of this subsection (3), previously exempted sales and use taxes are immediately due and payable ~~((for a qualifying business or qualifying tenant that does not meet the requirements of this subsection))~~ and any exemption certificate issued to that qualifying business or qualifying tenant under this section is canceled, except as described in (d) (iii) of this subsection (3).~~

(ii) The department of labor and industries must, at the request of the department, assist in determining whether the requirements of this subsection (3) have been met.

(iii) If the department, with the assistance of the department of labor and industries, finds that a failure to meet the requirements of this subsection (3) is due to circumstances beyond the control of the qualifying business or qualifying tenant including, but not limited to, a declaration of an economic recession, pandemic, or natural disaster affecting data center operations, the department may provide exceptions or extensions to the requirements of this subsection (3).

(iv) Any repayment of taxes triggered by the failure of a qualifying business or qualifying tenant to meet the requirements of this subsection (3) must be calculated in proportion to the duration of time for which any applicable requirement was not met.

(v) If the department is notified that a qualifying business or qualifying tenant fails to meet the requirements of this subsection (3), the department may require a qualifying business or qualifying tenant to submit records necessary to determine whether the requirements have been met.

(4) For exemption certificates issued on or after the effective date of this section:

(a) Within three years after being placed in service, the qualifying business operating a newly constructed data center must certify to the department that it has attained certification under one or more of the following sustainable design or green building standards:

(i) BREEAM for new construction or BREEAM in-use;

(ii) Energy star;

(iii) Envision;

(iv) ISO 50001-energy management;

(v) LEED for building design and construction or LEED for operations and maintenance;

(vi) Green globes for new construction or green globes for existing buildings;

(vii) UL 3223; or

(viii) Other reasonable standards approved by the department.

(b) The department may require qualifying businesses and qualifying tenants to submit records necessary to verify the requirements under (a) of this subsection have been met.

(c)(i) For a qualifying business or qualifying tenant that does not meet the requirements of (a) of this subsection (4), all previously exempted sales and use taxes may be immediately due and payable, any exemption certificate issued to that qualifying business or qualifying tenant under this section is canceled, and an additional 10 percent penalty is assessed, except as described in (c)(ii) of this subsection (4).

(ii) If the department finds that a failure to meet the requirements of this subsection (4) is due to circumstances beyond the control of the qualifying business or qualifying tenant including, but not limited to, a declaration of an economic recession, pandemic, or natural disaster affecting data center operations, the department may, at its discretion, provide exceptions or extensions to the requirements of this subsection (4). The department may, at its discretion, coordinate with agencies with relevant expertise to assist in determining whether the requirements have been met.

(5) A qualifying business or a qualifying tenant claiming the exemption under this section is encouraged to take direct steps to adopt practices to mitigate negative environmental impacts resulting from expanded use of data centers, including through:

(a) Coordinating with the industrial waste coordination program established under RCW 43.31.625 to identify and provide technical assistance in implementing industrial symbiosis projects;

(b) To the extent possible, procuring or contracting for power from renewable sources;

(c) Adopting practices to improve the energy efficiency of existing data centers, including through upgrading and consolidating technology, managing data center airflow, and adjusting and improving heating, ventilation, and air conditioning systems; and

(d) Taking actions to conserve, reuse, and replace water. This includes using water efficient fixtures and practices; treating, infiltrating, and harvesting rainwater; recycling water before discharging; partnering with local water utilities to use discharged water for irrigation and other water conservation purposes; using reclaimed water where possible for data center operations; and supporting water restoration in local watersheds.

(6) A qualifying business or a qualifying tenant claiming an exemption under this section or RCW 82.12.986 must complete an annual tax performance report with the department as required under RCW 82.32.534. The report must identify construction firm names and employment levels used for constructing,

renovating, refurbishing, or remodeling the data centers.

~~((5)) (7) (a) ((The exemption provided in this section does not apply to:~~

~~(i) Any person who has received the benefit of the deferral program under chapter 82.60 RCW on: (A) The construction, renovation, or expansion of a structure or structures used as a computer data center; or (B) machinery or equipment used in a computer data center; and~~

~~(ii) Any person affiliated with a person within the scope of (a) (i) of this subsection (5).~~

~~(b) If a person claims an exemption under this section and subsequently receives the benefit of the deferral program under chapter 82.60 RCW on either the construction, renovation, or expansion of a structure or structures used as a computer data center or machinery or equipment used in a computer data center, the person must repay the amount of taxes exempted under this section. Interest as provided in chapter 82.32 RCW applies to amounts due under this section until paid in full.~~

~~(6)) The certificate holder may not at any time assign or transfer a certificate without the prior written consent of the department. The department must allow certificate transfers if the certificate holder meets the following requirements:~~

~~(i) The certificate assignee or transferee is qualified to do business in the state;~~

~~(ii) The assignee or transferee acknowledges the transfer of the certificate in writing;~~

~~(iii) The assignee or transferee agrees to keep and perform all the terms of the certificates; and~~

~~(iv) An assignment or transfer of the certificate is to an entity that:~~

~~(A) Controls, is controlled by, or under common control with, the certificate holder;~~

~~(B) Acquires all or substantially all of the stock or assets of the certificate holder; or~~

~~(C) Is the resulting entity of a merger or consolidation with the certificate holder.~~

(b) In the event the assignee or transferee acquires eligible server equipment in a qualifying asset sale under (a) (iv) (B) of this subsection, the purchaser shall be deemed to purchase the eligible server equipment pursuant to the transferred certificate.

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

(a) "Affiliated" means that one person has a direct or indirect ownership interest of at least twenty percent in another person.

(b) "Building" means a fully enclosed structure with a weather resistant exterior wall envelope or concrete or masonry walls designed in accordance with the requirements for structures under chapter 19.27 RCW. This definition of "building" only applies to computer data centers for which commencement of construction occurs on or after July 1, 2015.

(c) "Certificate of occupancy" means:

(i) For a newly constructed eligible computer data center, the certificate of occupancy issued by a local governing authority for the structure or structures which comprise the eligible computer data center; or

(ii) For renovations of an eligible computer data center, the certificate of occupancy issued by a local governing authority for the renovated structure or structures that comprise the eligible computer data center.

(d) (i) "Computer data center" means a facility comprised of one or more buildings, which may be comprised of multiple businesses, constructed or refurbished specifically, and used primarily, to house working servers, where the facility has the following characteristics: (A) Uninterruptible power supplies, generator backup power, or both; (B) sophisticated fire suppression and prevention systems; and (C) enhanced physical security, such as: Restricted access to the facility to selected personnel; permanent security guards; video camera surveillance; an electronic system requiring passcodes, keycards, or biometric scans, such as hand scans and retinal or fingerprint recognition; or similar security features.

(ii) For a computer data center comprised of multiple buildings, each separate building constructed or refurbished specifically, and used primarily, to house working servers is considered a computer data center if it has all of the characteristics listed in ~~((e))~~ (d)(i)(A) through (C) of this subsection ~~((6))~~ (8).

(iii) A facility comprised of one building or more than one building must have a combined square footage of at least one hundred thousand square feet.

~~((d))~~ (e) "Electronic data storage and data management services" include, but are not limited to: Providing data storage and backup services, providing computer processing power, hosting enterprise software applications, and hosting websites. The term also includes providing services such as email, web browsing and searching, media applications, and other online services, regardless of whether a charge is made for such services.

~~((e))~~ (f)(i) "Eligible computer data center" means a computer data center:

(A) Located in a rural county as defined in RCW 82.14.370 at the time an application for an exemption under this section is received;

(B) Having at least twenty thousand square feet dedicated to housing working servers ~~(, where the server space has not previously been dedicated to housing working servers)~~; and

(C) For which the commencement of construction occurs:

(I) After March 31, 2010, and before July 1, 2011;

(II) After March 31, 2012, and before July 1, 2015; or

(III) After June 30, 2015, and before July 1, ~~((2025))~~ 2035.

(ii) For purposes of this section, "commencement of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for construction of the computer data center. The construction of a computer data center includes the expansion, renovation, or ~~((other improvements made to))~~ refurbishment of existing facilities regardless of whether the existing facility was previously ineligible and regardless of whether commencement of construction of

the existing facility occurred outside of the dates listed in (f)(i)(C)(I) through (III) of this subsection, including leased or rented space. "Commencement 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 a computer data center. If no building permit is required for renovation or refurbishment, then the date that renovation or refurbishment begins is the "commencement of construction."

~~((iii))~~ With respect to facilities in existence on April 1, 2010, that are expanded, renovated, or otherwise improved after March 31, 2010, or facilities in existence on April 1, 2012, that are expanded, renovated, or otherwise improved after March 31, 2012, or facilities in existence on July 1, 2015, that are expanded, renovated, or otherwise improved after June 30, 2015, an eligible computer data center includes only the portion of the computer data center meeting the requirements in (e)(i)(B) of this subsection (6).

~~((f))~~ (g) "Eligible power infrastructure" means all fixtures and equipment owned by a qualifying business or qualifying tenant and necessary for the transformation, distribution, or management of electricity that is required to operate eligible server equipment within an eligible computer data center. The term includes generators; wiring; cogeneration equipment; and associated fixtures and equipment, such as electrical switches, batteries, and distribution, testing, and monitoring equipment. The term does not include substations.

~~((g))~~ (h) "Eligible server equipment" means:

(i) For a qualifying business whose computer data center qualifies as an eligible computer data center under ~~((e))~~ (f)(i)(C)(I) of this subsection ~~((6))~~ (8), the original server equipment installed in an eligible computer data center on or after April 1, 2010, and before January 1, 2026, and replacement server equipment. For purposes of this subsection ~~((6)(g))~~ (8)(h)(i), "replacement server equipment" means server equipment that:

(A) Replaces existing server equipment, if the sale or use of the

server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986; and

(B) Is installed and put into regular use before April 1, 2018.

(ii) For a qualifying business whose computer data center qualifies as an eligible computer data center under ~~((e))~~ (f) (i) (C) (II) of this subsection ~~((6))~~ (8), "eligible server equipment" means the original server equipment installed in an eligible computer data center on or after April 1, 2012, and before January 1, 2026, and replacement server equipment. For purposes of this subsection ~~((6)(g))~~ (8)(h) (ii), "replacement server equipment" means server equipment that:

(A) Replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986; and

(B) Is installed and put into regular use before April 1, 2024.

(iii) ~~((A))~~ For a qualifying business whose computer data center qualifies as an eligible computer data center under ~~((e))~~ (f) (i) (C) (III) of this subsection ~~((6))~~ (8), "eligible server equipment" means the original server equipment installed in a building within an eligible computer data center on or after July 1, 2015, and replacement server equipment. Server equipment installed in movable or fixed stand-alone, prefabricated, or modular units, including intermodal shipping containers, is not "directly installed in a building." For purposes of this subsection ~~((6)(g))~~ (8)(h) (iii) ~~((A))~~, "replacement server equipment" means server equipment that ~~((replaces))~~:

(A) (I) Replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986; or

(II) Replaces existing server equipment in a computer data center that meets the following requirements: Was ineligible before the effective date of this section for the exemptions provided under this section and RCW 82.12.986; has been refurbished; and to which a valid exemption certificate applies; and

(B) Is installed and put into regular use no later than twelve years after the date of the certificate of occupancy or completion of refurbishment of the computer data center.

(iv) For a qualifying tenant who leases space within an eligible computer data center, "eligible server equipment" means the original server equipment installed within the space it leases from an eligible computer data center with an exemption certificate on or after April 1, 2010, ((and before January 1, 2026,)) and replacement server equipment. For purposes of this subsection ~~((6)(g))~~ (8)(h) (iv), "replacement server equipment" means server equipment that:

(A) (I) Replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986; or

(II) Replaces existing server equipment in a computer data center that meets the following requirements: Was ineligible before the effective date of this section for the exemptions provided under this section and RCW 82.12.986; has been refurbished; and to which a valid exemption certificate applies; and

(B) Is installed and put into regular use ~~((before April 1, 2024; and~~

~~((C) For tenants leasing space in an eligible computer data center built after July 1, 2015, is installed and put into regular use no later than twelve years after the date of the certificate of occupancy)) no later than 12 years after the date of the certificate of occupancy or completion of refurbishment of the computer data center.~~

~~((h))~~ (i) "Qualifying business" means a business entity that exists for the primary purpose of engaging in commercial activity for profit and that is the owner of an eligible computer data center. The term does not include the state or federal government or any of their departments, agencies, and institutions; tribal governments; political subdivisions of this state; or any municipal, quasi-municipal, public, or other corporation created by the state or federal government, tribal government, municipality, or political subdivision of the state.

~~((i))~~ (j) "Qualifying tenant" means a business entity that exists for the primary purpose of engaging in commercial

activity for profit and that leases space from a qualifying business within an eligible computer data center. The term does not include the state or federal government or any of their departments, agencies, and institutions; tribal governments; political subdivisions of this state; or any municipal, quasi-municipal, public, or other corporation created by the state or federal government, tribal government, municipality, or political subdivision of the state. The term also does not include a lessee of space in an eligible computer data center under ~~((e))~~ (f)(i)(C)(I) of this subsection ~~((6))~~ (8), if the lessee and lessor are affiliated and:

(i) That space will be used by the lessee to house server equipment that replaces server equipment previously installed and operated in that eligible computer data center by the lessor or another person affiliated with the lessee; or

(ii) Prior to May 2, 2012, the primary use of the server equipment installed in that eligible computer data center was to provide electronic data storage and data management services for the business purposes of either the lessor, persons affiliated with the lessor, or both.

~~((j))~~ (k)(i) "Refurbished" or "refurbishment" means a substantial improvement to an eligible computer data center to update or modernize servers, server space, ventilation, or power infrastructure in an eligible computer data center.

(ii) For a qualifying computer data center to be considered refurbished, the qualifying business must certify, in a form and manner prescribed by the department, that the refurbishment of an eligible computer data center is complete. The refurbishment is considered complete on the date that the improved portion of the computer data center is operationally complete and able to be used for its intended purpose.

(1) "Server equipment" means the computer hardware located in an eligible computer data center and used exclusively to provide electronic data storage and data management services, including cloud services, for internal use by the owner or lessee of the computer data center, for clients of the owner or lessee of the computer data center, or both. "Server equipment" also includes

computer software necessary to operate the computer hardware. "Server equipment" does not include personal computers, the racks upon which the server equipment is installed, and computer peripherals such as keyboards, monitors, printers, and mice.

(9) This section expires July 1, 2048.

Sec. 4. RCW 82.12.986 and 2015 3rd sp.s. c 6 s 303 are each amended to read as follows:

(1)(a) An exemption from the tax imposed by RCW 82.12.020 is provided for the use by qualifying businesses or qualifying tenants of eligible server equipment to be installed, without intervening use, in an eligible computer data center for which an exemption certificate under RCW 82.08.986 has been issued, and to the use of labor and services rendered in respect to installing such server equipment.

~~((The))~~ (b) Until July 1, 2048, this exemption also applies to the use by a qualifying business or qualifying tenant of eligible power infrastructure, including labor and services rendered in respect to installing, repairing, altering, or improving such infrastructure at an eligible computer data center for which an exemption certificate under RCW 82.08.986 has been issued.

(c) The exemptions provided in this section expire July 1, 2048.

(2) A qualifying business or a qualifying tenant is not eligible for the exemption under this section unless the department issued an exemption certificate to the qualifying business or a qualifying tenant for the exemption provided in RCW 82.08.986.

~~(3) ((a) The exemption provided in this section does not apply to:~~

~~(i) Any person who has received the benefit of the deferral program under chapter 82.60 RCW on: (A) The construction, renovation, or expansion of a structure or structures used as a computer data center; or (B) machinery or equipment used in a computer data center; and~~

~~(ii) Any person affiliated with a person within the scope of (a)(i) of this subsection (3).~~

~~(b) If a person has received the benefit of the exemption under this~~

~~section and subsequently receives the benefit of the deferral program under chapter 82.60 RCW on either the construction, renovation, or expansion of a structure or structures used as a computer data center or machinery or equipment used in a computer data center, the person must repay the amount of taxes exempted under this section. Interest as provided in chapter 82.32 RCW applies to amounts due under this subsection (3) (b) until paid in full. A person is not required to repay taxes under this subsection with respect to property and services for which the person is required to repay taxes under RCW 82.08.986(5).~~

~~(4))~~ The definitions and requirements in RCW 82.08.986 apply to this section.

(4) The exemption provided in subsection (1) of this section does not apply to the use of eligible server equipment and eligible power infrastructure, and the labor and services provided in subsection (1) of this section, if first used by qualifying businesses or qualifying tenants on or after July 1, 2048.

(5) This section expires July 1, 2053.

NEW SECTION. Sec. 5. A new section is added to chapter 82.08 RCW to read as follows:

(1)(a) An exemption from the tax imposed by RCW 82.08.020 is provided for sales to qualifying businesses and to qualifying tenants of eligible server equipment to be installed, without intervening use, in an eligible computer data center to which a valid exemption certificate applies, and to charges made for labor and services rendered in respect to installing eligible server equipment.

(b) The exemption also applies to sales to qualifying businesses and to qualifying tenants of eligible power infrastructure, including labor, material, equipment, and services rendered in respect to constructing, installing, repairing, altering, or improving eligible power infrastructure at an eligible computer data center for which an exemption certificate has been issued.

(c) No new exemption certificates may be issued on or after July 1, 2028.

(d) The exemptions provided in this section expire July 1, 2038.

(2)(a)(i) In order to obtain an exemption, a qualifying business must be located in a county with a population over 800,000, as determined by the April 1, 2021, office of financial management population estimates and must submit an application to the department for an exemption certificate. The application must include the information necessary, as required by the department, to determine that a business or tenant qualifies for the exemption under this section. The department must issue exemption certificates to qualifying businesses and qualifying tenants. The department may assign a unique identification number to each exemption certificate issued under this section.

(ii) For the purposes of demonstrating that the requirements of this subsection (2)(a) are met, a qualifying business must submit records of available power for customers at the time of the application for the exemption under this section. The qualifying business must demonstrate that it has a minimum of 1.5 megawatts of available power. The qualifying business must provide requests for proposals, pricing offered, and marketing materials associated with the requirements of this subsection, as required by the department, as supporting documentation that the requirements of this subsection (2)(a) have been met.

(b) A qualifying business or a qualifying tenant claiming the exemption under this section must present 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.

(c)(i) The exemptions provided in this section are limited to qualifying businesses or tenants, and the department is authorized to approve:

(A) Six applications to obtain the exemptions for qualifying businesses in the first calendar year of the exemption; and

(B) Six applications to obtain the exemptions for qualifying businesses in each year, calendar year three through calendar year six, of the exemption.

(ii) The exemption is available on a first-in-time basis based on the date the application required under this section is received by the department.

(d) The exemption certificate is effective on the date the application is received by the department, which is deemed to be the date of issuance. Only purchases on or after the date of issuance qualify for the exemption under this section. No tax refunds are authorized for purchases made before the effective date of the exemption certificate.

(e) Exemption certificates expire two years after the date of issuance, unless construction has been commenced.

(f) A qualifying tenant must contract for a minimum electrical capacity of 150 kilowatts for server and computer equipment in a qualifying business. Tenants that previously qualified under RCW 82.08.986 or 82.12.986 must reapply if they intend to expand into a qualifying business.

(3) (a) (i) Within six years of the date that the department issued an exemption certificate under this section to a qualifying business or a qualifying tenant with respect to an eligible computer data center, the qualifying business or qualifying tenant must establish that net employment assigned to an eligible computer data center has increased by a minimum of three family wage employment positions for each incremental increase of 20,000 square feet of space that is newly dedicated to housing working servers at the eligible computer data center. For qualifying tenants, the number of family wage employment positions that must be increased under this subsection (3) (a) (i) is based only on the space occupied by the qualifying tenant in the eligible computer data center.

(ii) After the minimum number of family wage employment positions as required under (a) (i) of this subsection (3) is established, a qualifying business or a qualifying tenant must maintain the minimum family wage employment positions required under (a) (i) of this subsection (3) while the exemption certificate is valid.

(b) In calculating the number of family wage employment positions:

(i) The owner of an eligible computer data center, in addition to its own net increase in family wage employment positions, may include:

(A) The net increase, since the date of issuance of the qualifying business's

exemption certificate, in family wage employment positions employed by qualifying tenants; and

(B) The net increase in family wage employment positions described in (c) (ii) (B) of this subsection (3).

(ii) (A) Qualifying tenants, in addition to their own net increase in family wage employment positions, may include:

(I) A portion of the net increase in family wage employment positions employed by the owner; and

(II) A portion of the net increase in family wage employment positions described in (c) (ii) (B) of this subsection (3).

(B) The portion of the net increase in family wage employment positions to be counted under this subsection (3) (b) (ii) by each qualifying tenant is equal to the net increase in family wage employment positions assigned to an eligible computer data center as described in (b) (ii) (A) (I) and (II) of this subsection (3), multiplied by the percentage of total space within the eligible computer data center occupied by the qualifying tenant. Any combination of qualifying business and qualifying tenant family wage employment positions may meet this requirement.

(c) (i) For purposes of this subsection:

(A) For exemption certificates issued on or after the effective date of this section, family wage employment positions are new permanent employment positions requiring 40 hours of weekly work, or their equivalent, on a full-time basis assigned to an eligible computer data center and receiving a wage equivalent to or greater than 125 percent of the per capita personal income of the county in which the qualified project is located as published by the employment security department. The per capita personal income to be used to determine qualification for any year is the amount that was established for the immediate prior year.

(B) An employment position may not be counted as a family wage employment position unless the employment position is entitled to health insurance coverage provided by the employer of the employment position.

(C) "New permanent employment position" means an employment position that did not exist or that had not previously been filled as of the date that the department issued an exemption certificate to the qualifying business or qualifying tenant of an eligible computer data center, as the case may be.

(ii)(A) Family wage employment positions include positions filled by employees of the qualifying business and by employees of qualifying tenants.

(B) Family wage employment positions also include individuals performing work at an eligible computer data center as an independent contractor hired by the owner of the eligible computer data center or as an employee of an independent contractor hired by the owner of the eligible computer data center, if the work is necessary for the operation of the computer data center, such as security and building maintenance, and provided that all of the requirements in (c)(i) of this subsection (3) are met.

(d)(i) For a qualifying business or qualifying tenant that does not meet the requirements of this subsection (3), all previously exempted sales and use taxes immediately due and payable, and any exemption certificate issued to that qualifying business or qualifying tenant under this section is canceled, except as described in (d)(iii) of this subsection (3).

(ii) The department of labor and industries must, at the request of the department, assist in determining whether the requirements of this subsection (3) have been met.

(iii) If the department, with the assistance of the department of labor and industries, finds that a failure to meet the requirements of this subsection (3) is due to circumstances beyond the control of the qualifying business or qualifying tenant including, but not limited to, a declaration of an economic recession, pandemic, or natural disaster affecting data center operations, the department may provide exceptions or extensions to the requirements of this subsection (3).

(iv) Any repayment of taxes triggered by the failure of a qualifying business or qualifying tenant to meet the requirements of this subsection (3) must be calculated in proportion to the duration of time for which any applicable requirement was not met.

(v) If the department is notified that a qualifying business or qualifying tenant fails to meet the requirements of this subsection (3), the department may require a qualifying business or qualifying tenant to submit records necessary to determine whether the requirements have been met.

(4) For exemption certificates issued on or after the effective date of this section:

(a) Within three years after being placed in service, the qualifying business operating a newly constructed data center must certify to the department that it has attained certification under one or more of the following sustainable design or green building standards:

(i) BREEAM for new construction or BREEAM in-use;

(ii) Energy star;

(iii) Envision;

(iv) ISO 50001-energy management;

(v) LEED for building design and construction or LEED for operations and maintenance;

(vi) Green globes for new construction or green globes for existing buildings;

(vii) UL 3223; or

(viii) Other reasonable standards approved by the department.

(b) The department may require qualifying businesses and qualifying tenants to submit records necessary to verify the requirements under this subsection (4) have been met.

(c)(i) For a qualifying business or qualifying tenant that does not meet the requirements of this subsection (4), all previously exempted sales and use taxes are immediately due and payable, any exemption certificate issued to that qualifying business or qualifying tenant under this section is canceled, and an additional 10 percent penalty is assessed, except as described in (c)(ii) of this subsection (4).

(ii) If the department finds that a failure to meet the requirements of this subsection (4) is due to circumstances beyond the control of the qualifying business or qualifying tenant including, but not limited to, a declaration of an economic recession, pandemic, or natural

disaster affecting data center operations, the department may, at its discretion, provide exceptions or extensions to the requirements of this subsection (4). The department may, at its discretion, coordinate with agencies with relevant expertise to assist in determining whether the requirements of this subsection (4) have been met.

(5) A qualifying business or a qualifying tenant claiming the exemption under this section is encouraged to take direct steps to adopt practices to mitigate negative environmental impacts resulting from expanded use of data centers, including through:

(a) Coordinating with the industrial waste coordination program established under RCW 43.31.625 to identify and provide technical assistance in implementing industrial symbiosis projects;

(b) To the extent possible, procuring or contracting for power from renewable sources;

(c) Adopting practices to improve the energy efficiency of existing data centers, including through upgrading and consolidating technology, managing data center airflow, and adjusting and improving heating, ventilation, and air conditioning systems; and

(d) Taking actions to conserve, reuse, and replace water. This includes using water efficient fixtures and practices; treating, infiltrating, and harvesting rainwater; recycling water before discharging; partnering with local water utilities to use discharged water for irrigation and other water conservation purposes; using reclaimed water where possible for data center operations; and supporting water restoration in local watersheds.

(6) Qualifying businesses and tenants must claim an exemption under this section in the current tax year when the taxes would have been due unless an extension is filed with the department.

(7) A qualifying business or a qualifying tenant claiming an exemption under this section must complete an annual tax performance report as required in RCW 82.32.534. The report must identify construction firm names and employment levels used for constructing, renovating, refurbishing, or remodeling the data centers.

(8) (a) The certificate holder may not at any time assign or transfer a certificate without the prior written consent of the department. The department must allow certificate transfers if the certificate holder meets the following requirements:

(i) The certificate assignee or transferee is qualified to do business in the state;

(ii) The assignee or transferee acknowledges the transfer of the certificate in writing;

(iii) The assignee or transferee agrees to keep and perform all the terms of the certificates; and

(iv) An assignment or transfer of the certificate is to an entity that:

(A) Controls, is controlled by, or under common control with, the certificate holder;

(B) Acquires all or substantially all of the stock or assets of the certificate holder; or

(C) Is the resulting entity of a merger or consolidation with the certificate holder.

(b) Information submitted on the tax performance report is not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request, except as provided otherwise in RCW 82.32.330.

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

(a) "Affiliated" means that one person has a direct or indirect ownership interest of at least 20 percent in another person.

(b) "Building" means a fully enclosed structure with a weather resistant exterior wall envelope or concrete or masonry walls designed in accordance with the requirements for structures under chapter 19.27 RCW.

(c) "Certificate of occupancy" means:

(i) For a newly constructed eligible computer data center, the certificate of occupancy issued by a local governing authority for the structure or structures which comprise the eligible computer data center; or

(ii) For renovations of an eligible computer data center, the certificate of

occupancy issued by a local governing authority for the renovated structure or structures that comprise the eligible computer data center.

(d) (i) "Computer data center" means a facility comprised of one or more buildings, which may be comprised of multiple businesses, constructed or refurbished specifically, and used primarily, to house working servers, where the facility has the following characteristics: (A) Uninterruptible power supplies, generator backup power, or both; (B) sophisticated fire suppression and prevention systems; and (C) enhanced physical security, such as: Restricted access to the facility to selected personnel; continuous on-site security guards; video camera surveillance; an electronic system requiring passcodes, keycards, or biometric scans, such as hand scans and retinal or fingerprint recognition; or similar security features.

(ii) For a computer data center comprised of multiple buildings, each separate building constructed or refurbished specifically, and used primarily, to house working servers is considered a computer data center if it has all of the characteristics listed in (d) (i) (A) through (C) of this subsection (9).

(iii) A facility comprised of one building or more than one building must have a combined square footage of at least 100,000 square feet.

(e) "Electronic data storage and data management services" includes, but is not limited to: Providing data storage and backup services, providing computer processing power, hosting enterprise software applications, and hosting websites. The term also includes providing services such as email, web browsing and searching, media applications, and other online services, regardless of whether a charge is made for such services.

(f) "Eligible computer data center" means a computer data center having at least 20,000 square feet dedicated for housing working servers. Movable or fixed stand-alone, prefabricated, or modular units, including intermodal shipping containers, do not qualify as "eligible computer data centers."

(g) "Eligible power infrastructure" means all fixtures and equipment owned by a qualifying business or qualifying

tenant and necessary for the transformation, distribution, or management of electricity that is required to operate eligible server equipment within an eligible computer data center. The term includes generators; wiring; cogeneration equipment; and associated fixtures and equipment, such as electrical switches, batteries, and distribution, testing, and monitoring equipment. The term does not include substations.

(h) (i) "Eligible server equipment" means for a qualifying business whose computer data center qualifies as an eligible computer data center, the original server equipment installed in an eligible computer data center on or after the effective date of this section, and replacement server equipment.

(ii) For purposes of this subsection (9) (h), "replacement server equipment" means server equipment that:

(A) Replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or section 6 of this act; and

(B) Is installed and put into regular use within 10 years of the effective date of this section.

(iii) For a qualifying tenant who leases space within an eligible computer data center, "eligible server equipment" means the original server equipment installed within the space it leases from an eligible computer data center with an exemption certificate on or within 10 years of the effective date of this section, and replacement server equipment. For purposes of this subsection (9) (h) (iii), "replacement server equipment" means server equipment that:

(A) (I) Replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or section 6 of this act and is installed and put into regular use before July 1, 2027; or

(II) Replaces existing server equipment in a computer data center that meets the following requirements: Was ineligible before the effective date of this section for the exemptions provided under this section and section 6 of this act; has been refurbished; and to which

a valid exemption certificate applies; and

(B) Is installed and put into regular use no later than 12 years after the date of the certificate of occupancy or completion of refurbishment of the computer data center.

(i) "Qualifying business" means a business entity that exists for the primary purpose of engaging in commercial activity for profit and that is the owner of an eligible computer data center. The term does not include the state or federal government or any of their departments, agencies, and institutions; tribal governments; political subdivisions of this state; or any municipal, quasi-municipal, public, or other corporation created by the state or federal government, tribal government, municipality, or political subdivision of the state.

(j) "Qualifying tenant" means a business entity that exists for the primary purpose of engaging in commercial activity for profit and that leases space from a qualifying business within an eligible computer data center. The term does not include the state or federal government or any of their departments, agencies, and institutions; tribal governments; political subdivisions of this state; or any municipal, quasi-municipal, public, or other corporation created by the state or federal government, tribal government, municipality, or political subdivision of the state.

(k) (i) "Refurbished" or "refurbishment" means a substantial improvement to an eligible computer data center for which a certificate of occupancy is not issued. Such an improvement must update or modernize servers, server space, ventilation, or power infrastructure in an eligible computer data center.

(ii) For a qualifying computer data center to be considered refurbished, the qualifying business must certify, in a form and manner prescribed by the department, that the refurbishment of an eligible computer data center is complete. The refurbishment is considered complete on the date that the improved portion of the computer data center is operationally complete and able to be used for its intended purpose.

(l) "Server equipment" means the computer hardware located in an eligible

computer data center and used exclusively to provide electronic data storage and data management services for internal use by the owner or lessee of the computer data center, for clients of the owner. For the purposes of this subsection, "electronic data storage and data management services" include, but are not limited to: Providing data storage and backup services, providing computer processing power, hosting enterprise software applications, and hosting websites. The term also includes providing services such as email, web browsing and searching, media applications, and other online services, regardless of whether a charge is made for such services. "Server equipment" also includes computer software necessary to operate the computer hardware. "Server equipment" does not include personal computers, the racks upon which the server equipment is installed, and computer peripherals such as keyboards, monitors, printers, and mice, unless used within the eligible computer data center.

(10) This section expires July 1, 2038.

NEW SECTION. **Sec. 6.** A new section is added to chapter 82.12 RCW to read as follows:

(1) An exemption from the tax imposed by RCW 82.12.020 is provided for the use by qualifying businesses or qualifying tenants of eligible server equipment to be installed, without intervening use, in an eligible computer data center, and to the use of labor and services rendered in respect to installing such server equipment. The exemption also applies to the use by a qualifying business or qualifying tenant of eligible power infrastructure, including labor and services rendered in respect to installing, repairing, altering, or improving such infrastructure.

(2) The exemption provided in this section does not apply to any person for whom the exemption under section 5 of this act does not apply.

(3) A qualifying business or a qualifying tenant claiming an exemption under this section must complete an annual tax performance report as required in RCW 82.32.534. The report must identify construction firm names and employment levels used for constructing, renovating, refurbishing, or remodeling the data centers.

(4) The definitions and requirements in section 5 of this act apply to this section.

(5) The exemption provided in subsection (1) of this section does not apply to the use of eligible server equipment and eligible power infrastructure, and the labor and services provided in subsection (1) of this section, if first used by qualifying businesses or qualifying tenants on or after July 1, 2038.

(6) This section expires July 1, 2043.

NEW SECTION. **Sec. 7.** A new section is added to chapter 82.08 RCW to read as follows:

From the effective date of this section, in order to obtain the exemption provided in RCW 82.08.986 or section 5 of this act, a qualifying business or qualifying tenant must certify to the department that, for new construction work to be performed on the site of the computer data center, the computer data center receiving an exemption under RCW 82.08.986 or section 5 of this act will be constructed by the prime contractor and its subcontractors in a way that includes community workforce agreements or project labor agreements and the payment of area standard prevailing wages and apprenticeship utilization requirements, provided the following apply:

(1) The owner and the prime contractor and all of its subcontractors regardless of tier have the absolute right to select any qualified and responsible bidder for the award of contracts on a specified project without reference to the existence or nonexistence of any agreements between such bidder and any party to such project labor agreement, and only when such bidder is willing, ready, and able to become a party to, signs a letter of assent, and complies with such agreement or agreements, should it be designated the successful bidder; and

(2) It is understood that this is a self-contained, stand-alone agreement, and that by virtue of having become bound to such agreement or agreements, neither the project contractor nor the subcontractors are obligated to sign any other local, area, or national agreement.

NEW SECTION. **Sec. 8.** (1) The department of commerce shall contract

with the Pacific Northwest national laboratory to:

(a) Evaluate Washington's current and future electric grid resilience and reliability based on current and projected electric energy production, the state's ability to produce energy in state, Washington's reliance on energy production outside of the state, and its energy grid interdependence with other western states;

(b) Identify key grid resilience and reliability challenges that could emerge under multiple future scenarios given adoption of new energy technologies, changes in residential and industrial energy demand, and changes in energy production and availability from both in and out-of-state sources;

(c) Study the impact to the future electric grid resulting from the growth of the information technology sector, including the impact of increased data center energy demand from the tax exemptions provided in RCW 82.08.986 or section 5 of this act;

(d) Review and incorporate existing models, data, and study findings including, but not limited to, the "Washington 2021 state energy strategy and the 2021 northwest power plan," to ensure a duplication of efforts does not occur and to highlight modeling gaps related to regional grid resilience planning;

(e) Convene an advisory group to inform scenario development and review results, which may include representatives from the Washington State University Pacific Northwest national laboratory advanced grid institute, utilities and transportation commission, relevant legislative committees, energy producers, utilities, labor, environmental organizations, tribes, and communities at high risk of rolling blackouts and power supply inadequacy; and

(f) Develop recommendations for enhancing electric grid reliability and resiliency for Washington that includes considerations of affordability, equity, and federal funding opportunities.

(2) The department of commerce shall report by December 1, 2022, in compliance with RCW 43.01.036, the Pacific Northwest national laboratory's findings and recommendations to the appropriate committees of the legislature concerning

electric grid resilience and reliability evaluated in subsection (1) of this section.

(3) This section expires December 1, 2023.

NEW SECTION. Sec. 9. If specific funding for the purposes of section 8 of this act, referencing section 8 of this act by bill or chapter number and section number, is not provided by June 30, 2022, in the omnibus appropriations act, section 8 of this act is null and void."

Correct the title.

Representative Orcutt moved the adoption of amendment (1352) to striking amendment (1340):

On page 28, beginning on line 5, strike all of section 7

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

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

Representative Springer spoke against the adoption of the amendment to the striking amendment.

Amendment (1352) to striking amendment (1340) was not adopted.

Representative Berg spoke in favor of the adoption of the striking amendment.

Representative Orcutt spoke against the adoption of the striking amendment.

Striking amendment (1340) was adopted.

The bill was ordered engrossed.

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

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

Representative Orcutt spoke against the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 1846.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1846, and the bill passed the House by the following vote: Yeas, 68; Nays, 30; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Bateman, Berg, Bergquist, Berry, Bronoske, Callan, Chapman, Chopp, Cody, Davis, Dent, Dolan, Donaghy, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goehner, Goodman, Gregerson, Griffey, Hackney, Harris-Talley, J. Johnson, Kirby, Kloba, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McEntire, Morgan, Mosbrucker, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Rude, Rule, Ryu, Santos, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Walen, Walsh, Wicks, Wylie and Mme. Speaker.

Voting nay: Representatives Barkis, Boehnke, Caldier, Chambers, Chandler, Chase, Corry, Dufault, Dye, Eslick, Gilday, Graham, Hansen, Harris, Hoff, Jacobsen, Klicker, Klippert, Kraft, McCaslin, Orcutt, Robertson, Schmick, Stokesbary, Sutherland, Vick, Volz, Wilcox, Ybarra and Young.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1846, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 5624, by Senators Warnick, Van De Wege and Nobles

Extending the expiration date of certain sections of chapter 92, Laws of 2019, regarding livestock identification.

The bill was read the second time.

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

Representatives Dent and Chapman spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Senate Bill No. 5624.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5624, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson,

Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

SENATE BILL NO. 5624, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 5612, by Senators Wilson, L., Warnick, Braun, Brown, Dhingra, Keiser, Lovick, Mullet, Rolfes, Short, Wagoner and Wilson, J.

Ensuring domestic violence victims and survivors of victims have the opportunity to make a statement during sentencing for all domestic violence convictions.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Public Safety was adopted. (For Committee amendment, see Journal, Day 45, February 23, 2022).

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

Representatives Mosbrucker and Goodman spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Senate Bill No. 5612, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5612, as amended by the House, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

SENATE BILL NO. 5612, as amended by the House, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 5787, by Senators Nguyen, Dhingra, Frockt, Keiser, Kuderer, Liias, Lovick, Nobles and Pedersen

Concerning the linked deposit program.

The bill was read the second time.

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

Representatives Kirby and Vick spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Senate Bill No. 5787.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5787, and the bill passed the House by the following vote: Yeas, 96; Nays, 2; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra and Mme. Speaker.

Voting nay: Representatives Dent and Young.

SENATE BILL NO. 5787, having received the necessary constitutional majority, was declared passed.

STATEMENT FOR THE JOURNAL

I intended to vote YEA on Senate Bill No. 5787.

Representative Dent, 13th District

SECOND READING

HOUSE BILL NO. 1641, by Representatives Hoff, Springer, Corry, Dufault, Graham, Sutherland, Rule, Griffey and Young

Restoring the business and occupation and public utility tax exemption for custom farming and hauling farm products.

The bill was read the second time.

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

Representatives Hoff and Springer spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of House Bill No. 1641.

ROLL CALL

The Clerk called the roll on the final passage of House Bill No. 1641, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

HOUSE BILL NO. 1641, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 5585, by Senators Rolfes and Das

Setting domestic wastewater discharge fees.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Environment & Energy was adopted. (For Committee amendment, see Journal, Day 46, February 24, 2022).

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

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

Representative Dye spoke against the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Senate Bill No. 5585, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5585, as amended by the House, and the bill passed the House by the following vote: Yeas, 57; Nays, 41; Absent, 0; Excused, 0.

Voting yea: Representatives Bateman, Berg, Bergquist, Berry, Bronoske, Callan, Chapman, Chopp, Cody, Davis, Dolan, Donaghy, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hackney, Hansen, Harris-Talley, J. Johnson, Kirby, Kloba, Leavitt, Lekanoff, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Rule, Ryu, Santos, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Walen, Wicks, Wylie and Mme. Speaker.

Voting nay: Representatives Abbarno, Barkis, Boehnke, Caldier, Chambers, Chandler, Chase, Corry, Dent, Dufault, Dye, Eslick, Gilday, Goehner, Graham, Griffey, Harris, Hoff, Jacobsen, Klicker, Klippert, Kraft, Kretz, MacEwen, Maycumber, McCaslin, McEntire, Mosbrucker, Orcutt, Robertson, Rude, Schmick, Steele, Stokesbary, Sutherland, Vick, Volz, Walsh, Wilcox, Ybarra and Young.

SENATE BILL NO. 5585, as amended by the House, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 5862, by Senate Committee on Housing & Local Government (originally sponsored by Lovelett, Rivers, Fortunato, Gildon, Kuderer, Lovick, Nguyen, Nobles, Stanford, Wilson, C. and Wilson, J.)

Concerning technical changes to the commercial property assessed clean energy and resiliency program.

The bill was read the second time.

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

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

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5862.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5862, and the bill passed the House by the following vote: Yeas, 95; Nays, 3; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kretz, Leavitt, Lekanoff,

MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representatives Dufault, Kraft and Walsh.

SUBSTITUTE SENATE BILL NO. 5862, having received the necessary constitutional majority, was declared passed.

HOUSE BILL NO. 2018, by Representatives Paul, Rule, Bergquist, Bronoske, Chapman, Leavitt, Ramel, Ryu, Sutherland, Berg, Callan, Frame, Riccelli and Lekanoff

Creating a three-day shop local and save sales and use tax holiday to benefit all Washington families for certain items \$1,000 or less during the month of September.

The bill was read the second time.

There being no objection, Substitute House Bill No. 2018 was substituted for House Bill No. 2018 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 2018 was read the second time.

Representative Orcutt moved the adoption of amendment (1285):

On page 2, line 15, after "12:00 a.m." strike all material through "2022" on line 16 and insert "on the Saturday immediately preceding the first Monday in September through 11:59 p.m. on the first Monday in September"

On page 2, line 25, after "12:00 a.m." strike all material through "2022" on line 26 and insert "on the Saturday immediately preceding the first Monday in September through 11:59 p.m. on the first Monday in September"

On page 3, beginning on line 8, after "1" strike ", 2022" and insert "each year"

On page 3, line 15, after "18" strike ", 2022," and insert "each year"

On page 3, line 23, strike section 7

Correct the title.

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

Representative Springer spoke against the adoption of the amendment.

An electronic roll call was requested.

ROLL CALL

The Clerk called the roll on the adoption of amendment (1285) and the amendment was not adopted by the following vote: Yeas, 46; Nays, 52; Absent, 0; Excused, 0

Voting yea: Representatives Abbarno, Barkis, Boehnke, Bronoske, Caldier, Chambers, Chandler, Chapman, Chase, Corry, Dent, Dufault, Dye, Eslick, Gilday, Goehner, Graham, Griffey, Harris, Hoff, Jacobsen, Klicker, Klippert, Kraft, Kretz, Leavitt, MacEwen, Maycumber, McCaslin, McEntire, Mosbrucker, Orcutt, Robertson, Rude, Rule, Schmick, Shewmake, Steele, Stokesbary, Sutherland, Vick, Volz, Walsh, Wilcox, Ybarra, and Young

Voting nay: Representatives Bateman, Berg, Bergquist, Berry, Callan, Chopp, Cody, Davis, Dolan, Donaghy, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hackney, Hansen, Harris-Talley, Jinkins, Johnson, J., Kirby, Kloba, Lekanoff, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Ryu, Santos, Sells, Senn, Simmons, Slatter, Springer, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Walen, Wicks, and Wylie

Representative Caldier moved the adoption of amendment (1271):

On page 2, line 14, after "items" strike "with a purchase price of \$1,000, or less,"

On page 2, line 24, after "items" strike "with a purchase price of \$1,000, or less,"

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

Representative Frame spoke against the adoption of the amendment.

Amendment (1271) was not adopted.

Representative Frame moved the adoption of amendment (1295):

On page 2, beginning on line 10, strike sections 2 and 3 and insert the following:

"NEW SECTION. Sec. 2. A new section is added to chapter 82.08 RCW to read as follows:

(1) Subject to the limitations and conditions provided in this section, the provisions of this chapter do not apply to sales of qualified items with a purchase price of \$1,000, or less,

purchased by an individual between 12:00 a.m. on September 3, 2022, and 11:59 p.m. on September 5, 2022.

(2) The department may adopt rules for the administration of this section, including emergency rules. These rules must be consistent with the streamlined sales and use tax agreement, to the extent the department considers advisable, so long as the rules are consistent with this section.

(3) The following definitions apply to this section:

(a) "Individual" means a natural person purchasing the qualified item for personal use or consumption. An "individual" does not include a natural person purchasing the qualified item for use or consumption by a business or in a business capacity.

(b) "Non-qualified items" means: motor vehicles; watercraft; alcoholic beverages; soft drinks; prepared food; tobacco; marijuana products, or its successor term, as defined in RCW 69.50.101; vapor products as defined in RCW 70.345.010; and any product, the retail sale of which is unlawful. For purposes of this subsection (3) (b), the definitions in RCW 82.08.0293 apply.

(c) "Qualified items" means any article of tangible personal property, digital good, or digital code used solely to obtain one or more digital goods, excluding non-qualified items.

NEW SECTION. Sec. 3. A new section is added to chapter 82.12 RCW to read as follows:

(1) Subject to the limitations and conditions provided in this section, the provisions of this chapter do not apply to sales of qualified items with a purchase price of \$1,000, or less, purchased by an individual between 12:00 a.m. on September 3, 2022, and 11:59 p.m. on September 5, 2022.

(2) The department may adopt rules for the administration of this section, including emergency rules. These rules must be consistent with the streamlined sales and use tax agreement, to the extent the department considers advisable, so long as the rules are consistent with this section.

(3) The definitions in section 2 of this act apply to this section."

Representatives Frame and Orcutt spoke in favor of the adoption of the amendment.

Amendment (1295) was adopted.

The bill was ordered engrossed.

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

Representatives Paul and Orcutt spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 2018.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 2018, and the bill passed the House by the following vote: Yeas, 91; Nays, 7; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Harris, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Slatter, Springer, Steele, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representatives Fitzgibbon, Hansen, Harris-Talley, Pollet, Simmons, Stokesbary and Walen.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2018, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 5590, by Senate Committee on Environment, Energy & Technology (originally sponsored by Wagoner, Das, Lovelett, Mullet and Rolfes)

Eliminating the 2022 expiration date of the marine resources advisory council.

The bill was read the second time.

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

Representatives Dye and Fitzgibbon spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5590.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5590, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

SUBSTITUTE SENATE BILL NO. 5590, having received the necessary constitutional majority, was declared passed.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5544, by Senate Committee on Environment, Energy & Technology (originally sponsored by Brown, Dozier, Frockt, Hasegawa, Mullet, Rolfes, Short, Wagoner, Wellman and Wilson, L.)

Establishing the Washington blockchain work group.

The bill was read the second time.

There being no objection, the committee striking amendment by the Committee on Community & Economic Development was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 46, February 24, 2022).

Representative Ryu moved the adoption of amendment (1221) to the committee striking amendment:

On page 1, line 20 of the striking amendment, after "(d)" insert "A privacy expert with experience in blockchain technology or its applications;

(e) "

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

On page 2, line 18 of the striking amendment, after "systems" insert "including, but not limited to, African American, Latino American, Native American, Pacific Islander American, and Asian American communities, religious minorities, protest and activist groups, and other vulnerable communities"

On page 3, line 5 of the striking amendment, after "designee;" insert "the director of the department of licensing, or the director's designee; the director of the office of equity, or the director's designee;"

Representatives Ryu and Boehnke spoke in favor of the adoption of the amendment to the committee striking amendment.

Amendment (1221) to the committee striking amendment was adopted.

The committee striking amendment, as amended, was adopted.

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

Representatives Boehnke and Senn spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5544, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5544, and the bill passed the House by the following vote: Yeas, 94; Nays, 4; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Kloba, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representatives Chase, Klippert, Kraft and McCaslin.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5544, as amended by the House, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 5519, by Senators Dozier, Mullet, Brown, Gildon, Rivers, Wilson, J. and Wilson, L.

Replacing an inactive certificate status with an inactive license designation.

The bill was read the second time.

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

Representatives Vick and Kirby spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Senate Bill No. 5519.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5519, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

SENATE BILL NO. 5519, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 5548, by Senate Committee on Law & Justice (originally sponsored by Pedersen, Wagoner, Dhingra and Mullet)

Concerning the uniform unregulated child custody transfer act.

The bill was read the second time.

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

Representatives Hansen and Walsh spoke in favor of the passage of the bill.

MOTION

On motion of Representative Griffey, Representatives Robertson and Chase were excused.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5548.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5548, and the bill passed the House by the following vote: Yeas, 95; Nays, 1; Absent, 0; Excused, 2.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representative Kraft.

Excused: Representatives Chase and Robertson.

SUBSTITUTE SENATE BILL NO. 5548, having received the necessary constitutional majority, was declared passed.

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5275, by Senate Committee on Housing & Local Government (originally sponsored by Short, Lovelett, Das, Wellman and Wilson, C.)

Enhancing opportunity in limited areas of more intense rural development.

The bill was read the second time.

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

Representatives Goehner and Pollet spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Second Engrossed Substitute Senate Bill No. 5275.

ROLL CALL

The Clerk called the roll on the final passage of Second Engrossed Substitute Senate Bill No. 5275, and the bill passed the House by the following vote: Yeas, 96; Nays, 1; Absent, 0; Excused, 1.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representative Kraft.

Excused: Representative Robertson.

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5275, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 5615, by Senators Lovick, Hunt, Hasegawa, Honeyford, Lovelett, Nobles, Pedersen, Randall, Rolfes and Wellman

Designating pickleball as the official state sport.

The bill was read the second time.

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

Representatives Berg and Volz spoke in favor of the passage of the bill.

The Speaker (Representative Bronoske presiding) stated the question before the House to be the final passage of Senate Bill No. 5615.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5615, and the bill passed the House by the following vote: Yeas, 83; Nays, 15; Absent, 0; Excused, 0.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chandler, Chase, Chopp, Cody, Corry, Davis, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Jacobsen, J. Johnson, Kirby, Klicker, Kraft, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, Morgan, Mosbrucker, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu,

Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Volz, Walen, Wicks, Wilcox, Wylie, Young and Mme. Speaker.

Voting nay: Representatives Chambers, Chapman, Dent, Hoff, Klippert, Kloba, Kretz, McCaslin, McEntire, Orcutt, Stokesbary, Sutherland, Vick, Walsh and Ybarra.

SENATE BILL NO. 5615, having received the necessary constitutional majority, was declared passed.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5078, by Senate Committee on Law & Justice (originally sponsored by Liias, Kuderer, Darnelle, Hunt, Nguyen, Pedersen, Wilson, C. and Lovelett)

Addressing firearm safety measures to increase public safety. Revised for 1st Substitute: Addressing firearm safety measures to increase public safety. (REVISED FOR ENGROSSED: Establishing firearms-related safety measures to increase public safety by prohibiting the manufacture, importation, distribution, selling, and offering for sale of large capacity magazines, and by providing limited exemptions applicable to licensed firearms manufacturers and dealers for purposes of sale to armed forces branches and law enforcement agencies for purposes of sale or transfer outside the state.)

The bill was read the second time.

The Speaker assumed the chair.

With the consent of the House, amendments (1202), (1216), (1187), (1196), (1198), (1318) and (1356) were withdrawn.

Representative Graham moved the adoption of amendment (1200):

On page 7, line 33, after "than" strike "10" and insert "30"

On page 7, line 39, after "than" strike "10" and insert "30"

Representatives Graham, Walsh and Young spoke in favor of the adoption of the amendment.

Representative Peterson spoke against the adoption of the amendment.

An electronic roll call was requested.

ROLL CALL

The Clerk called the roll on the adoption of amendment (1200) and the amendment was not adopted by the following vote: Yeas, 41; Nays, 57; Absent, 0; Excused: 0

Voting yea: Representatives Abbarno, Barkis, Boehnke, Caldier, Chambers, Chandler, Chase, Corry, Dent, Dufault, Dye, Eslick, Gilday, Goehner, Graham, Griffey,

Harris, Hoff, Jacobsen, Klicker, Klippert, Kraft, Kretz, MacEwen, Maycumber, McCaslin, McEntire, Mosbrucker, Orcutt, Robertson, Rude, Schmick, Steele, Stokesbary, Sutherland, Vick, Volz, Walsh, Wilcox, Ybarra, and Young

Voting nay: Representatives Bateman, Berg, Bergquist, Berry, Bronoske, Callan, Chapman, Chopp, Cody, Davis, Dolan, Donaghy, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hackney, Hansen, Harris-Talley, Jinkins, Johnson, J., Kirby, Kloba, Leavitt, Lekanoff, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Rule, Ryu, Santos, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Walen, Wicks, and Wylie

Representative Klippert moved the adoption of amendment (1220):

On page 7, line 33, after "than" strike "10" and insert "15"

On page 7, line 39, after "than" strike "10" and insert "15"

With the consent of the House, Representative Klippert withdrew amendment (1220).

Representative Harris-Talley moved the adoption of amendment (1353):

On page 7, line 33, after "ammunition" insert "for a rifle or shotgun, or more than 15 rounds of ammunition for a pistol"

Representatives Harris-Talley, Walsh, Graham and Young spoke in favor of the adoption of the amendment.

Representative Hackney spoke against the adoption of the amendment.

Amendment (1353) was not adopted.

Representative Walsh moved the adoption of amendment (1173):

On page 8, line 1, after "device;" strike "or"

On page 8, line 3, after "firearm" insert "; or

(d) Parts necessary to repair a large capacity magazine, when: (i) the large capacity magazine to be repaired was present in the state of Washington as of July 1, 2022, (ii) repair does not increase the capacity of the large capacity magazine, and (iii) any and all leftover parts following completion of the repair are disposed of in a manner which prevents the creation of additional large capacity magazines from such parts"

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

Representative Hansen spoke against the adoption of the amendment.

Amendment (1173) was not adopted.

Representative Young moved the adoption of amendment (1217):

On page 8, line 1, after "device;" strike "or"

On page 8, line 3, after "firearm" insert "; or

(d) A magazine of the same capacity as a magazine ordinarily packaged with a firearm when used with that firearm"

Representatives Young, Walsh and Hoff spoke in favor of the adoption of the amendment.

Representative Valdez spoke against the adoption of the amendment.

Amendment (1217) was not adopted.

Representative Abbarno moved the adoption of amendment (1170):

On page 8, line 10, after "state." insert "'Distribute" does not include giving out, providing, making available, or delivering a large capacity magazine to an immediate family or household member, so long as the large capacity magazine was present in the state of Washington prior to July 1, 2022. For purposes of this subsection, "an immediate family or household member" means (a) persons related by blood or marriage; (b) adult persons who are presently residing together; or (c) persons who have a biological or legal parent-child relationship, including stepparents and stepchildren and grandparents and grandchildren."

Representatives Abbarno, Sutherland, Hoff and Walsh spoke in favor of the adoption of the amendment.

Representative Berry spoke against the adoption of the amendment.

Amendment (1170) was not adopted.

Representative Gilday moved the adoption of amendment (1197):

On page 8, line 10, after "state." insert ""Distribute" does not include transfers of large capacity magazines between family members."

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

Representative Berry spoke against the adoption of the amendment.

Amendment (1197) was not adopted.

Representative Graham moved the adoption of amendment (1201):

On page 8, line 10, after "state." insert ""Distribute" does not

include transfers of large capacity magazines between individuals when

one of the individuals transferring the large capacity magazine holds

a valid concealed pistol license under chapter 9.41 RCW."

Representatives Graham, Kraft, Sutherland, Gilday, Walsh and Dent spoke in favor of the adoption of the amendment.

Representative Senn spoke against the adoption of the amendment.

Amendment (1201) was not adopted.

Representative Ybarra moved the adoption of amendment (1218):

On page 8, line 21, after "may" insert "intentionally"

On page 9, line 6, after "section" insert "with criminal intent"

On page 9, line 11, after "online" insert "with criminal intent"

Representatives Ybarra, Rude, Abbarno, Walsh and Young spoke in favor of the adoption of the amendment.

Representatives Hackney and Goodman spoke against the adoption of the amendment.

An electronic roll call was requested.

ROLL CALL

The Clerk called the roll on the adoption of amendment (1218) and the amendment was not adopted by the following vote: Yeas, 42; Nays, 56; Absent, 0; Excused: 0

Voting yea: Representatives Abbarno, Barkis, Boehnke, Caldier, Chambers, Chandler, Chase, Corry, Dent, Dufault, Dye, Eslick, Gilday, Goehner, Graham, Griffey, Harris, Hoff, Jacobsen, Klicker, Klippert, Kraft, Kretz, MacEwen, Maycumber, McCaslin, McEntire, Mosbrucker, Orcutt, Paul, Robertson, Rude, Schmick, Steele, Stokesbary, Sutherland, Vick, Volz, Walsh, Wilcox, Ybarra, and Young

Voting nay: Representatives Bateman, Berg, Bergquist, Berry, Bronoske, Callan, Chapman, Chopp, Cody, Davis, Dolan, Donaghy, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hackney, Hansen, Harris-Talley, Jinkins, Johnson, J., Kirby, Kloba, Leavitt, Lekanoff, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Peterson, Pollet, Ramel, Ramos, Riccelli, Rule, Ryu, Santos, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Walen, Wicks, and Wylie

Representative Klippert moved the adoption of amendment (1219):

On page 9, line 5, after "state" insert ";

(d) The importation or distribution of a large capacity magazine by or to a dealer that is properly licensed under federal and state law, as part of receipt of a firearm packaged with a large capacity magazine, provided that the large capacity magazine is (i) destroyed by the dealer, (ii) retained by the dealer for purposes of sale to any branch of the armed forces of the United States or the state of Washington or to a law enforcement agency in this state for use by that agency or its employees for law enforcement purposes, or (iii) retained by the dealer for the purpose of selling or transferring the large capacity magazine to a person who does not reside in this state"

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

Representative Hansen spoke against the adoption of the amendment.

Amendment (1219) was not adopted.

Representative Young moved the adoption of amendment (1225):

On page 9, after line 7, insert "(4) (a) A person who is charged with a violation of this section may petition the court for a deferred prosecution, provided the defendant: (i) has no prior convictions for the same offense, and (ii) stipulates that he or she will not again violate the terms of RCW 9.41 pertaining to large

capacity magazines for a minimum of two years.

(b) A person who is granted a deferred prosecution under this section and does not violate the terms of the deferred prosecution shall not be guilty of a gross misdemeanor punishable under chapter 9A.20 RCW."

Representatives Young, Walsh and Wilcox spoke in favor of the adoption of the amendment.

Representative Goodman spoke against the adoption of the amendment.

An electronic roll call was requested.

ROLL CALL

The Clerk called the roll on the adoption of amendment (1225) and the amendment was not adopted by the following vote: Yeas, 43; Nays, 55; Absent, 0; Excused: 0

Voting yea: Representatives Abbarno, Barkis, Boehnke, Caldier, Chambers, Chandler, Chase, Corry, Dent, Dufault, Dye, Eslick, Gilday, Goehner, Graham, Griffey, Harris, Hoff, Jacobsen, Klicker, Klippert, Kraft, Kretz, MacEwen, Maycumber, McCaslin, McEntire, Mosbrucker, Orcutt, Paul, Robertson, Rude, Rule, Schmick, Steele, Stokesbary, Sutherland, Vick, Volz, Walsh, Wilcox, Ybarra, and Young

Voting nay: Representatives Bateman, Berg, Bergquist, Berry, Bronoske, Callan, Chapman, Chopp, Cody, Davis, Dolan, Donaghy, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hackney, Hansen, Harris-Talley, Jinkins, Johnson, J., Kirby, Kloba, Leavitt, Lekanoff, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Peterson, Pollet, Ramel, Ramos, Riccelli, Ryu, Santos, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Walen, Wicks, and Wylie

Representative Young moved the adoption of amendment (1226):

On page 9, after line 7, insert "(4) In any prosecution for a violation of this section, it is an affirmative defense, if established by the defendant by a preponderance of the evidence, that the large capacity magazine, conversion kit, part, or combination of parts, was legally obtained in the state of Washington prior to the effective date of this act or outside the state of Washington. The defendant may establish he or she obtained the large capacity magazine, conversion kit, part, or combination of parts at issue prior to the effective date of this Act with an authentic photographic image of the large capacity magazine, conversion kit, part, or combination of parts that is digitally

marked or electronically associated with a date and time stamp prior to the effective date of this act, or through other admissible evidence."

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

Representative Valdez spoke against the adoption of the amendment.

Amendment (1226) was not adopted.

Representative Walsh moved the adoption of amendment (1185):

On page 7, beginning on line 33, after "ammunition," strike all material through "person," on line 36

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

Representative Berry spoke against the adoption of the amendment.

Amendment (1185) was not adopted.

Representative Kraft moved the adoption of amendment (1359):

On page 8, beginning on line 24, beginning with "(2)" strike all material through "following:" on line 25

Re-number the remaining subsections consecutively and correct any internal references accordingly.

Representative Kraft and Kraft (again) spoke in favor of the adoption of the amendment.

Representative Goodman spoke against the adoption of the amendment.

Amendment (1359) was not adopted.

Representative Walsh moved the adoption of amendment (1172):

On page 1, beginning on line 11, strike all of section 1

Re-number the remaining sections consecutively and correct any internal references accordingly. Correct the title.

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

Representative Berry spoke against the adoption of the amendment.

Amendment (1172) was not adopted.

Representative Walsh moved the adoption of amendment (1188):

On page 9, beginning on line 8, strike all of section 4

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

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

Representative Hackney spoke against the adoption of the amendment.

Amendment (1188) was not adopted.

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

Representatives Valdez, Berry, Senn, Ortiz-Self, Peterson, Hackney and Stonier spoke in favor of the passage of the bill.

Representatives Young, McEntire, Griffey, Gilday, Jacobsen, Orcutt, Schmick, Hoff, Chambers, Sutherland, Graham, Chase, McCaslin, Dye, Kraft, Klicker, Kretz, Klippert, MacEwen, Dent, Rude, Eslick, Barkis, Mosbrucker, Vick, Wilcox and Walsh spoke against the passage of the bill.

The Speaker stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5078.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5078, and the bill passed the House by the following vote: Yeas, 55; Nays, 42; Absent, 1; Excused, 0.

Voting yea: Representatives Bateman, Berg, Bergquist, Berry, Bronoske, Callan, Chapman, Chopp, Cody, Davis, Dolan, Donaghy, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hackney, Hansen, J. Johnson, Kloba, Leavitt, Lekanoff, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Rule, Ryu, Santos, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Walen, Wicks, Wylie and Mme. Speaker.

Voting nay: Representatives Abbarno, Barkis, Boehnke, Caldier, Chambers, Chase, Corry, Dent, Dufault, Dye, Eslick, Gilday, Goehner, Graham, Griffey, Harris, Harris-

Talley, Hoff, Jacobsen, Kirby, Klicker, Klippert, Kraft, Kretz, MacEwen, Maycumber, McCaslin, McEntire, Mosbrucker, Orcutt, Robertson, Rude, Schmick, Steele, Stokesbary, Sutherland, Vick, Volz, Walsh, Wilcox, Ybarra and Young.

Absent: Representative Chandler.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5078, having received the necessary constitutional majority, was declared passed.

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

MESSAGES FROM THE SENATE

March 4, 2022

Mme. SPEAKER:

The Senate has passed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5459,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5714,
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO.
5755,
SUBSTITUTE SENATE BILL NO. 5799,
ENGROSSED SENATE BILL NO. 5849,

and the same are herewith transmitted.

Sarah Bannister, Secretary

March 4, 2022

Mme. SPEAKER:

The Senate has passed:

ENGROSSED SENATE BILL NO. 5309,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5980,

and the same are herewith transmitted.

Sarah Bannister, Secretary

March 4, 2022

Mme. SPEAKER:

The Senate has passed:

ENGROSSED SENATE BILL NO. 5901,

and the same is herewith transmitted.

Sarah Bannister, Secretary

March 4, 2022

Mme. SPEAKER:

The President has signed:

HOUSE BILL NO. 1051,
HOUSE BILL NO. 1613,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1795,
SECOND SUBSTITUTE HOUSE BILL NO. 1818,
HOUSE BILL NO. 1832,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1930,
SUBSTITUTE HOUSE BILL NO. 2019,
ENGROSSED HOUSE BILL NO. 2096,

and the same are herewith transmitted.

Sarah Bannister, Secretary

March 4, 2022

Mme. SPEAKER:

The Senate has passed:

SUBSTITUTE HOUSE BILL NO. 1593,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1629,
HOUSE BILL NO. 1648,
HOUSE BILL NO. 1700,
HOUSE BILL NO. 1704,
HOUSE BILL NO. 1739,
HOUSE BILL NO. 1765,
SUBSTITUTE HOUSE BILL NO. 1790,
HOUSE BILL NO. 1927,
ENGROSSED HOUSE BILL NO. 1931,
ENGROSSED HOUSE BILL NO. 1982,
HOUSE BILL NO. 2007,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2037,
SUBSTITUTE HOUSE BILL NO. 2051,

and the same are herewith transmitted.

Sarah Bannister, Secretary

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

SUPPLEMENTAL INTRODUCTION & FIRST READING

ESB 5309 by Senators Rivers, Brown, Das, Fortunato, Hasegawa, Keiser, Lovelett, Mullet, Robinson, Wilson, C. and Wilson, L.

AN ACT Relating to providing a sales and use tax exemption for adult and baby diapers; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; creating new sections; and providing an effective date.

Referred to Committee on Finance.

ESSB 5459 by Senate Committee on Ways & Means (originally sponsored by Mullet and Wilson, L.)

AN ACT Relating to creating a business and occupation tax deduction for persons conducting payment card processing activity; adding a new section to chapter 82.04 RCW; creating new sections; and providing an effective date.

Referred to Committee on Finance.

ESSB 5714 by Senate Committee on Environment, Energy & Technology (originally sponsored by Carlyle, Liias, Gildon, Lovelett, Mullet, Nguyen and Rolfes)

AN ACT Relating to creating a sales and use tax deferral program for solar canopies placed on large-scale commercial parking lots and other similar areas; adding a new chapter to Title 82 RCW; and providing an effective date.

Referred to Committee on Finance.

E2SSB 5755 by Senate Committee on Ways & Means (originally sponsored by Trudeau, Billig, Nobles, Saldaña and Wellman)

AN ACT Relating to authorizing certain cities to establish a limited sales and use tax incentive program to encourage redevelopment of underdeveloped lands in urban areas; adding a new chapter to Title 82 RCW; and providing expiration dates.

Referred to Committee on Finance.

SSB 5799 by Senate Committee on Business, Financial Services & Trade (originally sponsored by Robinson and Lovick)

AN ACT Relating to modifying the application of the workforce education investment advanced computing surcharge to provider clinics and affiliated organizations; amending RCW 82.04.299; creating a new section; and providing an effective date.

Referred to Committee on Finance.

ESB 5849 by Senator Warnick

AN ACT Relating to tax incentives; amending RCW 84.25.030, 82.60.049, 82.04.294, 82.60.020, and 82.60.120; adding a new section to chapter 82.60 RCW; creating a new section; providing an effective date; and providing expiration dates.

Referred to Committee on Finance.

ESB 5901 by Senators Randall, Billig, Holy, Mullet, Nguyen and Saldaña

AN ACT Relating to economic development tax incentives for targeted counties; amending RCW 82.08.820 and 82.12.820; adding a new chapter to Title 82 RCW; creating a new section; providing an effective date; and providing expiration dates.

Referred to Committee on Finance.

ESSB 5980 by Senate Committee on Ways & Means (originally sponsored by Carlyle, Randall, Hunt, Kuderer and Mullet)

AN ACT Relating to providing substantial and permanent tax relief for small businesses to mitigate structural deficiencies in Washington's business and occupation tax and lessen long-term negative economic consequences of the pandemic that have disproportionately impacted small businesses; amending RCW 82.04.4451; reenacting and amending RCW 82.32.045; and creating new sections.

Referred to Committee on Finance.

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.

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 bill and the bill was placed on the second reading calendar:

HOUSE BILL NO. 1918

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

SECOND READING

HOUSE BILL NO. 1988, by Representatives Shewmake, Berry and Paul

Concerning tax deferrals for investment projects in clean technology manufacturing, clean alternative fuels production, and renewable energy storage.

The bill was read the second time.

There being no objection, Second Substitute House Bill No. 1988 was substituted for House Bill No. 1988 and the second substitute bill was placed on the second reading calendar.

SECOND SUBSTITUTE HOUSE BILL NO. 1988 was read the second time.

Representative Orcutt moved the adoption of amendment (1341):

On page 6, line 22, after "receive a" insert "one hundred percent"

Beginning on page 6, line 23, after "this act" strike all material through "faith efforts" on page 8, line 8

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

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

Representative Springer spoke against the adoption of the amendment.

Amendment (1341) was not adopted.

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

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

Representative Orcutt spoke against the passage of the bill.

MOTIONS

On motion of Representative Riccelli, Representative J. Johnson was excused.

On motion of Representative Griffey, Representative Chandler was excused.

The Speaker stated the question before the House to be the final passage of Second Substitute House Bill No. 1988.

ROLL CALL

The Clerk called the roll on the final passage of Second Substitute House Bill No. 1988, and the bill passed the House by the following vote: Yeas, 56; Nays, 40; Absent, 0; Excused, 2.

Voting yea: Representatives Bateman, Berg, Bergquist, Berry, Bronoske, Callan, Chapman, Chopp, Cody, Davis, Dolan, Donaghy, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hackney, Hansen, Harris-Talley, Kirby, Kloba, Leavitt, Lekanoff, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Rule, Ryu, Santos, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Walen, Wicks, Wylie and Mme. Speaker.

Voting nay: Representatives Abbarno, Barkis, Boehnke, Caldier, Chambers, Chase, Corry, Dent, Dufault, Dye, Eslick, Gilday, Goehner, Graham, Griffey, Harris, Hoff, Jacobsen, Klicker, Klippert, Kraft, Kretz, MacEwen, Maycumber, McCaslin, McEntire, Mosbrucker, Orcutt, Robertson, Rude, Schmick, Steele, Stokesbary, Sutherland, Vick, Volz, Walsh, Wilcox, Ybarra and Young.

Excused: Representatives Chandler and J. Johnson.

SECOND SUBSTITUTE HOUSE BILL NO. 1988, having received the necessary constitutional majority, was declared passed.

HOUSE BILL NO. 1914, by Representatives Riccelli, Orcutt, Berry, Leavitt, McEntire, Ryu, Santos, Walen, Wicks, Ortiz-Self, Stonier, Robertson, Peterson, Rule, Vick, Goodman, Dolan, Orwall, Eslick, Barkis, Graham, Berg, Dent, Bateman and Macri

Updating and expanding the motion picture competitiveness program.

The bill was read the second time.

There being no objection, Substitute House Bill No. 1914 was substituted for House Bill No. 1914 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1914 was read the second time.

Representative Riccelli moved the adoption of striking amendment (1365):

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 43.365.005 and 2006 c 247 s 1 are each amended to read as follows:

The legislature recognizes the motion picture industry in Washington as a valuable commodity contributing greatly to the economic vitality of the state and the cultural integrity of our communities. The legislature further recognizes the production of in-state motion pictures, television programs, and television commercials creates a marked increase in tourism, family-wage jobs, and the sale of local goods and services generating revenue for the state. Furthermore, with captive national and international audiences, the world is introduced to the state's pristine scenic venues and reminded that the Pacific Northwest is a great place to live and raise a family. The legislature also recognizes the inherent educational value of promoting arts and culture as well as the benefits of training young motion picture professionals who will build a fruitful industry for years to come.

The legislature finds in recent years that the state has realized a drastic decline in motion picture production that precludes economic expansion and threatens the state's reputation as a production destination. With the emergence of tax incentives in ~~((thirty))~~ other states nationwide, in-state producers are taking their projects to more competitive economic climates, such as Oregon and Vancouver, British

Columbia, where compelling tax incentive packages and subsidies are already in effect.

The legislature also finds that in recent years increasingly workers in Washington state are without health insurance coverage and retirement income protections, causing hardships on workers and their families and higher costs to the state.

The legislature also recognizes that there are significant barriers to entry for those from marginalized communities to enter the motion picture workforce. This results in lost opportunity for people to tell stories in film that reflect a breadth of diversity in experience across race, gender, ability, sexual orientation, and place of origin.

The legislature also finds that more investment in the film industry will increase revenue with Washington state businesses and create family-wage jobs that pay health and retirement benefits for Washington workers. Moreover, targeted investments in rural and marginalized communities will create opportunities to build an equitable workforce and film industry.

Therefore, it is the intent of the legislature to recognize both national and international competition in the motion picture production marketplace. The legislature is committed to leveling the competitive playing field and promoting an equitable film industry and is interested in a partnership with the private sector to regain Washington's place as a premier destination to make motion pictures, television, and television commercials. While at the same time the legislature is committed to ensuring that workers in the motion picture and television industry are covered under health insurance and retirement income plans and that motion picture production sets and stories reflect the diversity of Washington residents.

Sec. 2. RCW 43.365.010 and 2017 3rd sp.s. c 37 s 1103 are each amended to read as follows:

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

(1) "Approved motion picture competitiveness program" and "program" mean ~~((=))~~ a nonprofit organization under the internal revenue code, section

501(c)(6), with the sole purpose of revitalizing the state's economic, cultural, and educational standing in the national and international market of motion picture production and associated creative industries and assisting and providing services for attracting the film industry and associated creative industries, by recommending and awarding financial assistance for costs associated with motion pictures in the state of Washington.

(2) "Board of directors" and "board" mean the board of directors established in RCW 43.365.030.

(3) "Contribution" means cash contributions.

~~((3))~~ (4) "Costs" means actual expenses of production and postproduction expended in Washington state for the production of motion pictures, including but not limited to payments made for salaries, wages, and health insurance and retirement benefits, the rental costs of machinery and equipment and the purchase of services, food, property, lodging, and permits for work conducted in Washington state.

~~((4))~~ (5) "Department" means the department of commerce.

~~((5))~~ (6) "Funding assistance" means cash expenditures from an approved motion picture competitiveness program.

~~((6))~~ (7) "Motion picture" means a recorded audiovisual production intended for distribution to the public for exhibition in public and/or private settings by means of any and all delivery systems and/or delivery platforms now or hereafter known, including without limitation, screenings in motion picture theaters, broadcasts and cablecast transmissions for viewing on televisions, computer screens, and other audiovisual receivers, viewings on screens by means of digital video disc (DVD) players, video on demand (VOD) services, and digital video recording (DVR) services, direct internet transmission, and viewing on digital computer-based systems which respond to the users' actions (interactive media).

~~((7))~~ (8) "Person" has the same meaning as provided in RCW 82.04.030.

(9) "Rural community" has the same meaning as "rural county" in RCW 82.14.370.

Sec. 3. RCW 43.365.030 and 2012 c 189 s 3 are each amended to read as follows:

(1) A Washington motion picture competitiveness program under this chapter must be administered by a board of directors appointed by the governor, and the appointments must be made within sixty days following enactment. The department, after consulting with the board, must adopt rules for the standards that shall be used to evaluate the applications for funding assistance prior to June 30, 2006.

(2) The board must evaluate and award financial assistance to motion picture projects under rules set forth under RCW 43.365.020.

(3) The board must consist of the following members:

(a) ~~((One member))~~ Two members representing the Washington motion picture production industry, one of whom must demonstrate expertise in the financing of motion picture projects;

(b) ~~((One member representing the Washington motion picture postproduction industry;~~

~~(e))~~ One member representing technologies impacting the Washington ~~((interactive media or))~~ emerging motion picture industry;

~~((d))~~ (c) Two members representing labor unions affiliated with Washington motion picture production;

~~((e) One member representing the Washington visitors and convention bureaus;~~

~~(f) One member representing the Washington tourism industry;~~

~~(g) One member representing the Washington restaurant, hotel, and airline industry))~~ (d) Three members representing industries and businesses impacted by motion picture production, one of whom must represent industries or businesses located east of the crest of the Cascade mountain range and one of whom must represent industries or businesses located west of the crest of the Cascade mountain range;

(e) Two cochairs of the board's equity committee, not already serving on the board, recommended by the board to the governor;

(f) Two cochairs of the board's advisory committee, also known as the

film leadership council, not already serving on the board, recommended by the board to the governor; and

~~((h))~~ (g) A chairperson, chosen at large, must serve at the pleasure of the governor.

(4) The term of the board members, other than the chair, is four years, except as provided in subsection (5) of this section.

(5) The governor must appoint board members ~~((in 2010))~~ to ~~((two-year or))~~ four-year staggered terms ~~((. Once the initial two-year or four-year terms expire, all subsequent terms are for four years. The terms of the initial board members are as follows:))~~

~~(a) The board positions in subsection (3) (b), (c), and (g) of this section, and one position from subsection (3) (d) of this section must be appointed to two-year terms; and~~

~~(b) The remaining board positions in subsection (3) of this section shall be appointed to four-year terms), except the board member initially appointed to the position in subsection (3) (b) of this section and the board member initially appointed to the position in subsection (3) (f) of this section must each be appointed to a two-year term. Once those initial two-year terms expire, all subsequent terms are for four years.~~

(6) A board member appointed by the governor may be removed by the governor for cause under RCW 43.06.070 and 43.06.080.

(7) ~~((Five))~~ Seven members of the board constitute a quorum.

(8) The board must elect a treasurer and secretary annually, and other officers as the board members determine necessary, and may adopt bylaws or rules for its own government.

(9) The board must make any information available at the request of the department to administer this chapter.

(10) Contributions received by a board must be deposited into the account described in RCW 43.365.020(2).

(11) Board members must comply with all requirements of a 501(c)(6) organization, including the prohibition on using information obtained as a board member for personal gain. Board members must act in the best interest of the

approved motion picture competitiveness program. Each board member is required to complete an annual conflicts of interest form to disclose all conflicts and potential conflicts of interest with board actions. If a board member has a conflict of interest with respect to an application for funding assistance, the board member must disclose the board member's conflict and not be present for a discussion or vote on the application.

Sec. 4. RCW 43.365.020 and 2012 c 189 s 2 are each amended to read as follows:

(1) The department must adopt criteria for the approved motion picture competitiveness program with the sole purpose of revitalizing the state's economic, cultural, and educational standing in the national and international market of motion picture production. Rules adopted by the department shall allow the program, within the established criteria, to provide funding assistance only when it captures economic opportunities for Washington's communities and businesses and shall only be provided under a contractual arrangement with a private entity. In establishing the criteria, the department shall consider:

(a) The additional income and tax revenue to be retained in the state for general purposes;

(b) The creation and retention of family-wage jobs which provide health insurance and payments into a retirement plan;

(c) The impact of motion picture projects to maximize in-state labor and the use of in-state film production and film postproduction companies;

(d) The impact upon the local economies and the state economy as a whole, including multiplier effects;

(e) The intangible impact on the state and local communities that comes with motion picture projects;

(f) The regional, national, and international competitiveness of the motion picture filming industry;

(g) The revitalization of the state as a premier venue for motion picture production and national television commercial campaigns;

(h) Partnerships with the private sector to bolster film production in the

state and serve as an educational and cultural purpose for its citizens;

(i) The vitality of the state's motion picture industry as a necessary and critical factor in promoting the state as a premier tourist and cultural destination;

(j) Giving preference to additional seasons of television series that have previously qualified and to motion picture productions that tell stories of marginalized communities; and

(k) Other factors the department may deem appropriate for the implementation of this chapter.

(2) The board of directors (~~(created under RCW 43.365.030)~~) shall create and administer an account for carrying out the purposes of subsection ~~((4))~~ (4) of this section.

(3) The board's goal must be to commit at least 20 percent of funding assistance to motion picture productions located or filmed in rural communities and 20 percent of funding assistance to motion picture productions that tell stories of marginalized communities.

(4) Money received by the approved motion picture competitiveness program shall be used only for:

(a) Health insurance and payments into a retirement plan, and other costs associated with film production; ~~((and))~~

(b) Staff and related expenses to maintain the program's proper administration and operation;

(c) Supporting the growth and development of the Washington state film industry through career connected learning, workforce development, and business development with a focus on better supporting people from marginalized or rural communities; and

(d) Developing resources to facilitate filming in rural communities including, but not limited to, economic development grants for filming, training for film liaisons, information about film permitting processes, and grants to support the expansion of location database collateral.

~~((4))~~ (5) Except as provided otherwise in subsections ~~((7))~~ (8) and (9) of this section, maximum funding assistance from the approved motion picture competitiveness program is limited to an amount up to thirty percent

of the total actual investment in the state of at least:

(a) Five hundred thousand dollars for a single motion picture produced in Washington state; or

(b) One hundred fifty thousand dollars for a television commercial associated with a national or regional advertisement campaign produced in Washington state.

~~((5))~~ (6) Except as provided otherwise in subsections ~~((7))~~ (8) and (9) of this section, maximum funding assistance from the approved motion picture competitiveness program is limited to an amount up to thirty-five percent of the total actual investment of at least three hundred thousand dollars per episode produced in Washington state. A minimum of six episodes of a series must be produced to qualify under this subsection. A maximum of up to thirty percent of the total actual investment from the approved motion picture competitiveness program may be awarded to an episodic series of less than six episodes.

~~((6))~~ (7) With respect to costs associated with nonstate labor for motion pictures and episodic services, funding assistance from the approved motion picture competitiveness program is limited to an amount up to fifteen percent of the total actual investment used for costs associated with nonstate labor. To qualify under this subsection, the production must have a labor force of at least eighty-five percent of Washington residents. The board may establish additional criteria to maximize the use of in-state labor.

~~((7))~~ (8)(a) The approved motion picture competitiveness program may allocate an annual aggregate of no more than ten percent of the qualifying contributions by the program under RCW 82.04.4489 to provide funding support for filmmakers who are Washington residents, new forms of production, and emerging technologies.

(i) Up to thirty percent of the actual investment for a motion picture with an actual investment lower than that of motion pictures under subsection ~~((4))~~ (5)(a) of this section; or

(ii) Up to thirty percent of the actual investment of an interactive motion picture intended for multiplatform exhibition and distribution.

(b) Subsections (~~(4)~~ and) (5) and (6) of this section do not apply to this subsection.

~~((8))~~ (9) (a) In addition to the maximum funding assistance established in subsections (5) and (6) of this section, up to a 10 percent enhancement award on a motion picture production's state investment must be given for motion pictures: (i) Located or filmed in a rural community; or (ii) that tell stories of marginalized communities.

(b) Total actual investment requirements established in subsections (5) and (6) of this section apply to this subsection (9).

(10) (a) Funding assistance must include up to \$3,000,000 for small motion picture productions produced in Washington state, subject to subsection (11) of this section, that are creatively driven by Washington residents. To qualify, the small motion picture production must have at least two Washington residents in any combination of the following positions: Writer, director, producer, or lead actor. An entity seeking funding assistance for a small motion picture production must demonstrate that the amount of the total actual investment for the production is less than \$1,000,000.

(b) Maximum funding assistance and total actual investment requirements, established in subsections (5), (6), (7), (8), and (9) of this section apply to small motion picture productions. The department shall adopt rules as necessary to implement this subsection (10).

(11) Funding assistance approval must be determined by the approved motion picture competitiveness program within a maximum of thirty calendar days from when the application is received, if the application is submitted after August 15, 2006. For small motion picture productions, the approved motion picture competitiveness program, after determining a conditional approval of the production, shall hold the production's funding assistance in reserve while the entity seeking funding assistance for the production secures financing for the remainder of the budget. Once the entity seeking funding assistance for the production demonstrates to the program that it has secured the necessary financing, the program shall certify the small motion picture production as approved. If the entity seeking funding

assistance cannot demonstrate within six months from the date of conditional approval that it has secured the total budget, the program must make the funding assistance available to other eligible applicants with funding assistance approval.

(12) By December 31, 2022, and annually thereafter, the department, on behalf of the board, must report to the legislature on the approved motion picture competitiveness program. This report may include information required in the survey established in RCW 43.365.040. At a minimum, the report must include an annual list of recipients awarded financial assistance from the prior year with total estimated production costs, locations of each production, and the board's progress towards the goal of at least 20 percent of its funding assistance provided to motion picture productions located or filmed in rural communities and 20 percent of its funding assistance provided to motion picture productions that tell stories of marginalized communities. The report must also include information on workforce development, career connected learning, and business development activities, including whether they have been scaled up in size from the previous year and how they are meeting the goal of supporting people from marginalized communities.

(13) The approved motion picture competitiveness program must allocate funds for training and job placement for marginalized communities as follows:

(a) For fiscal years 2023 and 2024, a minimum of \$500,000 for each fiscal year; and

(b) For each fiscal year on or after July 1, 2024, a minimum of \$750,000.

Sec. 5. RCW 82.04.4489 and 2017 3rd sp.s. c 37 s 1102 are each amended to read as follows:

(1) Subject to the limitations in this section, a credit is allowed against the tax imposed under this chapter for contributions made by a person to a Washington motion picture competitiveness program.

(2) The person must make the contribution before claiming a credit authorized under this section. Credits earned under this section may be claimed against taxes due for the calendar year in which the contribution is made. The

amount of credit claimed for a reporting period may not exceed the tax otherwise due under this chapter for that reporting period. No person may claim more than ~~((seven hundred fifty thousand dollars))~~ \$1,000,000 of credit in any calendar year, including credit carried over from a previous calendar year. No refunds may be granted for any unused credits.

(3) The maximum credit that may be earned for each calendar year under this section for a person is limited to the lesser of ~~((seven hundred fifty thousand dollars))~~ \$1,000,000 or an amount equal to one hundred percent of the contributions made by the person to a program during the calendar year.

(4) Except as provided under subsection (5) of this section, a tax credit claimed under this section may not be carried over to another year.

(5) Any amount of tax credit otherwise allowable under this section not claimed by the person in any calendar year may be carried over and claimed against the person's tax liability for the next succeeding calendar year. Any credit remaining unused in the next succeeding calendar year may be carried forward and claimed against the person's tax liability for the second succeeding calendar year; and any credit not used in that second succeeding calendar year may be carried over and claimed against the person's tax liability for the third succeeding calendar year, but may not be carried over for any calendar year thereafter.

(6) Credits are available on a first-in-time basis. The department must disallow any credits, or portion thereof, that would cause the total amount of credits claimed under this section during any calendar year to exceed ~~((three million five hundred thousand dollars))~~ \$20,000,000. If this limitation is reached, the department must notify all Washington motion picture competitiveness programs that the annual statewide limit has been met. In addition, the department must provide written notice to any person who has claimed tax credits in excess of the limitation in this subsection. The notice must indicate the amount of tax due and provide that the tax be paid within thirty days from the date of the notice. The department may not assess penalties and interest as provided in chapter 82.32 RCW on the amount due in the initial notice if the amount due is paid by the

due date specified in the notice, or any extension thereof.

(7) To claim a credit under this section, a person must electronically file with the department all returns, forms, and any other information required by the department, in an electronic format as provided or approved by the department. Any return, form, or information required to be filed in an electronic format under this section is not filed until received by the department in an electronic format. As used in this subsection, "returns" has the same meaning as "return" in RCW 82.32.050.

(8) No application is necessary for the tax credit. The person must keep records necessary for the department to verify eligibility under this section.

(9) A Washington motion picture competitiveness program must provide to the department, upon request, such information needed to verify eligibility for credit under this section, including information regarding contributions received by the program.

(10) The department may not allow any credit under this section before July 1, 2006.

(11) For the purposes of this section, "Washington motion picture competitiveness program" or "program" means an organization established pursuant to chapter 43.365 RCW.

(12) Persons claiming a credit against the tax imposed under this chapter for contributions made to a Washington motion picture competitiveness program and not otherwise receiving funding assistance under RCW 43.365.020 are exempt from the annual reporting requirements in RCW 82.32.534 and 43.365.040.

(13) No credit may be earned for contributions made on or after July 1, ~~((2027))~~ 2030.

Sec. 6. RCW 43.365.040 and 2012 c 189 s 5 are each amended to read as follows:

(1) The legislature finds that accountability and effectiveness are important aspects of setting tax policy. In order to make policy choices regarding the best use of limited state resources the legislature needs information on how incentives are used.

(2) Each motion picture production receiving funding assistance under RCW

43.365.020 must report information to the department by filing a complete annual survey. The survey is due by March 31st of the year following any calendar year in which funding assistance under RCW 43.365.020 is taken. The department may extend the due date for timely filing of annual surveys under this section if failure to file was the result of circumstances beyond the control of the motion picture production receiving the funding assistance.

(3) The Washington motion picture competitiveness program established in RCW 43.365.030, in collaboration with the department and the department of revenue, and in consultation with the joint legislative audit and review committee, must develop a survey form and instructions that accompany the survey form by November 1, 2012. The instructions must provide sufficient detail to ensure consistent reporting. The survey must be designed to acquire data to allow the state to better measure the effectiveness of the program and to provide transparency of the motion picture competitiveness program. The survey must include:

(a) The total amount of taxes paid;

(b) The amount of taxes paid classified by type, which may include, but is not limited to, sales taxes, use taxes, business and occupation taxes, unemployment insurance taxes, and workers' compensation premiums;

(c) The amount of funding assistance received; and

(d) The following information for employment positions in Washington by the motion picture production receiving funding assistance, including indirect employment by contractors or other affiliates:

(i) The number of total employment positions;

(ii) The average number of hours worked by employed individuals;

(iii) The average base pay of individuals employed by motion picture companies, including contributions to health care benefits and retirement plans;

(iv) The number of employment positions that have employer-provided medical, dental, and retirement benefits; and

(v) The number of employment positions filled by Washington state residents, and residency information for employment positions filled by people from other locations.

(4) The department may request additional information necessary to measure the results of the funding assistance (~~(program)~~), to be submitted at the same time as the survey.

(5) If a person fails to submit an annual survey under subsection (2) of this section by the due date of the report or any extension the department must declare the amount of funding assistance for the previous calendar year to be immediately due and payable. The department must assess interest, but not penalties, on the amounts due under this section. The interest is assessed at the rate provided for delinquent taxes under chapter 82.32 RCW, retroactively to the date the funding assistance was received, and accrues until the funding assistance is repaid.

(6) The department must use the information from this section to prepare summary descriptive statistics. The department must report these statistics to the legislature each even-numbered year by September 1st. The department must provide the complete annual surveys to the joint legislative audit and review committee, which shall perform a review as required under RCW 43.365.050.

(7) The motion picture competitiveness program must periodically audit and generally monitor the survey information submitted by production companies for completeness and accuracy.

Sec. 7. RCW 43.365.050 and 2006 c 247 s 7 are each amended to read as follows:

~~((The provisions of RCW 82.04.4489 are subject to review by the joint legislative audit and review committee.))~~ (1) It is the legislature's specific public policy objective to increase the viability of the motion picture and film industry and associated creative industries in Washington state. It is the legislature's intent to increase the credit available under RCW 82.04.4489 in order to attract additional motion picture and film projects, thereby increasing family-wage jobs.

(2) The joint legislative audit and review committee ((will)) must review and make a recommendation to the ((house finance committee and the senate ways and

~~means committee~~) fiscal committees of the legislature by December 1, ~~((2010))~~ 2026, regarding the effectiveness of the motion picture competitiveness program including, but not limited to, the amount of state revenue generated, the amount and number of family ~~((wages - wage))~~ - wage jobs with benefits created, adherence to the criteria in RCW 43.365.020, changes in Washington's share of the film employment market, and any other factors deemed appropriate by the joint legislative audit and review committee.

(3) In order to obtain the data necessary to perform the review in subsection (2) of this section, the joint legislative audit and review committee may refer to tax data provided to the department of revenue and the annual survey required under RCW 43.365.040.

NEW SECTION. Sec. 8. 2017 3rd sp.s. c 37 s 1101 (uncodified) is repealed."

Correct the title.

Representatives Riccelli and Boehnke spoke in favor of the adoption of the striking amendment.

Striking amendment (1365) was adopted.

The bill was ordered engrossed.

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

Representatives Boehnke, Riccelli and Orcutt spoke in favor of the passage of the bill.

The Speaker stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 1914.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1914, and the bill passed the House by the following vote: Yeas, 93; Nays, 3; Absent, 0; Excused, 2.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Donaghy, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, Kirby, Klicker, Klippert, Kloba, Kretz, Leavitt, Lekanoff, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos,

Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra and Mme. Speaker.

Voting nay: Representatives Kraft, Paul and Young.

Excused: Representatives Chandler and J. Johnson.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1914, having received the necessary constitutional majority, was declared passed.

STATEMENT FOR THE JOURNAL

I intended to vote YEA on Engrossed Substitute House Bill No. 1914.

Representative Paul, 10th District

SECOND READING

HOUSE BILL NO. 1918, by Representatives Macri, Valdez, Berry, Ryu, Simmons, Peterson, Goodman, Ramel, Kloba, Bateman, Harris-Talley and Pollet

Reducing emissions from outdoor power equipment.

The bill was read the second time.

There being no objection, Second Substitute House Bill No. 1918 was substituted for House Bill No. 1918 and the second substitute bill was placed on the second reading calendar.

SECOND SUBSTITUTE HOUSE BILL NO. 1918 was read the second time.

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

Representatives Macri and Orcutt spoke in favor of the passage of the bill.

Representative Ybarra spoke against the passage of the bill.

The Speaker stated the question before the House to be the final passage of Second Substitute House Bill No. 1918.

ROLL CALL

The Clerk called the roll on the final passage of Second Substitute House Bill No. 1918, and the bill passed the House by the following vote: Yeas, 81; Nays, 15; Absent, 0; Excused, 2.

Voting yea: Representatives Abbarno, Barkis, Bateman, Berg, Bergquist, Berry, Bronoske, Callan, Chambers, Chapman, Chase, Chopp, Cody, Corry, Davis, Dolan, Donaghy, Duerr, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, Kirby, Klicker, Kloba, Leavitt, Lekanoff, Macri, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul,

Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Wicks, Wilcox, Wylie, Young and Mme. Speaker.

Voting nay: Representatives Boehnke, Caldier, Dent, Dufault, Graham, Klippert, Kraft, Kretz, MacEwen, Maycumber, McCaslin, McEntire, Sutherland, Walsh and Ybarra.

Excused: Representatives Chandler and J. Johnson.

SECOND SUBSTITUTE HOUSE BILL NO. 1918, having received the necessary constitutional majority, was declared passed.

There being no objection, the House adjourned until 10:00 a.m., March 7, 2022, the 57th Legislative Day of the Regular Session.

LAURIE JINKINS, Speaker

BERNARD DEAN, Chief Clerk

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